



County of El Dorado

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Legislation Text

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Hearing to consider adoption of Resolution **205-2008** amending the 2004 General Plan Traffic Impact Mitigation (TIM) Fee Program and adoption of the revised Traffic Impact Mitigation Fee Rates.

FUNDING: TIM fees.

BUDGET SUMMARY:		
Total Estimated Cost		\$0.00
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$0.00

Fiscal Impact/Change to Net County Cost:

Adoption of the Resolution will allow the TIM Fee Program to maintain fees consistent with project cost adjustments, providing necessary funding for Capital Improvement Projects as set forth in Resolution No. 266-2006.

Background:

On August 22, 2006, the Board approved Resolution No. 266-2006 adopting the 2004 General Plan Traffic Impact Mitigation Fee Program pursuant to a comprehensive review. The Board also adopted Resolution No. 265-2006, which certified the Traffic Impact Mitigation Fee Program Supplement to the 2004 General Plan Environmental Impact Report, issued a Supplemental Statement of Overriding Considerations, and made Supplemental Findings of Fact.

Resolution 266-2006 requires the annual review of the TIM fee program and directs the Department of Transportation to return to the Board of Supervisors with a recommendation to adjust the TIM fees, up or down, based on changes in the cost of construction or other costs. On September 25, 2007, the Board adopted Resolution 243-2007 to adjust the fees based on inflation of construction costs during the proceeding year.

Reason for Recommendation:

Calculation of New Fee Rates: The Department has reviewed all the projects contained in the fee

program and recommends the fee rates be adjusted to those shown in Exhibit A of the attached resolution (_____). The list of projects included in the fee program, the costs and allocations of those costs to the various components are shown in Exhibit B of the resolution. A map showing the fee zones is attached to the resolution as Exhibit C.

The costs of the projects have been adjusted, up or down, using the most current cost estimates for those projects as contained in the Department's 5-year Capital Improvement Program recently adopted by the Board. In several cases, those cost estimates needed to be revised to reflect the change from using the California Department of Transportation (Caltrans) Price Index for Selected California Construction Items (Caltrans Index) to the Engineering News Record (ENR) Building Cost Index (ENR Index) (see below for further discussion on this). The Department continues to refine its cost estimating process to provide the most accurate estimates possible. This is an ongoing priority within the Department.

The total project costs for the TIM Fee Program have dropped from \$959.5 million to \$942.9 million. This equates to a decrease of 1.73%. This percentage decrease was applied to all the fees in the fee schedules (with rounding) evenly across all the fee zones. The new rates are shown as Exhibit A of the proposed Resolution.

The Caltrans Index for time period specified in Resolution 243-2007 (October 1st to September 30th) would have required an increase in the existing fee rates of 5.19%. Using the recommended ENR Index and time period (October 2006 to January 2008) results in the reduction in the fees by 1.73%. There was also discussion regarding continuing the use of the Caltrans Index, but extending the time frame to end on December 31, 2007. Using this index value would result in a reduction of the fees by approximately 8%. Also, more recent information suggests the Caltrans Index is continuing a downward trend based on reduced construction costs while the ENR index is continuing to trend upwards due to their "smoothing" formulas.

TIM Fee Working Group: The Board also took action at the September 25, 2007, meeting to direct the Department on Transportation to set up a working group to discuss the issues raised during the public hearing for the fee program increase. The Department set up the "Tim Fee Working Group" in late 2007 and scheduled an introductory meeting. At that meeting the working group decided that they should meet once a month and that staff would provide information for the group and keep a meeting record. Those meeting records are attached.

The major issues the working group has discussed this far includes:

- Construction cost inflation indices - There was much discussion over several meetings regarding what cost index was the appropriate one to be used. The group narrowed the focus to three: The Caltrans 12-month index, the Caltrans 15-month index, and the ENR index. While no consensus was reached on which index should be used, the ENR index was generally favored over the Caltrans indices. One of the primary reasons was the smoothing formula ENR uses dampens the wide fluctuations that the Caltrans indices have seen over the past three years. There did appear to be consensus that once an index was chosen, the County should stick to that one for the long term instead of bouncing back and forth between indices.

- Project cost estimating process - There was a generalized discussion on how the Department of Transportation estimates project costs. Department staff described the process where early in the planning stages of a project the Department uses fairly generic estimates based on gross factors such as dollars per lane mile. As the projects become more refined and the engineering work proceeds, these estimates become more specific and start using actual unit prices for the estimates. At the final stage, the project has been constructed and the actual costs of construction are included in the fee program.
- Unit prices for construction items - There was discussion regarding the unit prices the Department is using for its cost estimates with the thought that they are significantly too high. At the request of the working group, a small sub-group of interested individuals was formed to look at some actual projects in detail. The entire group selected three projects from the fee program to focus on: Silva Valley Parkway Interchange, Cameron Park Drive Interchange, and the widening of White Rock Road between Latrobe Road and the Silva Valley Parkway Interchange. Department staff responsible for delivering these projects presented their methodology for estimating the project costs. The small group reported back to the entire group that while the unit prices might be higher than desired, they were not unreasonable.
- Project delivery costs - The same small group as described above for unit prices also met and reviewed the Department's project delivery costs for these same three projects. Additionally, the Department also provided a report on the delivery costs for projects completed during the past three years. Similar to the unit prices issue, the group felt that the Department's project delivery costs and estimated costs are too high but not so much as to be labeled unreasonable or in error. In addition, the Department's delivery costs were compared to other public agencies' costs and were found to be reasonable.
- Right of Way costs - The same small group also discussed the estimated right of way costs included in the program. No conclusion has been reached regarding this issue and discussion is continuing on it.
- 84/16 Split - The group discussed this issue at one of their meetings. No conclusions were reached beyond a general statement that the fee rates are very high and not helping during the current economic down turn. There was a recognition the fees for non-residential uses could not be further increased without risking job creation. The discussion then moved to one of a more generalized "How do we lower the fees?"
- Inclusion of Safety and Intelligent Transportation Systems (ITS) "Local Match" Projects - There was some discussion regarding the inclusion of Safety and ITS projects in the line item for Traffic Signals/Intersection Improvements line item. Some of the working group felt this was inappropriate, while others felt including them was okay since inclusion didn't change the fee rates and would allow the County to leverage additional grant money. It was also pointed out by some of the group that traffic from new development would be using these road segments and as such should be a contributor to their improvement.
- Highway 50 Mobility Partnership Regional Fee - Most of the May 29th working group meeting was devoted to a presentation of the Partnership's proposal and the ensuing discussion. Many in the group shared their concerns with the County "sending money to the west." One of

the comments was regarding the Measure A sales tax in Sacramento County and the large number of El Dorado County residents shopping in Sacramento County and hence already funding transportation projects west of the County line. Others felt that the \$11 million for El Dorado County's share would be a cheap investment in the regions circulation needs and is reflective of the fact that El Dorado County residents and employees drive through that area.

Action to be taken following Board approval:

Authorize the Chairman to sign the resolution adopting the adjusted fees. New fees will go into effect sixty-days from date of adoption. DOT will collect applicable 2004 General Plan TIM fees on residential and non-residential building permits pursuant to the new fee schedule.

Contact:

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