



## Legislation Text

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Department of Transportation recommending the Board adopt and authorize the Chair to sign Resolution **196-2020** which includes the updated Three Zone Traffic Impact Fee (TIF) Nexus Study as presented on November 17, 2020 (Item 30) and completes the 2020 Major Update to the Traffic Impact Fee Program and the CIP.

**FUNDING:** Traffic Impact Fee Program.

### **DISCUSSION / BACKGROUND**

The Department of Transportation (Transportation) has been directed to accelerate the Major Update to the Traffic Impact Fee (TIF) Program and the CIP (see September 17, 2019, Item 32). This is the tenth workshop related to the implementation of the TIF Program.

The County's TIF Program allocates the cost of roadway improvements based on the number of new vehicle trips generated in the PM peak hour for various land use types. For non-residential development, current land use categories include general commercial, hotel/motel/B&B, church, office/medical, and industrial/warehouse.

Most non-residential development generally falls into one of these above listed categories, although a "per trip" fee may be charged when the County determines that use of the categories is not appropriate. This may be due to an uncommon land use or any other factors that, at the County's sole discretion, render the category unrepresentative of the expected trip generation of the proposed land use.

### November 17, 2020 Board Workshop

Transportation staff and their consultant team presented the results of the analysis for the three alternatives the Board identified during the October 20, 2020 Board workshop (Item 31). Staff described the geographical differences between the three alternatives and noted that all three alternatives have been used in previous traffic impact fee versions.

The County's economic consultant, Urban Economics, described the methodology used to assign non-residential and residential offsets that are funded with the projected alternative funding sources. Zone 8 was not assigned any residential offset, as it was the only TIF Zone projected to have a reduction.

The following three fee schedule alternatives, with their respective nexus studies and maps, were presented to the Board for consideration:

- 1) Base Case - eight zones with Zones 2 and 3 combined;
- 2) Three Zones - Combining Zones 2 and 3, plus combining rural Zones 1, 4, 5, 6 and 7; Zone 8 remains separate;
- 3) Two Zones - Combining Zones 1 - 7, Zone 8 remains separate.

The Three Zone alternative normalizes the rural zones with increases in Zones 1, 4, 5 and 6; and a decrease for Zone 7. Zones 2 and 3 have a slight increase compared to the October presentation. The Two Zone alternative has dramatic increases to all the rural zones and a very small increase in Zones 2 and 3.

The Board approved utilizing the proposed non-residential and residential offsets using the projected alternative funding sources; selected the Three Zone Fee Program alternative for implementation; and directed staff to return on December 8, 2020 with the appropriate resolution for adoption of the Major Update to the TIF Program and to incorporate the changes into the 2021 CIP.

Staff has prepared the proposed resolution (Attachment B) for the Board to consider, adopt and authorize the Chair to sign adopting the 2020 TIF Schedule. The El Dorado County Traffic Impact Fee (TIF) Program Update Nexus & Funding Model (see Attachment B, Exhibit C) has been updated to reflect the direction of the Board. The 2020 TIF Program Update Supporting Documentation is Attachment C. Throughout the development of the proposed El Dorado TIF Update fee schedule, various policy, fee structure, and nexus technical studies were performed and presented to the County Board of Supervisors for consideration. Based on direction from the Board of Supervisors, these analyses established the building blocks for the TIF Update and helped inform the proposed updated fee schedule. These individual but related technical studies are included in memorandum form under separate cover as: Appendix A Fee Structure and Needs Analysis Supporting Documentation; and, Appendix B TIM Fee Capital Improvement Costs Supporting Documentation. Attachment C includes all the white papers that were presented to the Board, the technical analysis for the update, and the cost estimate cost sheets and methodology.

Should the Board adopt and authorize the Chair to sign the resolution on December 8, 2020, the new fees will go into effect on February 8, 2021.

Transportation staff will update the Traffic Impact Fee Administration Manual to reflect the Major Update and will incorporate the changes into the 2021 CIP.

## **RECOMMENDATION/DIRECTION**

Department of Transportation recommends the Board adopt and authorize the Chair to sign the resolution which includes the updated Three Zone Traffic Impact Fee (TIF) Nexus Study as presented on November 17, 2020.

## **ALTERNATIVES**

N/A

## **PRIOR BOARD ACTION**

May 14, 2019 (Item 41) the Board directed staff to move forward with the major update to the TIM Fee Program.

September 17, 2019 (Item 32) the Board directed staff to expedite the 2020 Major TIM Fee update and provide public outreach by holding workshops at the Board.

October 8, 2019 (Item 26) the Board received Technical Memorandum 1A: Vehicle Miles Traveled Based Equivalent Dwelling Units Rates, Technical Memorandum 1B: Fee Rates by Size of Single-Family Unit, Technical Memorandum 1C: Age-Restricted Fee Category, and the proposed schedule for the Major Update to the TIM Fee Program and Capital Improvement Program (CIP).

October 22, 2019 (Item 21) the Board approved Agreement 4324 with DKS Associates in the amount

of \$300,000 to provide staff assistance in developing the Major Update to the TIM Fee Program and CIP.

November 19, 2019 (Item 35) the Board approved the use of a 0.70% annual growth rate for residential growth and 0.67% annual growth rate for non-residential growth for the next twenty year period for the TIM Fee Major Update.

December 17, 2019 (Item 53) the Board gave direction to staff to continue to pursue the eight (8) TIM Fee zones and to explore a 20 year Benefit Cost Analysis.

February 11, 2020 (Item 23) the Board gave direction to staff to: 1) Set 10% as the level of Grant Funding for the non-residential offset that staff should assume in the TIM Fee Update; 2) Provide the Board an analysis of both the current percentage (62%) and the previous percent (65%) as the basis for shifting non-residential equivalent dwelling units to residential uses; 3) Direct staff to review the employment data in conjunction with each future major update to the TIM Fee program; 4) Direct staff to analyze both the current methodology and the methodology to only shift retail /commercial and office uses; and 5) Return to the Board with historical numbers for the different non-residential categories of use for TIM Fees.

March 17, 2020 (Item 28) the Board approved the El Dorado Countywide Housing and Employment Projections, 2018 - 2040 Memoranda.

April 21, 2020 (Item 26) the Board gave direction that cannabis processing shall be treated as a light industrial facility for purposes of the TIM fee assessment, continue the use of a per trip category for wineries, and use 62% as the basis for shifting non-residential equivalent dwelling units to residential uses in the TIM fee program.

August 25, 2020 (Item 41) the Board directed staff to incorporate the six categories by size for single family houses into the TIM Fee Program. The Board also received information on Smart Growth Discount and the initial project list for the impact fee program.

October 20, 2020 (Item 31) the Board directed staff to 1) Pursue Alternative Funding Sources; 2) Add a Residential offset for all Zones and consider applying the same offset for Residential and Non-Residential by Zone; 3) In coordination with consultants, analyze consolidation of fee structure of Zones as follows: a) Zones 2 and 3 (current configuration); b) Combine Zones 2 and 3, plus combine Zones 1, 4, 5, 6 and 7; and c) Combine all Zones excluding Zone 8.

November 17, 2020 (Item 30) the Board did the following: 1) Approved the proposed non-residential and residential offsets using projected alternative funding sources; 2) Selected the Three Zone Fee Program Alternative for implementation; and 3) Directed staff to return on December 8, 2020 with the appropriate resolution for adoption of the Major Update to the TIF Program and to incorporate the changes into the 2021 CIP.

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Planning and Building Department

CAO

Auditor Controller

County Counsel

## **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

## **FINANCIAL IMPACT**

There is no change to Net County Cost associated with this agenda item.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) The Clerk of the Board will obtain the Chair's signature on the resolution.
- 2) The Clerk of the Board will provide a copy of the executed resolution to Transportation; attention Julie Millard.

### **STRATEGIC PLAN COMPONENT**

TIF Program funding is a major funding source for the CIP, which is a vital part of the Infrastructure component of the County Strategic Plan. Adequate infrastructure is necessary for the Economic Development component and is a requirement of the County General Plan. Safe roads are a crucial factor in the Public Safety component of the County Strategic Plan.

### **CONTACT**

Rafael Martinez, Director  
Department of Transportation