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Title: Department of Transportation recommending the Board consider the following pertaining to the Major Update of the Traffic Impact Fee (TIF) Program and the Capital Improvement Program and consider the following:

- 1) Approve using the proposed, current percentage of local-serving jobs (61 percent) as the basis for shifting non-residential uses to residential uses in the TIF Program;
- 2) Receive information from staff on potential grant funding scenarios and select one of the grant funding scenarios to be used in calculating the new TIF Program Fee Schedule;
- 3) Receive information on the list of roadway deficiency projects resulting from approved growth rates and updates to the Travel Demand Model; and
- 4) Direct staff to proceed with updating the Nexus Model and to return to the Board on October 22, 2024, for a final workshop on residential/non-residential offset reduction scenarios.

FUNDING: Traffic Impact Fee Program.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Growth Shift Memo, 2. B - Grant Funding Memo, 3. C - Deficiency Analysis Technical Memo, 4. D - Presentation

Date	Ver.	Action By	Action	Result
8/13/2024	1	Board of Supervisors	Approved	Pass

Department of Transportation recommending the Board consider the following pertaining to the Major Update of the Traffic Impact Fee (TIF) Program and the Capital Improvement Program and consider the following:

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FUNDING: Traffic Impact Fee Program.

DISCUSSION / BACKGROUND

The Department of Transportation has been working on the Major Update to the Traffic Impact Fee (TIF) Program and the Capital Improvement Program (CIP) since the fall of 2023. This is the fourth workshop to discuss policy items related to the implementation of the TIF Program during the Major Update.

El Dorado County's (County) 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.

Local Serving Share of Non-Residential Employment

At the request of the County, Economic & Planning Systems, Inc. (EPS) prepared a memorandum in 2005 evaluating the relationship between residential and nonresidential growth. In the 2005 memorandum, EPS evaluated growth in residential, employed resident, and employment populations over a 10-year period spanning from 1990 to 2000. EPS concluded that 65 percent of commercial (retail/office) jobs in the County serve the local population. The County then used approximately this percentage (64 percent) in the County's Traffic Impact Mitigation (TIM) Fee Program to shift all non-residential equivalent dwelling units (EDUs) to residential uses to account for a local-serving share of non-residential employment. This allocation has been essentially applied to the TIM Fee Programs since 2005. In 2020, during the most recent major update to the renamed TIF Program, EPS provided an update to the 2005 memorandum, which resulted in the Board approving a lower shift of 62 percent.

EPS has prepared an update to the 2020 memorandum based on recent trends in residential, employed resident, and employment populations utilizing data from the California Department of Finance for the 10-year period spanning from 2013 to 2023, and the United States Census 10-year period spanning from 2011 to 2021 and 2012 to 2022. The EPS memo is attached with this item as Attachment A.

Based on this new data and analysis, EPS recommends considering using the current percentage of local-serving jobs in the County of 61 percent as the basis for shifting non-residential EDUs to residential uses in the County's TIF Program.

Grant Funding Assumptions

Over recent years, Grant funding opportunities for roadway capacity increasing projects, like those included within the TIF Program, have significantly decreased following the passage and enactment of new laws focused on reducing greenhouse gases (GHG) and vehicle-miles traveled (VMT).

To address this issue, staff believes it is necessary to revisit the amount of grant funding that is assumed within the TIF Program in order to ensure that it remains fully funded and compliant with General Plan Policy TC-Xc. To help inform this decision, the El Dorado County Transportation Commission (EDCTC) has assisted the County in preparing five grant funding scenarios from which the Board should select. A memo provided by EDCTC is attached with this item as Attachment B. These scenarios are all based on the baseline grant funding projections prepared by the Sacramento Area Council of Governments (SACOG) for the 20-year period spanning from 2025 to 2045.

In preparing the following scenarios, staff and EDCTC identified two Federal grant programs (the Congestion Mitigation and Air Quality (CMAQ) Program and the Urban Surface Transportation Block Grant (STBG) Program) and three state grant programs (State Transportation Improvement Program (STIP), Exchange STBG Program, and County Direct Exchange STBG Program) that could be utilized to fund roadway capacity increasing projects, such as those included in the TIF Program.

Funds from CMAQ and Urban STBG (referred to collectively hereafter as the federal grant programs) are awarded following competitive calls for projects, where potential projects submitted by agencies/jurisdictions are scored based on specified criteria. As such, securing funding from these sources is subject to variables outside the County's control and is not guaranteed. Other grant programs that are assumed to fund projects within the TIF Program are based on formulas and are more certain. Given the potential uncertainty surrounding competitive funding opportunities, Staff and EDCTC determined that adjusting the amount of grant funding obtained from the two competitive federal grant programs seemed like a reasonable approach to provide the Board with the following scenarios.

The five scenarios are as follows:

- 1) Scenario 1 is the baseline SACOG forecast and would provide approximately \$68 million (a 1.5% reduction from the previous major update)
- 2) Scenario 2 is a 10% reduction to the federal grant programs and assumes approximately \$64 million (an 8% reduction from the previous major update)
- 3) Scenario 3 is a 25% reduction to the federal grant programs and assumes approximately \$57 million (an 18% reduction from the previous major update)
- 4) Scenario 4 is a 50% reduction to the federal grant programs and assumes approximately \$46 million (a 34% reduction from the previous major update)
- 5) Scenario 5 is a 75% reduction to the federal grant programs and assumes approximately \$34.5 million (a 50% reduction from the previous major update).

For context, the level of grant funding assumed during the previous Major Update in 2020 funded approximately 18% of the total cost of all projects within the TIF Program, or approximately \$69 million.

It is also important to understand how the assumed grant funding is used within the TIF Program. During the 2020 Major Update, the Board determined that the grant funding would be used for the following three categories: 1) affordable housing offset (\$20,000,000), 2) external trips (approx. 1% of the total TIF costs), and 3) residential and non-residential offsets (65% to Zone A and 20% to Zone B for residential offsets, and a non-residential offset in Zone B of 30%). While the affordable housing offset program and external trip components are more fixed, depending on the scenario selected by the Board, reductions to the residential and non-residential offsets may be required.

Based on the above information, Staff is recommending the Board approve Scenario 3 for use in preparing the nexus study and the updated fee schedule. Staff anticipates that, if selected, Scenario 3 would require reductions to the residential and non-residential offsets. Based on the current TIF Program costs and fee schedule, the offset reductions resulting from scenario 3 would increase residential fees in Zone A and Zone B approximately 30% (\$3,000-\$4,000) and 13% (\$2,000-\$3,000), respectively. This analysis provides an order-of-magnitude comparison as the new nexus model will be based on a revised project list, updated project costs, and slightly lower growth, all factors that will affect the fee schedule moving forward.

Staff will return to the Board on October 22nd for a final workshop with several offset-reduction scenarios based upon the total grant assumption directed today. Those scenarios will represent different offsets for Zones and uses, and their effects upon the fees based on the new Nexus study. At that time, Transportation will ask the Board for further direction on which offset scenario to use in finalizing the nexus model and fee schedule.

List of Projects for Inclusion in the Major Update to the TIF Program

The County's consultant Kimley-Horn and Associates (Kimley-Horn) has used the El Dorado County Travel Demand Model and the latest update to the Highway Capacity Manual (HCM) to determine the list of projects to be included in the Major Update to the TIF Program. The Travel Demand Model has been updated to reflect the approved growth projections, the latest road improvements, and the growth that has occurred since the last major update. The methodology and assumptions of the analysis are documented in a technical memorandum (Attachment C). Kimley-Horn also prepared cost estimates for the projects identified in the deficiency analysis that did not have recent estimates in the current CIP (Exhibit C to Attachment C). The projects for which fees will be collected following the Major Update are listed below:

- 1) Bass Lake Road Widening - U.S. Hwy 50 to North of Relocated Country Club Drive
- 2) Cameron Park Drive Widening - Palmer Drive to Toronto Road, including a traffic signal at Hacienda Road
- 3) Country Club Drive - El Dorado Hills Blvd. to Silva Valley Parkway
- 4) Country Club Drive - Silva Valley Parkway to Tong Road
- 5) Country Club Drive - Tong Road to Bass Lake Road
- 6) Diamond Springs Parkway 1B - Missouri Flat Road to S.R. 49
- 7) Green Valley Road Widening - Francisco Drive to East of Silva Valley Parkway
- 8) Headington Road Extension - El Dorado Road to Missouri Flat Road
- 9) Latrobe Connection - White Rock Road to Golden Foothill Parkway
- 10) Latrobe Road Widening - Golden Foothill Parkway (N) to White Rock Road
- 11) Saratoga Way Phase 2 - Wilson Blvd. to El Dorado Hills Blvd.
- 12) White Rock Road Widening - Post Street to South of Silva Valley Parkway
- 13) Latrobe Road Widening - Investment Boulevard to Golden Foothill Parkway*
- 14) U.S. 50 Auxiliary Lane Westbound - El Dorado Hills Boulevard IC to Sacramento County Line
- 15) U.S. 50 Interchange - El Dorado Hills Blvd. / Latrobe Road Phase 2B
- 16) U.S. 50 Interchange - Silva Valley Parkway Phase 2
- 17) U.S. 50 Interchange - Bass Lake Road Phase 1
- 18) U.S. 50 Interchange - Cambridge Road Phase 1
- 19) U.S. 50 Interchange - Cameron Park Drive Phase 1
- 20) U.S. 50 Interchange - Ponderosa Road Phase 1 & 2
- 21) U.S. 50 Interchange - El Dorado Road Phase 1

The Latrobe Road Widening - Investment Boulevard to Golden Foothill Parkway project, item 13 above, was previously removed from the TIF Program during the 2020 update due to projected 20-year volumes not meeting the required LOS threshold. Analysis during the current update has shown that 2045 projected volumes will exceed LOS E and necessitate it being added back into the program.

Intersection improvements (traffic signals and match funds for safety projects), administration costs, bridges and transit are still included in the fee program. The Intersection Improvements line item has

been updated to include the Intelligent Transportation Systems (ITS) Program and has identified the intersections of El Dorado Hills Blvd. / Saratoga Way / Park Drive, Cameron Park Drive / Hacienda Road, Harvard Way and Clermont Way, Green Valley Road at Loch Way, Forni Road at Pleasant Valley Road, Hollow Oak Drive at Bass Lake Road, and Robert J. Mathews Drive at Golden Foothill Parkway as projects for improvement. The Cameron Park Drive/Hacienda Road signalization will be included in the Cameron Park Drive widening project. Administration costs include the cost for annual updates and major updates to the TIF Program.

Projects that have been removed as there is no longer an anticipated level of service (LOS) deficiency in 2045 include the following:

- 1) Missouri Flat Road Widening - China Garden to S.R. 49
- 2) White Rock Road Widening - County Line to Windfield Way

Interchanges

The prior 2016 and 2018 analyses determined the operating status of interchanges based on the segment LOS of the under- or over-crossing service roads. For each interchange ramp and interchange over-crossing link, volumes were compared between the previous County model, and the 2016 and 2018 updated County models. If the updated model yielded equal or higher volumes (in absolute terms) or an equal or higher traffic growth rate at one or more ramps and/or overcrossing, the previously identified deficiency was considered reaffirmed.

The U.S. 50 Interchanges at Cameron Park Drive and Ponderosa Road do not have projected volumes that exceed LOS standards by 2045. The Bass Lake Road, Cambridge Road and El Dorado Road interchanges will have scaled back phases to address the lower projected volumes. As a result of the lower annual growth rate and mainly lower traffic counts, the need for improvements at these interchanges is projected to be required shortly after 2045. Interchange projects traditionally have long lead times for project delivery. The Cameron Park Drive interchange project has been the most expensive project included in the fee program, with the Ponderosa Road Interchange the second most expensive project in the program.

Transportation staff has had discussions with Caltrans staff regarding the interchange projects. Caltrans staff agreed in concept that phasing of the projects might be acceptable as long as the whole interchange project is not abandoned. It is conceivable that each interchange will be required to be replaced in the future, beyond 2045, as the General Plan policies regarding LOS have not been changed. Caltrans staff is researching their latest proposal at the Cameron Park Drive interchange to identify potential improvements that could address projected LOS issues in the next 20 years. Once Caltrans makes a determination that their project could provide additional life for the interchange, Transportation can incorporate the costs into the Cameron Park Drive project.

As the lead time for interchange improvements and right of way acquisition are substantial, and the technical analysis indicates that a queue spillback issue is identified for the eastbound off-ramp of the Cameron Park Drive interchange within the time frame of this update, costs for these improvements and studies are included in the TIF Program. The 2018 Cameron Park Drive interchange project identified four alternatives for additional study. The Board chose three of the four alternatives to carry forward into the preliminary engineering and preferred alternative studies. An average cost of the three alternatives for preliminary engineering, including the required Caltrans documentation such as project study reports, environmental documentation, and right of way, are being incorporated into the TIF Program project costs. Additionally, construction costs for widening the eastbound off-ramp are

also included. This improvement will address the most pressing queue spillback issue; however, studies will need to be expanded to ensure all such impacts can be accommodated within the 20-year time frame of this Major Update.

The widening of the eastbound (EB) off-ramp involves adding a second right turn lane and a second left turn lane. This does not solve the sight distance issue under the highway overcrossing; Caltrans' previously planned project would have addressed the sight distance and right turn restriction issue. However, having two lanes for right turns almost doubles the number of vehicles that can make right turns during each green phase and would substantially reduce the delay for right turn vehicles. The extra left turn lane does the same thing for left turning vehicles and together the two new lanes would solve the queuing problem on the EB off-ramp.

The ramp widening is an element of the least expensive of the four ultimate interchange alternatives. A widening of this off-ramp is also needed for one of the other alternatives. Thus, it is a building block for two of the ultimate interchange designs.

No matter what improvements are made to the interchange, Caltrans will require that the preliminary engineering and environmental document be completed. That effort, which is funded by the TIF, would consider at least three of the four ultimate alternatives and select both the first phase and the ultimate design. This effort provides the County with an agreement with Caltrans and certainty on what it needs to fund and implement. With agreement from Caltrans, right of way could then be preserved for the selected ultimate design and funded by the TIF.

The recommendation for TIF funding allows the County to work with Caltrans on logical steps to the ultimate improvement while providing funds for a first phase of construction. That first phase would result in decreases in delay for vehicles using the interchange to happen sooner rather than waiting for full funding of the ultimate improvement.

Additional analysis has been conducted for the Ponderosa Road interchange. Transportation staff had previously identified three separate projects for improvements to the interchange, with the Caltrans Project Study report and the CEQA document complete, and NEPA documentation nearly complete. The costs for construction of the relocation of Durock Road (CIP 36104008) and North Shingle Road (CIP 36104009) are included in this update to the TIF Program. The preliminary engineering costs and right of way costs for the entire interchange are also included in order to facilitate the total interchange project that is anticipated to be required shortly after 2045. The certification of the environmental documents will allow the right of way work to begin.

The Ponderosa Road interchange is farther along in the preliminary engineering and environmental review process than the Cameron Park Drive interchange. Continued coordination with Caltrans is required. Transportation will continue to work in tandem with Caltrans to evaluate and analyze the phases of the interchange to ensure all impacts can be accommodated within the 20-year time frame of this Major Update as well as addressing the ultimate configuration needs beyond 2045. Inclusion of the relocation of Durock Road and North Shingle Road, plus the remaining preliminary engineering costs and right of way costs for the entire interchange reduces the TIF project costs for the entire interchange by approximately 50%.

Conclusion

Department of Transportation recommends the Board take the following actions based upon the

analysis presented today:

- 1) Approve using the proposed percentage of local-serving jobs (61 percent) as the basis for shifting non-residential uses to residential uses in the TIF Program.
- 2) Direct staff to use Scenario 3 (25% reduction from SACOG baseline) for grant funding assumptions within the Nexus Model when calculating the new TIF Program Fee Schedule.
- 3) Receive information on the list of roadway deficiency projects resulting from new traffic counts, Board-approved growth rates, and land use updates to the Travel Demand Model.
- 4) Direct staff to proceed with updating the Nexus Model and to return to the Board with residential/non-residential offset reduction scenarios on October 22, 2024.

The final adoption of the update is anticipated on December 3, 2024.

During future TIF Program annual updates, Transportation staff will discuss the potential for analyzing select roadway segments for potential deficiencies with the Board as needed.

ALTERNATIVES

N/A

PRIOR BOARD ACTION

On December 5, 2023, Legistar File 23-2051, the Board received the El Dorado Countywide Housing and Employment Projections, 2018 -2045 memorandum and presentation pertaining to the Major Update to the TIF Program.

On January 9, 2024, Legistar File 23-2241, the Board adopted an annual residential growth rate of 0.62% and an annual employment growth rate of 0.62% through 2045.

On April 2, 2024, Legistar File 24-0548, the Board received and approved the El Dorado Countywide Housing and Employment Projections, 2023 to 2034 Memorandum pertaining, including growth allocations, pertaining to the Major Update of the TIF Program.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Planning and Building Department

CAO

County Counsel

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this agenda item. The costs related to updating and administering the TIF Program are included in the fees collected.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Priority: Enhance communication about funding and resources for transportation-related capital improvement plans (CIP)

Action Items: Complete a needs assessment, project cost update, prioritization, and funding needs; New project determination / evaluation.

CONTACT

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