



Legislation Text

File #: 20-0723, **Version:** 1

HEARING - Department of Transportation recommending the Board adopt and authorize the Chair to sign Resolution **095-2020** for the 2020 Traffic Impact Mitigation Fee Schedule Annual Update.

FUNDING: Traffic Impact Mitigation Fee Program.

DISCUSSION/BACKGROUND

On December 6, 2016, the Board adopted the Major Update to the Capital Improvement Program (CIP) and TIM Fee Program as required by the General Plan and in compliance with state law (Item 46). The 2016 Major Update to the CIP and TIM Fee Program was adopted by Resolution 191-2016. General Plan Implementation Measure TC-B, Resolution 191-2016, and County Ordinance No. 5045 (Ordinance 5045) state that the fee program shall be updated annually for changes in project costs.

Resolution 191-2016 states, in part, "said fees shall be adjusted annually by an increase or decrease in the project costs by updating improvement cost estimates using actual construction costs of ongoing and completed projects, the most current cost estimates for those projects that are far enough along in the project development cycle to have project cost estimates, and for all other projects, the Engineering News-Record Building Cost Index." Additionally, Ordinance 5045 states, in part, "Fees shall be adjusted annually by an increase or decrease by either actual project costs or by Engineering News-Record (ENR) Building Cost Index, as appropriate. TIM Fees shall be set and updated by a resolution as adopted by the Board, and administered via a TIM Fee Administration Manual."

The TIM Fees have been adjusted three times since the 2016 Major Update, on December 12, 2017 (Item 26) for the annual update, on June 26, 2018 (Item 60) for a Technical Update to address changes of methodology in the latest edition of the *Highway Capacity Manual*, and on May 14, 2019 (Item 40) for the annual update.

The purpose of today's hearing is to adopt the 2020 Annual Update to the TIM Fee Program, which adjusts project costs.

Projects that were not adjusted by Transportation staff were adjusted for inflation. Pursuant to Resolution 191-2016 and Ordinance 5045, the inflation rate is calculated using the ENR Building Cost Index (BCI) (Attachment A). The ENR BCI is used industry-wide to adjust project costs for inflation. Each month, ENR calculates the 20-city average cost of four common construction components: skilled labor, structural steel, portland cement, and lumber. The average cost is compared to a benchmark cost to develop the BCI.

The project costs were adjusted for inflation in May 2019 using the January 2019 BCI. The January 2019 BCI is 6108 and the March 2020 BCI is 6218. The percent difference in BCI is the inflation rate between the two dates. Therefore, all TIM Fee projects that do not have revised cost estimates were adjusted for inflation by +1.8%.

Projects that were adjusted for costs by the Transportation staff are listed in Attachment B.

The revised TIM Fees for all zones and land use types are shown in Exhibit A of the proposed Resolution (see Attachment D). The updated project cost adjustments and inflation adjustments are shown in Exhibit C of the proposed Resolution (Attachment D) and the comparison of the current 2019 TIM Fees and the proposed 2020 TIM Fees are shown in Attachment D. Depending on the zone and land use type, TIM Fees have increased by 2% - 4%. The average increase in TIM Fees is 2.6%.

This Update only includes adjustments to project costs. All other assumptions, methodologies, and technical calculations are identical to the 2019 Annual Update to the TIM Fee Program. This Update does not include changes to the number, location, or type of CIP projects in the TIM Fee Program. It does not include any changes to the magnitude or location of growth. It does not include any updates to analysis methodologies or the TIM Fee Zone boundaries.

If adopted, the revised TIM Fees will go into effect 60 days after adoption of the resolution.

ALTERNATIVES

Ordinance 5045 requires the Board to adjust the fees annually to reflect changes in construction costs. Any concerns, issues or questions about the TIM Fee program can be addressed during the major update.

PRIOR BOARD ACTION

On December 6, 2016, the Board adopted the Major Update to the CIP and TIM Fee Program (Item 46). An extensive background on the CIP and TIM Fee Program was provided as part of the September 22, 2015 (Item 20), December 7, 2015 (Item 3), February 23, 2016 (Item 42), and April 19, 2016 (Item 39) Board study session materials (see Legistar 14-0245, Attachments 9A, 13A, 15A, and 16A). The TIM Fees have been adjusted three times since the 2016 Major Update, on December 12, 2017 (Item 26) for the annual update, on June 26, 2018 (Item 60) for a Technical Update to address changes of methodology in the latest edition of the *Highway Capacity Manual*, and on May 14, 2019 (Item 40) for the annual update.

OTHER DEPARTMENT/AGENCY INVOLVEMENT

- Planning and Building Department
- CAO, Community Development Finance & Administration
- Chief Administrative Office
- County Counsel

CAO RECOMMENDATION

Approve as recommended.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this agenda item. Funding for the TIM Fee Update is included in the adopted Fiscal Year 2019/20 budget and is provided by the TIM Fee Program. The TIM Fee Program Update establishes County priorities for available funding and ensures that new development pays their relative costs of necessary infrastructure.

CLERK OF THE BOARD FOLLOW UP ACTIONS

The Clerk of the Board to provide a copy of the signed Resolution to the Department of Transportation, attention Julie Millard.

STRATEGIC PLAN COMPONENT

TIM Fee 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

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