



Solano Transportation Authority

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**REGIONAL TRANSPORTATION IMPACT FEE (RTIF)  
POLICY COMMITTEE**

**12:00 p.m. – 1:00 p.m.  
Monday, May 4, 2009  
(Lunch will be provided.)**

**Members:**

- Benicia
- Dixon
- Fairfield
- Rio Vista
- Solano County
- Suisun City
- Vacaville
- Vallejo

**Solano County Government Center  
675 Texas Street, 6<sup>th</sup> Floor, Room 6004  
Fairfield, CA 94533**

**MEETING AGENDA (REVISED)**

- I. CALL TO ORDER/INTRODUCTIONS** Chair Spering  
(12:00 – 12:05 p.m.)
- II. APPROVAL OF THE AGENDA**  
(12:05 – 12:10 p.m.)
- III. OPPORTUNITY FOR PUBLIC COMMENTS**  
(12:10 – 12:15 p.m.)

Pursuant to the Brown Act, public agencies must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. Comments are limited to no more than 3 minutes per speaker. Gov't Code §54954.3(a). By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency.

This agenda is available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability-related modification or accommodation should contact Johanna Masielat, Clerk of the Board, at (707) 424-6008 during regular business hours, at least 24 hours prior to the time of the meeting.

- IV. CONSENT CALENDAR**  
*(Note: Items under consent calendar may be removed for separate discussion.)*

- A. RTIF Steering Committee Meeting Minutes of February 20, 2009** Johanna Masielat  
Recommendation:  
*Approve the RTIF Committee Meeting Minutes of February 20, 2009.*

**COMMITTEE MEMBERS**

City of Benicia	City of Dixon	City of Fairfield	City of Rio Vista	City of Suisun City	City of Vacaville	City of Vallejo	County of Solano
Elizabeth Patterson Jim Erickson	Jack Batchelor, Jr. Nancy Huston	Harry Price Sean Quinn	Jan Vick Hector de la Rosa	Pete Sanchez Suzanne Bragdon	Len Augustine Laura Kuhn - Interim	Osby Davis Joseph Tanner	Jim Spering Michael Johnson

The complete RTIF Committee packet is available on  
STA's website: [www.solanolinks.com](http://www.solanolinks.com)

**V. ACTION ITEMS**

**A. Nexus Study Work Plan**

Walter Kaiser, EPS

Recommendation:

*Forward a recommendation to the STA Board to approve the Nexus Study Work Plan for the Solano Regional Transportation Impact Fee.*

**B. RTIF Stakeholder Committee**

Robert Macaulay, STA

Recommendation:

*Forward a recommendation to the STA Board to approve the formation of a RTIF Stakeholder Committee as specified in Attachment A, and direct the STA Executive Director to work with the RTIF Working Group to identify and invite interested participants.*

Charles Lamoree, STA

**C. Solano County RTIF Governance**

Recommendation:

*Forward a recommendation to the STA Board to approve the following:*

- 1. Designate the Solano Transportation Improvement Authority (STIA) as the recommended governance body to develop, approve and administer the proposed Regional Transportation Impact Fee (RTIF);*
- 2. Authorize STA Legal Counsel to develop a draft Joint Powers Agreement for the STIA to become the RTIF Authority for Solano County; and*
- 3. Authorize the Executive Director to forward the draft JPA designating the STIA as the governing authority for the proposed RTIF to the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo, and the County of Solano for their consideration*

**VI. INFORMATION ITEMS**

Sam Shelton, STA

**A. Updated RTIF FAQs**

**X. CLOSING COMMENTS FROM COMMITTEE MEMBERS**

Committee Members

(12:55 – 1:00 p.m.)

**XI. ADJOURNMENT**

The next Regional Traffic Impact Fee (RTIF) Policy Committee Meeting will be in July at a time and date to be determined.



**SOLANO TRANSPORTATION AUTHORITY**  
**Regional Transportation Impact Fee (RTIF)**  
**Policy Committee**  
**February 20, 2009**

**I. CALL TO ORDER**

Chair Jim Spering called the meeting to order at 11:00 a.m.

<b>MEMBERS PRESENT:</b>	<u>Policy Makers</u> Supervisor Jim Spering (Chair) Mayor Elizabeth Patterson Mayor Jack Batchelor, Jr. Mayor Harry Price Mayor Jan Vick Mayor Pete Sanchez Mayor Len Augustine Mayor Osby Davis	Solano County City of Benicia (arrived 4:05 p.m.) City of Dixon City of Fairfield City of Rio Vista City of Suisun City City of Vacaville (arrived 4:12 p.m.) City of Vallejo (arrived 4:15 p.m.)
	<u>City Managers/County CAO</u> Nancy Huston, City Manager Gene Cortright (Alternate) Hector De La Rosa, City Manager Suzanne Bragdon, City Manager Laura Kuhn, Interim City Manager Jim Frack (CAO alternate)	City of Dixon City of Fairfield City of Rio Vista City of Suisun City City of Vacaville Solano County
<b>MEMBERS ABSENT:</b>	Jim Erickson, City Manager Joseph Tanner, City Manager	City of Benicia City of Vallejo
<b>STA STAFF:</b>	Daryl Halls Charles Lamoree Johanna Masiclat Janet Adams Robert Macaulay Elizabeth Richards Robert Guerrero Sam Shelton Kenny Wan	Executive Director STA Legal Counsel STA Clerk of the Board Assistant Executive Director/Director of Projects Director of Planning Director of Transit & Rideshare Services Senior Planner Project Manager Assistant Project Manager
<b>ALSO PRESENT:</b>	Royce Cunningham Erin Beavers Wayne Lewis Dan Kasperson Birgetta Corsello  Paul Wiese Jeff Knowles	City of Dixon, Public Works Director City of Fairfield, Community Planning Director City of Fairfield, Asst. Public Works Director City of Suisun City, Public Works Director Solano County, Dept. of Resource Management Director Solano County, Public Works City of Vacaville, Deputy Public Works Director

**II. APPROVAL OF FEBRUARY 20, 2009 REGIONAL TRANSPORTATION IMPACT FEE POLICY COMMITTEE**

On a motion by Mayor Harry Price and a second by Mayor Jack Batchelor, the RTIF Policy Committee unanimously approved the February 20, 2009 meeting agenda.

**III. OPPORTUNITY FOR PUBLIC COMMENTS**

No public comment.

**IV. CONSENT CALENDAR**

On a motion by Mayor Jack Batchelor, and a second by Mayor Pete Sanchez, the RTIP Policy Committee approved Consent Calendar Item A.

**A. RTIF Steering Committee Meeting Minutes of December 10, 2008**

Recommendation:

Approve the RTIF Committee Meeting Minutes of December 10, 2008.

**V. UPDATE ON STA'S NEXUS STUDY**

Daryl Halls discussed how STA Staff has held interviews for consultant services to develop an AB1600 Regional Transportation Impact Fee (RTIF) Nexus Study. Staff from the City of Fairfield and the City of Vacaville also participated on the interview panel. Mr. Halls mentioned that the selected consultants will deliver a presentation about their work plan at the next RTIF Policy Committee meeting.

**IV. INTRODUCTION TO SPEAKERS**

**A. Celia McAdam, Executive Director, Placer County's South Placer Regional Transportation Authority (SPRTA)**

Celia McAdam discussed how regional impact fees began in Placer County due to Sierra College Blvd lawsuits and that Placer County depends on STIP funding and impact fees to develop projects. Ms. McAdam also discussed how their fee was indexed to construction prices and that a 75% vote of the Authority's members is required to change the impact fee program's projects or fee schedule.

Supervisor Jim Spering asked if transit projects were part of Placer County's transportation impact fee program. Ms. McAdam stated that a \$50.00 per Dwelling Unit Equivalent is charged for transit capital projects, such as Bus Rapid Transit Feasibility Studies, Park and Ride Lots, and Carpool Lanes on I-80, not transit operating funding.

Supervisor Jim Spering asked if any developments were precluded from paying the fee. Ms. McAdam stated that no projects were exempt from the fee.

Hector De La Rosa asked if developers are given fee credits for other contributions. Ms. McAdam stated that SPRTA does so on a case-by-case basis.

Chuck Lamoree asked if affordable housing goals are part of the impact fee program. Ms. Adam discussed how the next nexus update would adjust their fee to compensate for SPRTA's identified affordable housing interests.

Mayor Harry Price asked about the role academic institutions, such as Sierra College, played in the development of the impact fee program. Ms. McAdam stated that the junior college was not really involved and remained neutral. However, Ms. McAdam did note that SPRTA did receive support from the Building Industry Association (BIA). Mayor Price also asked if major employers had been involved in the development of the fee. Ms. McAdam stated that employers were supportive as long as the fees were reasonable and linked to clear project benefits.

Mayor Elizabeth Patterson asked if SPRTA's impact fee funded projects and planning process has responded to the new demands of AB 32 and SB 375. Ms. McAdam stated that project costs can be affected; however, nothing gets affected unless a project is funded and under environmental review and design.

Mayor Patterson asked how Solano County agencies could expedite the adoption of an RTIF. Ms. McAdam suggested that elected officials not expect to adopt the maximum fee noted by the nexus study, meaning that not all improvements will be funded, and that equity between the agencies be preserved by including projects in all participating agency jurisdictions.

Suzanne Bragdon asked if SPRTA's project list contained multi-jurisdictional projects. Ms. McAdam answered that some projects cover multiple jurisdictions.

Mayor Pete Sanchez asked if any cities were exempted from paying SPRTA's fee. Ms. McAdam stated that non-SPRTA agencies do not pay into the fee, such as Loomis.

Mayor Len Augustine asked who developed the SPRTA Joint Powers Authority document. Ms. McAdam stated that the document was negotiated between agency's legal counsels.

**B. Rick Bishop, Executive Director, Western Riverside Council of Governments**

Rick Bishop discussed how regional impact fees began in Riverside County due to high residential demand and a "big picture" understanding from all cities in Riverside County that more transportation improvements were needed beyond their current funding capabilities.

Supervisor Jim Sperring asked if the Water District was involved in the development of the impact fee program. Mr. Bishop stated that the Water District understood that a growing population would need additional water infrastructure so they partnered to develop a fee.

Jim Sperring asked if transit projects are part of the fee program. Mr. Bishop stated that transit projects are about 2.5% of the impact fee program, funding about \$135M in transit capital projects.

Mayor Harry Price asked if the California Highway Patrol or California Automobile Association were involved in the development of the fee. Mr. Bishop stated that the CA Highway Patrol was not involved and that the CAA remained neutral. Mr. Bishop noted that opposition came from taxpayer groups, so a CAA neutral stance was beneficial.

Mayor Harry Price asked if news editorial boards were involved in the development of the fee and also asked if they supported the impact fee program. Mr. Bishop stated that news editorial boards were not involved in the development of the fee but news organizations were invited to early meetings. Mr. Bishop added that new op ed pieces did support the fee.

Mayor Elizabeth Patterson asked about the benefits of partnering with the Water District on an impact fee. Mr. Bishop described how AB 1881, (The Water Conservation in Landscaping Act of 2006) creating a number of requirements for model water ordinances which include language regarding efficient landscape water usage, meaning that developers need to design water conservation projects into their developments. Mr. Bishop cited that there were economies of scale that the WRCOG and the Metropolitan Water District, Eastern Municipal Water District, and Western Municipal Water District each benefited from becoming partners in uniform impact fees.

Erin Beavers commented that Placer County seemed to be able to leverage other funding with local impact fee funding. Mr. Beavers asked if WRCOG was as successful in leveraging its impact dollars. Mr. Bishop stated that he did not have those numbers and also added that many members of WRCOG fear too much "self-help" from the fee. Supervisor Jim Spering reminded the committee that Solano County is often passed over for other funding sources with or without a local funding source in place.

Jack Batchelor asked if the poor economy has promoted WRCOG to lower its impact fee levels. Mr. Bishop stated that some have called for nearly an 80% drop in fee levels. Mr. Bishop noted that WRCOG legal counsel is reviewing the requests but maintained that WRCOG did not intend to deviate from its current practice of indexing their fee levels to construction costs.

Mayor Len Augustine asked about how existing local impact fees were folded into WRCOG's regional impact fee program. Mr. Bishop stated that local cities were given a choice to either collect local fees for their share of the regional project or drop their local fees allowing the regional fee program to collect fees for the regional projects. Mr. Bishop noted that most cities dropped the regional projects from their fee programs.

**C. Don Bachman, Deputy Executive Director, Transportation Agency for Monterey County (TAMC)**

Don Bachman described how TAMC began their fee program as part of their transportation sales tax measure. Mr. Bachman noted that the sales tax measure did not pass but the impact fee program was still authorized. Mr. Bachman stated that it has created some difficulties since TAMC did not prepare prioritization of projects, since they assumed that the sales tax would give TAMC greater freedom to choose projects.

Supervisor Jim Spering noted that the STA should consider project ranking criteria in the Fee Governing Authority JPA. Daryl Halls noted that adopting project selection criteria was part of the nexus study scope of work, but that ranking criteria would be discussed in future meetings.

## **VII. LUNCH BREAK**

The RTIF Policy Committee recessed for lunch at 12:30pm.

## **VIII. PANEL DISCUSSION AND QUESTIONS**

Jim Spering continued the meeting during part of the lunch break to better accommodate guest speaker's schedules. Jim Spering asked the committee if they had any last questions for Don Bachman before the committee posed questions to the entire panel of guest speakers.

Mayor Elizabeth Patterson asked if transit oriented developments received credit in the fee program. Mayor Patterson also asked if employers who implemented transportation demand management strategies were also given credits in the fee program. Don Bachman noted that TAMC does give credit for reducing the number of trips generated by development to lower the fee amount. Mr. Bachman warned against making the impact fee calculation too complicated with too many trip reduction policies.

Suzanne Bragdon requested more details about the projects included in the sales tax measure and the impact fee program and also asked how the two were connected. Mr. Bachman stated that there were 11 capacity increasing projects in both programs. Mr. Bachman noted that some local projects remained locally funded as part of local impact fees.

Mayor Len Augustine asked if Monterey has local transportation impact fees in the cities and in the unincorporated area. Mr. Bachman stated that about half the cities have local transportation impact fees and that Monterey County's transportation impact fee in the unincorporated area was limited to specific projects.

Supervisor Jim Spering asked if Mr. Bachman had any general suggestions for the development of the STA's Nexus Study. Mr. Bachman highly recommended defining projects in implementable segments.

Jeff Knowles asked what TAMC tells developers who are charged a fee that is too low to cover the cost of the fee-funded project. Mr. Bachman stated that the lack of funding does not change the need for the fee. Mr. Bachman noted that impact fees are just one piece of the funding puzzle.

Supervisor Jim Spering asked if Rick Bishop had any general advice regarding the STA's Nexus Study and the development of a RTIF in Solano County. Mr. Bishop stated that Solano's timing is good but that Solano would also need wide political support before actually adopting a fee program.

Supervisor Jim Spering noted that all of the presenter's impact fee programs had common goals, one of which was the leverage additional funding. Celia McAdam concurred, stating that impact fees are a component of an overall funding strategy.

Erin Beavers asked if the speakers had a recommended order of impact fee development steps that should be taken. Don Bachman stated that defining the problem and identifying projects through a nexus study is the first technical step while discussing fair fee amounts and project priorities can be more of a second political step. Celia McAdam stated that the first step of completing a nexus study can lead to "nexus shock" about the maximum fee needed to fully fund projects. Ms McAdam stated that the next step should be refining absolute regional needs and create an implementation strategy with other funding sources. Rick Bishop stated that you must create a nexus study in partnership with all stakeholders first, then proceed with more political governance decisions, such as fee amounts and implementation plans.

Hector De La Rosa asked if each of the impact fee programs discounted development impacts if they were more transit friendly. Rick Bishop stated that WRCOG does have a transit component, but it is not as focused as TAMC's transit component. Celia McAdam stated that Placer does not discount transit friendly developments. Ms McAdam also noted that SPRTA is considering a second fee for an additional project, the Placer Parkway, which would be mostly residential fees.

Suzanne Bragdon asked how WRCOG's "return to source" element of its impact fee worked. Rick Bishop stated that the nexus study identified about 50% regional projects and 50% local projects were needed to support mobility countywide. The Riverside County Transportation Commission (RCTC) delivers the regional projects while each local TUMF district delivers the local projects.

Jeff Knowles stated that during the STA's interviews with potential nexus study consultants, the consultants all stated that now was a good time to complete a nexus study. Mr. Knowles also noted that several of the guest speakers stated that their fees do not discourage development. Mr. Knowles asked if the guest speakers thought if now was a good time to conduct a nexus study and implement an RTIF and also asked if they thought it would be politically feasible. Celia McAdam stated that politics today would be tough to pass a fee program, but that the timing was good to conduct the nexus study and get the fee framework in place so that Solano would be ready to charge fees later. Ms. McAdam suggested that language about future fees should be placed in development agreements now. Rick Bishop stated that starting a nexus study now is the best time, then phase in the fee program later, when it is more politically feasible. Don Bachman humorously stated that when TAMC adopted its fee, all development stopped. Mr. Bachman then stated that development stopped due to the poor national economic situation.

**IX. DISCUSSION**

Mayor Elizabeth Patterson noted that a fee is seen as “self-help” and will be important over the next 5 years as development demand returns to Solano County.

Daryl Halls commented that at the next RTIF Policy Committee meeting, STA staff will present detailed RTIF governance options as an action item for a recommendation to the STA Board. Supervisor Jim Spering asked if RTIF meetings will remain separate from STA meetings. Daryl Halls answered that RTIF meetings would remain separated from STA meetings.

**X. CLOSING COMMENTS FROM COMMITTEE MEMBERS**

Nancy Huston asked how both the STA’s nexus study and Solano County’s nexus study would be coordinated to develop an impact fee. Supervisor Jim Spering stated that further coordination is needed.

**XI. ADJOURNMENT**

The STA’s RTIF Policy Committee meeting adjourned at 1:00 p.m. The next Regional Traffic Impact Fee (RTIF) Policy Committee Meeting will be in late March at a time and date to be determined.



DATE: April 30, 2009  
TO: STA RTIF Policy Committee  
FROM: Sam Shelton, Project Manager  
RE: Regional Transportation Impact Fee (RTIF) Feasibility Study Update

**Background:**

One of the tasks identified by the Solano Transportation Authority (STA) Board as a priority project in the STA's Overall Work Plan (OWP) for Fiscal Year (FY) 2008-09 and 2009-10 is the initiation of a Regional Impact Fee Feasibility Study. Regional Transportation Impact Fees (RTIF) are used in a variety of counties throughout the State of California. A transportation impact fee is established by a local or regional government (and usually collected during issuance of the building permit) in connection with approval of a development project for purpose of defraying all or a portion of the cost of particular public facilities. The legal requirements for enactment of a traffic impact fee program are set forth in the California "Mitigation Fee Act", which was adopted in 1987 under AB 1600, and thus these fees are commonly referred to as "AB 1600" fees. An impact fee is not a tax or a special assessment so, by definition, a fee must be reasonably related to the cost of the facility or service provided by the local agency. On July 9th, the STA Board authorized the Executive Director to begin the Regional Transportation Impact Fee (RTIF) Feasibility Study.

**Discussion:**

Nexus Study Scope of Work

On November 19<sup>th</sup>, the STA Technical Advisory Committee (TAC) reviewed and recommended minor changes to the Draft RTIF Nexus Study Scope of work, and recommended that the STA Board approve the RTIF Nexus Study Scope of Work. On December 4<sup>th</sup>, RTIF Working Group members reviewed a Final RTIF Nexus Study Scope of Work and recommended minor changes. On December 10, 2009, the RTIF Policy Committee reviewed the final RTIF scope of work, later approved by the STA Board. Below is a summary of tasks included in the scope of work:

Solano Regional Transportation Impact Fee Nexus Study  
Scope of Work and Deliverables, 10-16-08

Tasks:

1. Confirm Final Scope of Work and Schedule and Commence Study
2. Define the Project Criteria and Regional Development Impact Fee System Network
3. Regional Travel Demand Model Analysis and Growth Projections
4. Formulate Draft Project List
5. Travel Demand Model "Select Link" Analysis
6. Optional Regional Fee Calculation
7. Fee Revenue Estimation
8. Nexus and Burden Analysis
9. Committee & Stakeholder Meetings
10. Team Meetings
11. Draft Nexus Study Report
12. Final Report

**Consultant Selection and STA Consultant Services Agreement**

In February 2009, STA held interviews for RTIF consultant services in partnership with Fairfield Planning staff and Vacaville Public Works staff. The recommended consultant, Economic Planning Systems (EPS), entered into a contract with STA for consultant services to complete an AB 1600 Nexus Study for the Solano RTIF. Attachment A is the work plan included in this agreement.

**Fiscal Impact:**

STA has already entered into an agreement for consultant services with EPS. Any recommended changes to the scope of work included in the agreement would need to be added in an agreement amendment with potential added or subtracted costs.

**Recommendation:**

Forward a recommendation to the STA Board approving of the Nexus Study Work Plan for the Solano Regional Transportation Impact Fee.

**Attachments:**

- A. Economic Planning Systems (EPS) Regional Transportation Impact Fee (RTIF) Nexus Study Work Plan (as included in STA's agreement with EPS).

### 3. WORK PLAN

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#### Overview

This Work Plan describes the technical and organizational tasks necessary to design and implement an RTIF. The products of the Work Plan will include an RTIF "nexus study" that meets the statutory requirements of AB 1600 (Government Code Section 66000 et seq.) for levying an impact fee and guidelines for implementing and administering the RTIF. Essentially, the "nexus study" draws a relationship between the increased travel demand associated with new development and the transportation improvements necessary to meet this demand at an acceptable level of service.

Given the challenges of implementing an RTIF program involving multiple jurisdictions and stakeholders, both the policy and analytical components are integrated throughout the study process. The Scope has been divided into twelve sequential work tasks, which correspond to the major analytical components of fee a program. These tasks also correspond to project "milestones" in which the analytical findings and assumptions are reviewed and modified based on input from key stakeholders.

On the institutional side, it is anticipated that STA will serve as the "client" and its existing decision-making apparatus will be applied to the RTIF project. However, it is recognized that a "buy-in" from other stakeholders, including the County, its seven cities, CALTRANS, and various community groups, will be critical to successful implementation. Consequently, the work products of each task or "milestone" will be submitted to the Policy Advisory Committee for review and comment. Once all comments are received and appropriate revisions made, the document will go before the STA Board for their review.

On the technical side, the Scope outlines the tasks, including data gathering, model building, and study assumptions, that are required to calculate an impact fee consistent with the provisions of AB 1600. The analytical steps are presented in the sequence in which they are to be carried out, although preliminary work for some tasks may begin before completion of a previous task. A key goal throughout is to develop a methodology that is clear, well-documented, and based on supportable assumptions and data. The project consultants will prepare presentation materials that summarize key results and draw attention to study assumptions that have a particularly important effect on the final results.

The study will culminate in the establishment of a legally defensible and equitable system of impact fees. The fees will target capital projects that are needed to serve new development and for which other funding sources are not available. The RTIF will be a one-time charge on new residential and commercial development linked by the "nexus study" to the need for new transportation improvements; RTIF revenues cannot be used to correct existing deficiencies in the transportation network. Finally, the RTIF will be developed around the concept of "proportional share cost allocation" so as to provide an equitable distribution of transportation costs and benefits.

Although the technical and institutional steps described herein provide the basis for completing the RTIF Study, it is recognized that ultimate approval will require compromise and political choices. To this end, it will be important for both the consultant team and STA staff to work closely with key policy makers and other stakeholders throughout the process. The decision makers will need to be informed on both technical matters and policy issues on an ongoing basis.

## **Detailed Work Plan**

### **Task 1: Project Initiation**

In this task the selected consultant team will meet with STA staff to review project parameters, clarify team roles, and review project schedule and key deliverables. In addition to familiarizing the consultant team with the key players and issues, the primary goal of this task is to finalize the Scope and other project related issues (team roles, outreach protocol, key deadlines, parallel work efforts, etc). The consultant team will also use this opportunity to identify existing data, documents, and other pertinent information.

It is understood that the STA may want to establish a single countywide fee, because of the ease of implementation and administration. However, it is likely that some County stakeholders may be interested in establishing multiple "fee districts" to ensure a more precise and equitable allocation of costs and benefits. Consequently, the kick-off meeting should include a discussion of the pros and cons of dividing the County into multiple fee districts, although it is recognized that the issue may need to be revisited at various points throughout the course of the study.<sup>3</sup>

**Product:** Approved contract and Final Work Program

### **Task 2: Project Criteria and Regional Development Impact Fee System Network**

Fehr & Peers has extensive knowledge of many of the major regional transportation projects in Solano County, having worked since 2002 on the I-80/I-680/SR 12 interchange studies, as well as on the Jepson Parkway EIR/EIS and a number of significant transportation planning studies in Fairfield, Benicia, Vacaville and other cities in the County. Building upon this familiarity, we will review the available local and regional planning documents, and work directly with staff from STA, Solano County, and the incorporated cities to identify the regional roadway and transit facilities to be included in the regional impact fee system network.

A critical component of the fee study will be to define a set of criteria that will be used to select projects that are eligible for regional fee funding. Defining the criteria is an important step to ensure that all of the stakeholders come to consensus on the purpose of the fee program. Potential criteria for project selection may include geographic distribution of improvements, effectiveness of connection between jurisdictions, time horizon for implementation, level of capacity needs in the corridor, or relative priority in the regional planning process, among others.

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<sup>3</sup> Some of the travel modeling efforts included in this program, especially those listed in Task 5, must be set up specifically in order to accommodate multiple fee districts; if those modeling tasks are conducted for a single countywide fee and it is later decided to use multiple districts, some of the work in Task 5 will need to be re-done.

We will work with the project team and stakeholder groups to obtain their input on how project eligibility should be determined, and establish a set of criteria that is responsive to those needs.

### **Task 3: Travel Demand Model Analysis and Growth Assumptions**

The purpose of this task is to develop the land use assumptions, development forecasts, and travel demand modeling framework that will be used to estimate future facility needs and cost allocations. It will consist of the subtasks described below.

#### **Task 3.1: Travel Demand Model Analysis**

The consultant team will define the regional transportation network and the category of improvements to be covered by the RTIF. It is expected that this definition will be linked to quantifiable standards such as regional trips or other factors that indicate a regional facility as well as input from stakeholders. The designation of regional facilities will also be informed by the traffic model as well as the STA Comprehensive Transportation Plan and the MTC Regional Transportation Plan 2035.

Level of Service (LOS) standards will be defined that specify goals related to traffic levels and facility design within the regional network. These service and design standards will facilitate decisions regarding the type, location, and level of improvements needed. They will also help allocate costs between new and existing development since improvements needed to correct existing deficiencies must be funded with other sources. Although some jurisdictions may maintain standards for facilities within their boundaries that exceed the regional standard, the increased costs associated with these improvements may need to be covered by other sources. Exceptions to this general principal will need to be approved through the decision-making process.

Fehr & Peers has worked with the STA regional travel demand model for several years, developing traffic projections for impact evaluations throughout the County and for the I-80/I-680/SR 12 Interchange studies, which has required extensive review of the modeling assumptions and results by local staff and Caltrans. Building upon this experience, we will use the model as it is currently being updated to evaluate future regional transportation needs throughout the County. We understand that the updated model will be ready for use by April 1, which will be necessary in order to meet the aggressive schedule for the RTIF study.

The first step in the modeling process will be to review the documentation from the model update and confirm that the appropriate model validation criteria have been met to allow for a reasonable level of confidence in the RTIF study model results. Any issues or concerns about the model validation will be immediately brought to the attention of the STA project team for discussion and resolution.

The second step will be to review the future land use and road network assumptions for the horizon year. Roadway improvement projects that are already fully funded should be included in the network for modeling purposes; other projects that still require additional funding (and thus are potentially eligible for fee revenues) will not be included in the network initially, but will be used as potential mitigation measures after the future deficiencies are identified.

The third step will be to run the 2030 model with only the fully funded transportation projects, compare the resulting link volumes with the capacities for each functional class, and determine where the future deficiencies are located. We assume that a model network already exists that largely reflects these assumptions, and that minimal network coding changes will be necessary in order to establish a baseline for comparison. Capital improvement projects identified in local and regional planning documents but not yet funded will then be added to the network and the model will be re-run to determine if those projects alleviate the future deficiencies.

Remaining deficiencies not addressed by this model application will be reviewed with the project team to determine if any other capital improvement projects are feasible; if such are identified, they will be added to the network and the model will be run again to determine their effects. Thus, as many as three full model applications are anticipated as part of this task. Note that we have developed an automated procedure within the TP+/Cube modeling language to evaluate roadway link level of service for a large set of roadways; we will modify this procedure and incorporate it into the STA model for use in this study.

### **Task 3.2: Land Use Assumptions and Growth Forecasts**

The purpose of this task is to develop the land use assumptions and development forecasts that will be used to estimate future facility needs and cost allocations. The data embodied in existing travel models applicable to Solano County will be a starting point. However, it is expected that this study process will build on these models to address key issues related to the regional fee. The following key assumptions will need to be addressed and resolved for the RTIF:

- **Time Horizon for Fee Calculation:** The consultant team will need to develop a time horizon for the RTIF study that will serve as the basis for the land use projections and capital improvement plan. The choice of time frame will be based in part on an assessment of the accuracy and availability of land use and cost data. For example, the time horizon could potentially equal the buildout of the County and City General Plans, assuming this information is consistent and comparable. However, if buildout assumptions are inconsistent or likely to produce relatively inaccurate estimates of required transportation improvements, an alternative time-frame will be formulated based on other considerations.<sup>4</sup>
- **Land Use Categories:** The consultant team will need to define the land use categories for which separate fees will be calculated. For analytical simplicity, it is expected that this categorization will focus on residential, industrial, retail, and commercial (office) development, although additional categorizations may be warranted. The consultant team will also define the operative land use assumptions, such as persons per household and employees per square foot, to be used to forecast growth and facility demand.
- **Amount, Type, and Location of Growth:** This task will conclude with a total projection of the amount of development expected to occur for each land use category over the time frame specified. Although the traffic model land use projections will serve as the starting point, EPS will also review these projections in the context of regional market conditions and

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<sup>4</sup> The travel model has a time horizon of 2030 that is constrained (that is, it does not reflect full buildout of all General Plans but rather based on Department of Finance projections).

forecasts provided by the DOF, the Association of Bay Area Governments (ABAG), and other entities. The consultant team will then propose several options for resolving any discrepancies or inconsistencies that exist. Given the importance of land use assumptions to the analysis, it will be important for the County and its municipalities to participate in developing this forecast so there is a "buy-in" on the final product. Ultimately, the final land use assumptions will need to be approved by STA based on input from the consultant team, the Policy Advisory Committee, and other stakeholders.

**Product:** System Performance Evaluation with maps, Draft and Final Land Use Assumptions and Projections memoranda

#### **Task 4: Formulate Project List**

The consultant team will conduct a series of tasks designed to produce a list of improvements, and their corresponding costs, to be covered in full or in part by the RTIF. These tasks are described below.

##### **Task 4.1: Identify Potential RTIF Projects**

The consultant team will develop the list of transportation-related improvements to be funded in full or in part by the RTIF, based on the results of **Tasks 2 and 3**. This effort will be linked to the Solano Comprehensive Transportation Plan, which identifies regional needs and prioritizes projects. It is anticipated that capital projects list will include a wide range of multi-modal improvements including roadways, public transit facilities, and alternative transportation facilities. Projects that are clearly ineligible for impact fee revenues, such as those designed to correct existing deficiencies or those related to operation and maintenance will not be included.

##### **Task 4.2: Develop Capital Cost Estimates**

The consultant team will develop cost estimates for the transportation improvement projects considered for the RTIF. The cost estimates will include a brief project description with the type, name, location, size or quantity, construction cost, land cost, contingency assumptions, and total cost specified for each. The consultant team will work with the local agencies to review recently bid Capital Improvement Projects to confirm appropriate and current unit prices for improvements and to ensure that the project components and complexity is understood. As a starting point, and for the purposes of the budget estimated provided under a separate cover, we currently assume that detailed data will be provided for up to 30 separate transportation projects. To the extent that additional analysis is required, the budget will need to be adjusted accordingly.

##### **Task 4.3: Identify Funding Requirements**

The consultant team will match the capital improvements described above with their anticipated or expected funding sources. Projects with designated funding sources will not be included in the RTIF calculations. The consultant team will also identify all other "discretionary" transportation funding sources, including Federal, State, and regional sources. The total discretionary and non-discretionary funding amounts will be deducted from the total of the cost estimates so as to determine the net funding gap for purposes of the RTIF calculation. Of course, given the high level of uncertainty associated with both cost and funding levels, a number of assumptions will

have to be made that will be updated as more information becomes available. But ultimately a net cost estimate will need to be established for purposes of calculating the fee.

Revenues from the existing impact fee programs or developer contribution requirements of local jurisdictions will also need to be considered as part of the funding pool. The RTIF will provide the opportunity to partially or fully transfer the improvement costs associated with a number of local projects to the regional fee program. However, before approval, the RTIF will need to be reconciled with the existing programs and requirements of local jurisdictions to avoid overlap and "double-charging".

#### **Task 4.4: Specify RTIF Capital Improvements**

Based on information from the previous task, the consultant team will develop an RTIF Project List which specifies the transportation facility improvements that are proposed to be funded, all or in part, by new fees. The consultant team will convert the Project List into an Infrastructure cost database, in spreadsheet format, that will be directly linked to the cost allocation model and fee schedule described below. The infrastructure cost database will include project type, name, location, size or quantity, cost, and non-fee funding sources. Again, the portion of project costs that are funded by other sources will need to be excluded.

It is possible that not all RTIF projects will be known in advance. Thus, this task will include a series of contingencies and describe decision rules for assigning certain improvements to the RTIF. For example, if anticipated levels of funding from other sources do not materialize as expected, the portion of projects funded by the RTIF may fluctuate as per the service standards described in **Task 3.1** and other considerations. But again, for purpose of impact fee calculation, a total RTIF cost estimate will need to be developed.

**Product:** Draft and Final RTIF Project List

#### **Task 5: Travel Demand Model "Select Link" Analysis**

The purpose of this task is to establish the required nexus between the amount of the fee being charged and the transportation system impacts caused by the new development that will be subject to the fee. To accomplish that objective, some of the elements listed under **Task 8** in the RFP will be included here, as they are all related to the same goal.

#### **Existing Deficiencies**

It is not appropriate for a development impact fee program to include the costs associated with correcting existing deficiencies in the transportation system. Therefore, these deficiencies must be accounted for and removed from the fee calculations. Fehr & Peers will coordinate directly with local and regional agency staff to identify recent studies or plans that reported the existing traffic conditions and performance standards on the roadways addressed in the draft project list from **Task 4**. For those capital projects where recent existing conditions information is not available from published sources, we will arrange for daily traffic counts to be conducted and existing levels of service to be determined. For the purposes of this scope, we assume that new daily traffic counts and LOS analysis would be required at up to ten locations on regional road facilities (and that no data collection on freeways would be required).

The existing LOS at each project location will be compared to the applicable performance standards to determine whether any existing deficiencies occur. If there are existing deficiencies, we will determine how much over capacity the facility is currently operating, and will use that result to determine the proportion of the improvement cost that should be discounted in the fee program.

### **Regional (Through) Traffic**

Because the capital improvements to be included in the RTIF are intended to serve the purposes of regional connectivity and interactions between communities in the County, it is reasonable to expect that some of the demand for those facilities will be generated by through traffic, or traffic that has neither an origin nor a destination in Solano County. It is not appropriate to charge new development in Solano County for the effects of this through traffic. Therefore, Fehr & Peers will do a series of select link assignments on the facilities identified in the project list and will use the results to estimate the proportion of traffic on each facility that is attributable to through trips. This proportion will be used as the basis for discounting the cost of each improvement in the fee program.

### **New Trips from Solano County**

While it is possible to use select link modeling techniques to estimate the proportion of traffic on each facility that is generated by new development in Solano County, our experience has been that such an analysis is not essential for a defensible fee program. If the need for the facilities has been established through a rational planning process (such as the modeling analysis described in **Task 3**), discounts have been applied for existing deficiencies and through traffic, and the amount of funding that could reasonably be expected from non-fee sources has been accounted for, then it is perfectly legitimate to assume that the remaining costs could be covered through an impact fee program. This would set the maximum fee that is technically defensible and could justifiably be charged to new development in Solano County. Therefore, we do not propose to conduct additional select link analysis beyond that already described in the section on Regional (Through) Traffic. If the project team discussed this matter and decides that additional analysis would be desirable, it can be added to the scope at a later time.

**Product:** "Select Link" Analysis

## **Task 6: Regional Fee Calculation Scenarios**

In order to calculate fee options, EPS will develop a cost allocation methodology using nexus calculations derived from the traffic model. The four primary type of cost allocations are (1) between new and existing development, (2) across land use types, (3) between internal and "through" trips (i.e., trips originating and ending outside the County), and (4) potentially between major traffic "zones of benefit" as described in the following subtasks:

### **Task 6.1: Allocation between New and Existing Development**

This task will include reviewing each capital project developed in **Task 4.1** to determine the proportion attributable to "existing deficiencies" and the portion to future growth. This calculation will be based on the service standards established in **Task 4.2** and trip generation estimates derived from the traffic model. It will be important not only to establish nexus in

terms of a "relationship" but also to ensure that the portion of the cost allocated to new growth is reasonable and based on demonstrated need or demand for services. Only the portion of costs attributable to new growth will be included in the RTIF.

**Task 6.2: Allocation by Land Use**

The total costs of each infrastructure item will also be distributed to each of the land use types specified in **Task 3.2** based on their relative demand for each improvement. Specifically, Fehr & Peers will review the regional land use projections included in the 2030 model and will develop a set of factors to convert those land uses into Dwelling Unit Equivalents (DUEs). The DUE is a unit of measurement that allows all land use categories to be compared equitably in terms of the relative burden each places on the transportation system. DUE factors typically include components such as trip generation rates, average trip lengths, the likelihood for diverted/pass-by trips, and sometimes other elements such as proximity to other compatible uses or transit facilities. We will help the Team develop DUE factors for the RTIF by providing relevant inputs and outputs from the STA travel demand model, as well as industry standard reference materials.

Given the general desire to support job creation in the County special consideration will be given to commercial activities that improve the regional jobs/housing balance. Specifically, the analysis will take into account the traffic-reducing effects of nonresidential development in calculating cost allocations between use types. Of course, this methodology will need to adhere to a legally defensible nexus.

**Task 6.3: Allocation by trip type**

A portion of all trips in the County originate and end outside the County. The portion of facility improvement costs that can be attributed to these "through" trips, or "inter-regional trips" must be excluded from the total RTIF costs, as previously described in **Task 5**.

**Task 6.4: Allocation by Major Traffic Zone**

It is recognized that all jurisdictions may not derive the same level of benefit from the transportation improvements included in the RTIF. Consequently, there is a potential that the RTIF will establish separate "areas of benefit," as opposed to a single County-wide fee, to ensure a more precise and equitable distribution of costs. Assuming "areas of benefit" are desired, for each facility included in the RTIF, a portion of total traffic demand generated by new development will be allocated to various traffic zones, as determined by the traffic model.

**Task 6.5: Preliminary Fee Calculation**

Based on the cost allocation and growth assumptions described above, the consultant team will develop a preliminary fee calculation for each land use and zone of benefit. Specifically, the total improvement costs allocated to each zone of benefit will be divided by the expected growth in each land use category. The consultant team will summarize the impact fees by area (as necessary) for each land use for review by STA and other stakeholders. This preliminary fee calculation is designed to illicit input regarding the amount, scope, and incidence of the fees calculated.

**Product:** Draft and Final Cost Allocation memoranda, Draft and Final Regional Fee Calculation memoranda

### **Task 7: Fee Revenue Estimation**

The consultant team will prepare an estimate of fee revenue based on the growth forecast developed in **Task 3.2** and the preliminary fee calculation in **Task 6.4**. Fee revenue estimates will be developed for the time horizon identified in **Task 3.2**. It is assumed that both the Project List and the preliminary fee schedule are to be considered fixed for this task.

Fee revenue estimates will consider revenues from the existing impact fee programs or developer contribution requirements of local jurisdictions for improving the regional transportation system. The consultant team, with input from staff from each local jurisdiction, will determine the feasibility of the RTIF given vested development and existing fees. The extent of vested development will be determined based on discussions with each of the local jurisdiction's planning director.

**Product:** Draft and Final Fee Revenue Estimation memoranda

### **Task 8: Nexus and Burden Analysis**

This task will focus on documenting and vetting the fee program calculations, assumptions, and nexus findings with key stakeholders. Specifically, the consultant team will articulate the necessary statutory findings to establish the nexus and evaluate corresponding financial and economic implications.

#### **Task 8.1: Document Nexus Findings**

This task will provide a detailed description of the nexus relationships and findings used to develop the preliminary fee schedule. Building on the technical analysis from previous tasks, the goal will be to ensure that key stakeholders understand the cost allocation methodology and view it as fair and appropriate based on the available data and their local knowledge of travel patterns and trends.

#### **Task 8.2: Economic Impact and Burden Analysis**

Once the preliminary impact fee is derived, the consultant team will evaluate its impact on local economic development goals. This analysis can help modify the fee program and assure support by participating jurisdictions. The economic analysis will first summarize and compare the total impact fee burden, including all existing local and regional fees, by jurisdiction. The consultant team will then test the financial feasibility implications on prototypical development projects (e.g., residential, commercial, industrial, etc.) and will provide recommendations as to whether the new fees could discourage certain types of development. Based on this analysis, the consultant team will recommend methods for making any required fee adjustments.

**Product:** Draft and Final Nexus and Burden Analysis memoranda

**Task 9: Committee and Stakeholder Meetings**

The consultant team will participate in a total of twelve (12) workshops with STA Board, Policy Advisory Committee, STA member agencies, and stakeholder groups. During the workshops, the consultant team will present findings from **Tasks 1 to 8**, answer questions, and collect feedback.

**Task 10: Team Meetings**

The consultant team will participate in a total of fifteen (15) team meetings with STA staff. Team meetings will be conducted in person or by phone.

**Task 11: Draft Nexus Study Report**

Based on input from the public workshops, feedback from STA, and input from the work conducted in **Task 7**, the consultant team will update the preliminary impact fee schedule. For example, the preliminary fee calculation methodology may be revised to incorporate changes in the amount, scope, or incidence of the fees.

Once the fee schedule is finalized, the consultant team will prepare a Technical Report that documents the assumptions and methodology and establishes the required nexus for creating the fee. This report will include copies of all data, models, and other materials used in the analysis. The consultant team will prepare an Administrative Draft Technical Report for staff review before preparing a Draft Technical Report for the STA.

**Product:** Administrative Draft and Draft Nexus Report

**Task 12: Final Nexus Study Report**

Based on comments received on the draft report, a Final Technical Report will be prepared. The Final Technical Report will include an Operating Agreement and any other appropriate instruments to formally implement the RTIF program by the STA and member agencies. The consultant team will be available to present the findings and recommendations of the AB 1600 study to the STA Board and Policy Advisory Committee.

**Product:** Final Nexus Report



DATE: April 30, 2009  
TO: RTIF Policy Committee  
FROM: Robert Macaulay, Director of Planning  
RE: RTIF Stakeholder Committee

**Background:**

The Regional Transportation Impact Fee (RTIF) process was established by the Solano Transportation Authority in 2008 to examine the potential of establishing a new regional development impact fee to mitigate for future growth impacts within the County. The process is guided by a Policy Committee comprised of the Mayor from each City and A county Board of Supervisor. In addition, the Policy Committee also includes the City Managers and the County Administrator. A Working Group, comprised of staff representatives from each of the seven cities and the County, provides technical recommendations to the Policy Committee. The Policy Committee has directed the formation of a Stakeholder Committee to participate in the RTIF development process and provide valuable input.

**Discussion:**

The RTIF Stakeholder Committee is designed to provide public input from a wide variety of interested parties on the RTIF development process. The makeup of the Stakeholder Committee is designed to include local and regional representatives, including residential and commercial builders, environmental groups, civil engineers and architects, agricultural and land trust representatives, taxpayers, business groups, and elected officials.

STA staff suggests the following composition for the Stakeholders Committee:

**Total Membership**

The total committee size is recommended to be 25, with one-third being elected representatives and the others being business and advocacy group representatives. A membership of 25 will allow for a broad representation of interests at each meeting, but still be small enough to be manageable (see Attachment A). Typically, not all of the members of a committee such as this, can attend any given meeting.

**Elected Representation – 8 representatives**

Each of the 7 City Councils and Solano County Board of Supervisors would have 1 elected member on the Stakeholder Committee. These would be members who are not STA Board Members or Alternates.

Residential Builders – 5 representatives

Residential development typically bears a substantial proportion of the cost of a development impact fee. In addition, there are a variety of sizes and locations for residential developers. It is recommended that one regional single family builder, one regional multi-family builder, one low-income residential builder, and two local builders.

Agricultural, Business, Environmental and Taxpayers Groups – 5 representatives

This is the broadest grouping of stakeholders, with a wide variety of interests and representation.

Commercial and Industrial Developers – 4 representatives

Commercial and industrial builders face different financial and market issues than do residential developers, so they are impacted differently by a new fee than are residential developers. Because of the size some commercial or industrial projects, this category pays the largest proportion of fees in some areas.

Engineers and Brokers – 3 representatives

Civil engineers are more likely to be local business owners than many developers. Brokers, like some developers, often work in a region rather than a single city.

STA staff will work with the technical Working Group to identify a list of stakeholders in each category, and to invite participants to join the Stakeholder Committee. STA Board members will be asked to provide a member from each of the 7 cities and from the unincorporated county.

**Recommendation:**

Forward a recommendation to the STA Board to approve the formation of a RTIF Stakeholder Committee as specified in Attachment A, and direct the STA Executive Director to work with the RTIF Working Group to identify and invite interested participants.

Attachment A: “Draft Regional Transportation Impact Fee Stakeholder Committee Membership”

**Draft****Regional Transportation Impact Fee Stakeholder Committee Membership**

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*1. Elected Representatives (8 representatives)\*:*

Benicia City Council	(1 voting member)
Dixon City Council	(1 voting member)
Fairfield City Council	(1 voting member)
Rio Vista City Council	(1 voting member)
Solano County Board of Supervisors	(1 voting member)
Suisun City Council	(1 voting member)
Vacaville City Council	(1 voting member)
Vallejo City Council	(1 voting member)

\*non-STA Board members or alternates.

*2. Residential Builders (5 representatives):*

Regional Single Family Developer	(1 voting member)
Regional Multi-Family Developer	(1 voting member)
Low-Income Residential Developer	(1 voting member)
Local Developers	(2 voting members)

*3. Agriculture, Business, Environmental and Taxpayers Groups (5 representatives)*  
(Membership To Be Determined)*4. Commercial and Industrial Developers (4 representatives)*  
(Membership To Be Determined)*5. Engineers and Brokers (3 representatives)*  
(Membership To Be Determined)



DATE: April 27, 2009  
TO: RTIF Policy Committee  
FROM: Charles Lamoree, STA Legal Counsel  
RE: Solano County RTIF Governance

**Background:**

The legal authority for creating, imposing and administering a development impact fee arises from the general police power to provide for the health, safety and welfare of the citizens within the boundaries of a particular governmental agency. In addition, in California, the State Legislature has adopted statutes that reflect the various court cases which upheld the Constitutional right of a city, county or special district to address the impacts from new development by imposing an impact fee. Those statutes were contained in AB1600 and are found in Government Code Sections 66,000 et seq.

**Discussion:**

**Creating an RTIF**

There are three components to this issue: who establishes the fee; who collects the fee and who administers the fee.

- **Adopting and Imposing the RTIF**

Under AB1600 a development impact fee can be created by a city, a county or special district as well as through an "authority" or "agency." There are several different models within the 17 existing RTIFs in California. Some are created and imposed by the County; others have the fee adopted and imposed by the county and the participating cities; and others have the RTIF adopted and imposed by an "agency" or "authority."

- **Collecting the RTIF**

Impact fees are collected at the time building permits are issued or when an occupancy permit is issued at the completion of construction. Collection is done by the member agencies covered by the RTIF—the cities and the county—along with the other applicable development impact fees. This is the most efficient way to collect the RTIF although, theoretically, a county could collect an RTIF itself although that would mean creating and staffing a collection system.

- **Administering the RTIF**

When creating a regional or sub-regional transportation impact fee there are two basic forms of governance that could serve to establish and administer such a regional fee.

1. **A County**

A County can create county-wide fees and could also establish impact fees on a sub-regional basis. Thus, Solano County could be the vehicle for imposing, collecting and allocating a regional transportation fee. The local example of a regional fee would be Solano County's Public Facilities Fee which was created several years ago.

2. **A Joint Powers Authority or Multi-Agency Organization (COGs; Transit Districts under the Public Utilities Code; a joint powers authority such as the Solano Transportation Authority)**

While a county could adopt, collect and administer a RTIF, of the 17 RTIF's in California the vast majority do not use the county to administer regional transportation fees. Instead, virtually every RTIF is administered by a joint powers organization either through an existing agency or an agency specially created to administer the RTIF and in several cases it is the joint powers agency that does everything: adopts, imposes, collects and administers the RTIF.

AB1600 recognizes that agencies with police powers can delegate that authority to a specially created "authority" or "agency" to exercise certain powers that are common the member agencies through the adoption of a joint powers agreement or creation of a formal "council of governments" or "association of governments" that is authorized to exercise the police power.

Solano County does not have a Council of Governments. However, for transportation matters, the STA was created *by* the County and the seven cities in Solano County and included a list of some of their common powers to be exercised by the STA. For example, cities and counties can operate transit systems. The existing JPA for the STA does not include the authority to create a regional or sub-regional transportation impact fee. However, the JPA is presently undergoing the amendment process (amendments need the unanimous approval of the eight member agencies) and one readily available means to create and administer a regional transportation impact fee is to include that power within the JPA amendments.

**A Recommendation: Build Upon the Existing STIA as the Structure for a New Joint Powers Authority**

One approach may be to utilize the already existing Solano Transportation Improvement Authority (STIA) which was created to collect and administer the proposed transportation sales tax measures. That Authority is still in place and an existing mechanism for independent administration of a regional transportation impact fee, with representation from each of the seven cities and the County of Solano, since that would be its function were a transportation sales tax approved by the voters.

If the STIA is selected, a formal joint powers agreement would have to be adopted by the participating agencies

**Recommendation:**

Forward a recommendation to the STA Board to approve the following:

1. Designate the Solano Transportation Improvement Authority (STIA) as the recommended governance body to develop, approve and administer the proposed Regional Transportation Impact Fee (RTIF);
2. Authorize STA Legal Counsel to develop a draft Joint Powers Agreement for the STIA to become the RTIF Authority for Solano County; and
3. Authorize the Executive Director to forward the draft JPA designating the STIA as the governing authority for the proposed RTIF to the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo, and the County of Solano for their consideration

**Attachments**

- A. Joint Powers Agreement Solano Transportation Improvement Authority

## JOINT POWERS AGREEMENT

### SOLANO TRANSPORTATION IMPROVEMENT AUTHORITY

This JOINT POWERS AGREEMENT (the "Agreement") is entered into pursuant to Government Code section 6502 by and among the County of Solano ("County") and the incorporated Cities located in Solano County who have executed this Agreement ("Cities"), subject to the certification required by Section 9 of this Agreement. Said cities are Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo. The Cities and the County may be referred to collectively as the "Parties."

#### RECITALS

This agreement is based on the following facts and circumstances:

- A. **Impact of Development.** Forecasting performed using regional travel demand models show that by the year \_\_\_\_, Solano County will contain an additional \_\_\_\_ new housing units and \_\_\_\_ new jobs. The traffic impact of these new residential units and commercial uses, as well as additional development beyond the year \_\_\_\_, will adversely affect the quality of life for existing residents of the Cities and Counties within Solano County unless those regional impacts are mitigated by street and highway improvements.
- B. **Regional Transportation Impact Fee.** State law allows the Cities and the County to establish an impact fee on all new development which would finance all or a portion of identified Transportation Improvement Projects to address regional transportation congestion. Said fee is commonly referred to as a Regional Transportation Impact Fee ("RTIF").
- C. **Establishing the STIA.** In order to insure accountability in the administration of the RTIF the parties have agreed to create an independent agency to receive and administer the RTIF and to that end this Joint Powers Agreement establishes the Solano Transportation Improvement Authority ("STIA") to perform that function. Further, in 2005, the Solano County Board of Supervisors, with the concurrence of the seven cities in Solano County, created the Solano Transportation Improvement Authority to collect and administer the funds from a locally approved transportation sales tax in accordance with the provisions of California Public Utilities Code Sections 180,000. However, no transportation sales tax measure has been approved in Solano County and, as a consequence, the sales tax STIA has been dormant. The Parties have determined that the most efficient administration of either a regional transportation impact fee or a transportation sales tax would be through a single authority to administer such funds should either a transportation sales tax or RTIF be adopted or approved.
- D. **Collection and Use of Impact Fees.** In accordance with the agreements set forth herein, the Parties each intend to collect the RTIF, shown in Exhibit "A" to this Agreement, as such fee may be adjusted from time to time in the manner described in this Agreement, for the identified Regional Transportation Improvement Projects on a uniform basis and to transmit those collected fees to the STIA to use the fees collected in

a coordinated manner to provide for financing and construction of the Regional Transportation Improvement Projects.

- E. **Regional Projects.** The Solano Transportation Improvement Authority ("STIA"), in coordination with the Cities and the County, has identified, through the \_\_\_\_\_ Nexus Study approved by the Solano County Board of Supervisors on \_\_\_\_\_, 2009 (the "Nexus Study"), regional Transportation Improvement Projects, listed in Exhibit "B" to this Agreement, which are designed to help mitigate the regional impacts of forecasted development within the county.
- F. **Mitigation of Regional Transportation Impacts of Local Development.** Adoption and implementation of a Regional Transportation Impact Fee will permit consistent evaluation and mitigation of the regional transportation impacts of local development project applications under consideration by any of the Parties, in a manner to simplify and lessen the cost of compliance with the California Environmental Quality Act (CEQA), Public Resources Code section 21000, et seq. seq.
- G. **Priority for Eligibility for Matching Funds or Other Funding.** The Parties intend that priority for funding utilizing matching funds or other sources of revenue available for Regional Transportation Projects shall be given to the Projects of participating jurisdictions that have adopted the Regional Transportation Impact Fee in accordance with this Agreement.

**NOW, THEREFORE,** the Parties agree:

**Section 1.**  
**Parties**

The Parties to this Agreement are those parties signatory hereto or signatory in the future, which include the County of Solano and not less than six (6) of the incorporated cities in Solano County.

**Section 2.**  
**Formation of the Solano Transportation Improvement Authority**

Pursuant to the authority of Government Code, section 6500, et seq., the Parties hereby establish the Solano Transportation Improvement Authority, a Joint Powers Agency ("STIA").

- a. **Purpose.** The purposes of the STIA shall be to:
- (i) Jointly exercise the powers of the City and County Parties pursuant to the California Mitigation Fee Act, Government Code, section 66000, *et seq.* to impose, collect, administer, program and spend the proceeds of a Regional Transportation Impact Fee to mitigate regional transportation impacts of new development adopted by each of the City and County Parties in accordance with the terms of this Agreement; and
  - (ii) Act in accordance with the provisions of California Public Utilities Code Sections 180,000 et seq. to collect and administer transportation sales taxes should a transportation sales tax measure be approved in Solano County.
- b. **Separate Agency.** The STIA is a legal public entity separate and distinct from any of the Parties.

- c. Powers. The STIA shall have the following powers:
1. Except as expressly limited by this Agreement, to exercise the powers of joint powers agencies specified in Government Code, section 6508, and shall enjoy the privileges and immunities set forth in Government Code, section 6513.
  2. To exercise all of the powers and duties of the City and County Parties pursuant to the California Mitigation Fee Act, Government Code, section 66000, *et seq.*, save and except the adoption or the subsequent increase of the amount of the fee pursuant to Government Code, section 66016, which is reserved to the City and County Parties\* (other than the automatic annual indexed increase provided for in Section 13 of this Agreement), and collection of the fee, which is the responsibility of the City and County Parties pursuant to Section 6 of this agreement.
  3. To exercise all the powers and duties for the collection and distribution of a transportation sales tax should the same be adopted in Solano County pursuant to California Public Utilities Code sections 180,000 *et seq.*
  4. To indemnify any or all the Parties in the manner described in section 18 of this agreement.
  5. To contract with the presently existing Solano Transportation Authority (“STA”) for the provision of all administrative and technical services necessary to administer the RTIF and any transportation sales tax with professional engineers, accountants, attorneys and transportation experts or other advisors as its Board of Directors deems necessary and appropriate.
  6. Unless otherwise provided in a separate written agreement, the STIA shall be exclusively liable for any of its debts, liabilities or obligations, which shall not be the joint or several debts, liabilities or obligations of any of the Parties.
- b. Governance. The STIA shall be governed by a Board of Directors. The members of the Board of Directors shall be constituted by City and County representatives to the STIA Board of Directors, provided that the City or County being represented is a signatory of this Agreement. The Executive Director of the STA shall serve as Executive Director of the STIA and be the agent for service of process for the STIA. The Clerk of the STA shall serve as the Clerk of the STIA for purposes of maintaining the record of proceedings and other books and records of the STIA.
- c. Bylaws. The STIA hereby adopts by reference the bylaws, policies, rules and procedures adopted by and applicable to the STA, including use of the weighted voting formula set forth in those bylaws with respect to the vote of the Board of Directors, except as those bylaws, policies, rules or procedures may refer or apply to individuals or entities that are not signatories to this Agreement.

- d. Termination; Withdrawal. This Agreement, and the existence of the STIA, shall be terminated either (i) by a two-thirds vote of the Board of Directors at a duly noticed meeting of the Board of Directors, and by adoption of a resolution of termination by two-thirds of the governing bodies of the Parties to this Agreement, or (ii) in the event that the County of Solano and at least four (4) of the incorporated cities no longer continue to be Parties to this Agreement. A Party may withdraw from this Agreement by giving ninety (90) days written notice to the Board of Directors following the adoption of a resolution of the governing body of the Party withdrawing from the STIA; provided that any Party voluntarily withdrawing shall be required to continue to collect and remit Regional Transportation Impact Fees for a period of four (4) years following the date of withdrawal. Any Party voluntarily withdrawing shall have no right to receive any distribution of the assets of the STIA as provided in Section 2(g) hereof. Any Party that fails to comply with its obligations under this Agreement shall be deemed to have withdrawn from the STIA which shall be in addition to any remedies at law or in equity that may be available to enforce this Agreement against a defaulting Party.

The STIA shall only expend Regional Transportation Impact Fees for transportation projects located in whole or in part within the jurisdiction of one of the member public agencies; provided that with respect to a member that has withdrawn as provided in this Section 2f and is still required to collect Regional Transportation Impact Fees, such fees shall still be expended for transportation projects located in whole or in part within the jurisdiction of such withdrawing member during the period that the member is required to collect Regional Transportation Impact Fees. If a local public agency withdraws from the STIA, the parties hereto acknowledge STA's role separate and apart from its responsibilities as the administrator of the STIA to assess on a case-by-case basis, the regional transportation impacts of any development project within the jurisdiction of the withdrawing public agency for which a proposed Negative Declaration or draft EIR has been prepared, and if appropriate, to recommend mitigation measures to reduce such impacts to a level less than significant, which may or may not require the payment of impact fees in an amount greater than the STIA.

- e. Disposition of Assets and Proceeds upon Termination. Upon termination of this Agreement, the property of the STIA shall be disposed, divided and distributed to the member Parties at the time of termination, if real property or improvements, or to the parties paying the fee for funds not expended for transportation improvement projects, or his/her successors in interest in accordance with the terms specified in the Mitigation Fee Act or in the California Public Utilities Code for transportation sales taxes.

### **Section 3.** **Definitions**

- a. "Project Sponsor" refers to the Party designated to oversee the use of Regional Transportation Impact Fee revenues in the development of a specific regional Transportation Improvement Project. The Party designated as Project Sponsor may be, but need not be, the lead agency for environmental clearance or the agency responsible for the design or construction of the project itself.

- b. "Regional Transportation Impact Fee," or "the Fee," or "RTIF" refers to the fees to be imposed by the Cities and Counties on development within the county. The project list for the Regional Transportation Impact Fee is in Section 7 of this Agreement.
- c. "Transportation Improvement Projects" or "Projects" refers to those public improvements required to mitigate the regional traffic impacts of development within the County as specified in Section 7 of this Agreement.
- d. "Treasurer" refers to the Executive Director of the STA who is hereby appointed as an officer of the STIA to act as Treasurer pursuant to this Agreement.
- e. "Transportation Improvement Zones" means the 4 subareas identified on the map in Exhibit "A" hereto.
- f. "Expenditure Plan" means that plan for the collection and distribution of funds received from a transportation sales tax measure.

**Section 4.**  
**Purposes**

This agreement is made pursuant to Law for the following purposes:

- a. To establish a framework for the enactment by the Parties of a Regional Transportation Impact Fee, a uniform regional fee on development within Solano County not legally precluded from the fee, to fund all or part of the necessary transportation improvements identified in the Study.
- b. To help resolve regional traffic problems through implementation of the Nexus Study and the Regional Transportation Impact Fee program.
- c. To establish funding goals for identified Transportation Improvement Projects and to seek commitments regarding funding for the Transportation Improvement Projects.
- d. To establish mechanisms for collecting, managing, and disbursing the Fee and to formalize institutional arrangements for the implementation of the Projects to be constructed with Fee revenues.
- e. To administer the collection and payment of funds from a transportation sales tax measure adopted pursuant to California Public Utilities Code sections 180,000 et seq.

**Section 5.**  
**Powers and Duties of the Treasurer**

The Treasurer shall perform the following powers and duties:

- a. Keep a record of all Regional Transportation Impact Fees paid to the STIA by any Party and all transportation sales taxes collected, all disbursements and expenditures made by the Treasurer in accordance with this agreement, and contract for an annual independent audit of the levy, collection and transmittal of Regional Transportation Impact Fees by any party and of transportation sales taxes;

- b. Transmit monies from the Joint Regional Transportation Impact Fee Account to Project Sponsors for the planning, design, and construction of the Transportation Improvement Projects listed in Exhibit "B" of this Agreement and in accordance with the Strategic Expenditure Plan adopted as provided in Section 11 hereof and transmit monies from a Transportation Sales Tax Account in accordance with an Expenditure Plan adopted pursuant to the provisions of California Public Utilities Code sections 180,000 et seq. ;
- c. Reimburse project developers from the Joint Regional Transportation Impact Fee Account pursuant to Section 15 of this Agreement;
- d. Prepare reports required by Government Code, section 66000 et seq. ("AB 1600" the Mitigation Fee Act) annually to comply with Government Code section 66006 (b)(1);
- e. Account for all monies from a joint Regional Transportation Impact Fee Account received in accordance with Government Code section 6505 and exercise the powers and duties with respect to the Regional Transportation Impact Fee program as provided in Government Code section 6505.5;
- f. Keep a record of the Treasurer's time and expenses in performing the Treasurer's duties hereunder; and
- g. Annually undertake an independent audit of the collection and expenditures of the RTIF and any transportation sales tax. Such independent audit may be combined with that of the STA.
- h. Other duties as specified by law or as required by the Parties.

### **Section 6.**

#### **Collection of Regional Transportation Impact Fees**

Each Party hereby agrees to collect as a condition to approval of development within their respective jurisdictions, to the extent that it is legally authorized to do so and subject to the exemptions from collection as provided in Exhibit "A" of this Agreement, the Regional Transportation Impact Fee from all development projects, as that term is defined in subdivision (a) of Government Code section 66000. The amount of that fee shall be as described in Exhibit "A" of this Agreement, as may be adjusted from time to time pursuant to the terms of this Agreement. To accomplish the collection of the Regional Transportation Impact Fee, each Party further agrees:

- a. To adopt the necessary ordinance(s) and/or resolution(s) to require payment of and establish the amount of the Regional Transportation Impact Fee by all non-exempt development projects subject to its jurisdiction.
- b. To require, unless prohibited by law, that each non-exempt development project (or portion thereof) pay the Regional Transportation Impact Fee to the local agency as provided in Section 12 of this Agreement.
- c. To refrain from entering into development agreements that protect non-exempt development projects from future increases to the Fee.

- d. And no later than the 10<sup>th</sup> business day of each month, to remit to the STIA one hundred percent (100%) of the STIA fees collected, plus any interest earned thereon during the prior month which interest shall be paid no later than the 1<sup>st</sup> day of each calendar quarter.

#### **Section 7.**

#### **Regional Transportation Impact Fee And Transportation Sales Tax Accounts**

The STIA shall deposit the amount of each Regional Transportation Impact Fee or any transportation sales tax received into one or more interest-bearing accounts to be used for the Transportation Improvement Projects or, in the case of transportation sales taxes the adopted Expenditure plan.

The deposits in each account shall be invested in the same manner as the other funds of public agencies in Solano County. For investment purposes the funds may be pooled with other funds as long as separate accounting is maintained and the account is credited with the investment earnings.

- a. The Treasurer shall maintain a current record of all funds received from the Parties and deposited to the Regional Transportation Impact Fee or Transportation Sales Tax accounts described above, including interest of income on such funds and annually furnish the Parties with an accounting for inclusion in an audit of the Regional Transportation Impact Fees and sales taxes.
- b. Interfund transfers or loans may be made solely for the purposes of funding other Regional Transportation Improvement Projects or projects identified in the Expenditure Plan.

#### **Section 8.**

#### **Transportation Improvement Projects**

The Regional Transportation Impact Fee shall be used to fund all or a portion of the costs of the projects listed and described in Exhibit "B" of this Agreement.

#### **Section 9**

#### **Expenditure Plan Projects**

Transportation Sales Taxes shall be used to fund all or a portion of the costs of the projects listed and described in the Expenditure Plan.

#### **Section 10.**

#### **Effective Date of Agreement and Fee Ordinance and/or Resolution**

The parties desire that this Agreement shall be effective in each jurisdiction on the same date, conditioned on the approval of the Agreement by the County and at least six (6) of the Cities, which date shall be certified by the Executive Director of the STA ("Effective Date of Agreement"). On the same date as the approval of the Agreement by the County and the Cities, the governing board or council of each of the public agency members shall adopt its resolution and/or ordinance imposing the Regional Transportation Impact Fee... The resolution and/or ordinance imposing the fee shall provide that the fee will be effective on the sixty-first day after the adoption of the ordinance and/or fee, but in no event prior to the Effective Date of the Agreement (the "Effective Fee Date").

**Section 11.**  
**RTIF Expenditures**

The STIA shall prepare, adopt by a vote of the STIA Board, and forward to each Party a plan for expenditures of the RTIF. Said plan shall include project cost estimates, revenue estimates for the Regional Transportation Impact Fee, transportation sales taxes, other matching funds, a draft timeline for project delivery and a plan for prioritizing the expenditure of Regional Transportation Impact Fees collected from development within a particular Transportation Improvement Zone on Transportation Improvements within that zone and, in addition, the expenditure of transportation sales taxes, if any.

- a. The STIA shall consider the following criteria when establishing the delivery schedule of the plan:
  - i. **Project Readiness** including degree of completion of environmental and design phases; well-documented preliminary cost estimates, and documented community support as appropriate;
  - ii. **Project Funding:** Availability of matching funds from other sources, including federal, state and local monies;
  - iii. **Relative Level of Need or Urgency** for the project, in consideration of safety and congestion relief impacts;
  - iv. **Cost Effectiveness**, including the ability to construct the project in the short term for a large long-term gain in safety or congestion relief; and,
  - v. **Fair Geographic Distribution** of projects reflecting where growth is occurring throughout the County.

**Section 12.**  
**Time of Payment**

The Regional Transportation Impact Fees shall be collected either at the time of the issuance of a building permit or, at such later date as may be required by law (in particular Government Code section 66007).

**Section 13.**  
**Regional Transportation Impact Fee Adjustments**

- a. The Regional Transportation Impact Fee shall be automatically adjusted as of July 1 of each year following the first year of the Effective Fee Date. The adjustment shall be set by the Treasurer, based on the increase or decrease in the Engineering News Record Construction Cost Index for the San Francisco Bay Area for the 12-month period ending December 31 of the preceding calendar year.
- b. In addition to the automatic adjustment provided in the Regional Transportation Impact Fee, the STIA Board of Directors, the STA, or any of the Parties may from time to time recommend to the Parties that the Regional Transportation Impact Fee be increased to reflect revisions to the project list in the Solano County Regional Transportation Plan, increases or decreases in projected program revenue or project costs, increases in land values over the inflationary increase, or other factors. The amount of such adjustments

shall be approved by a unanimous vote of all of the STIA Board of Directors and adopted in a resolution by the governing board or council of each Party. Concerted efforts shall be made to attract and obtain other funds from other available revenue sources for which the projects are eligible.

**Section 14.**  
**Administrative Costs**

Up to 1% of the Regional Transportation Impact Fees and transportation sales taxes received by the Treasurer may be used to cover the administrative costs owed by the STIA to the STA as Administrator. Notwithstanding anything in this Agreement to the contrary, no Party to this Agreement shall be required to contribute any amounts to cover the administrative costs of the STIA from their general funds or other amounts unrelated to the Regional Transportation Impact Fee Program.

**Section 15.**  
**Credit or Reimbursement for Developer-Constructed Projects**

The Parties shall provide in their implementing ordinance or resolution that a developer who constructs all or part of one of the Transportation Improvement Projects may be eligible for a credit or reimbursement, as provided herein.

- a. **Credit or Reimbursement for Project Funded in SEP.** A developer may be eligible for a credit to be applied against payment of the Regional Transportation Impact Fee if the developer constructs or dedicates right-of-way with respect to all or a part of one of the Transportation Improvement Projects that is, at the time the developer enters into an agreement for construction of such project, included in the prioritization plan of the SEP as a project to be funded.

A developer may be eligible for a reimbursement if the cost of constructing such a Transportation Improvement Project, or a part of such project, exceeds the amount of the Regional Transportation Impact Fee to be paid by the developer. The amount of reimbursement shall equal the difference between the cost of constructing all or a part of the Transportation Improvement Project and the Regional Transportation Impact Fee for the development project.

Reimbursement shall be from Regional Transportation Impact Fee revenues only, and the right to reimbursement shall be terminated ten years from the date the developer entered into the agreement for construction of the project.

The amount of credit, or the credit and reimbursement together, shall be in an amount equal to the cost of the Transportation Improvement Project or portion thereof, as set forth in the SEP, and shall be calculated by the STIA. The credit, or the credit and reimbursement together, shall be calculated at the time the developer enters into an agreement for construction of the Transportation Improvement Project and posts bonds. The credit shall be granted at the same time. Once calculated, the amount of reimbursement shall not increase for inflation nor shall it accrue interest.

- b. **Reimbursement for Projects Not Funded in SEP.** If a developer constructs all or a part of a Transportation Improvement Project that is not, at the time the developer enters into an agreement for construction of such project, included in the prioritization plan of the

SEP as a project to be funded, the developer may be eligible for reimbursement from the Treasurer, provided that the SEP is subsequently revised to include the improvement in the prioritization plan as a project to be funded. In such event, the amount of reimbursement shall be in an amount equal to the cost of the Transportation Improvement Project or portion thereof, as set forth in the SEP, and shall be calculated by the STIA. The amount of the reimbursement shall be calculated when the developer enters into an agreement for construction of the Transportation Improvement Project and posts bonds. Once calculated, the amount of reimbursement shall not increase for inflation nor shall it accrue interest. Reimbursement shall be from Regional Transportation Impact Fee revenues only, and the right to reimbursement shall be terminated ten years from the date the developer entered into the agreement for construction of the project.

#### **Section 16.**

#### **Duties to be Performed by the STIA; The STA as Administrator**

Other than the initial adoption of and determination of the amount of the Regional Transportation Impact Fee and any increase of the fee, other than automatic adjustments as provided in Section 13 (a) of this Agreement, and any determination required to be made pursuant to Government Code section 66001 (b), the STIA shall exercise all powers and conduct all other duties and obligations permitted or required to be performed by local agencies under the Mitigation Fee Act for the operation and administration of the Regional Transportation Impact Fee on behalf of each or all of the Parties whether acting individually or collectively pursuant to the authority granted by each of the Parties to the STIA pursuant to the Joint Exercise of Powers Act, Government Code, section 6506. The STIA shall contract with the STA to perform any or all of these duties. Such duties shall include, but not be limited to:

- a. The review of studies and reports prepared by the STA to the Parties concerning the growth and development planned and completed within Solano County and its impact on the regional transportation network. In conjunction with the preparation of Regional Transportation Plans and Congestion Management Plans by the STA, the STA shall regularly review proposals and adopted General Plan amendments by all jurisdictions within Solano County and comment upon projected potentially significant impacts of development which may result from such General Plan amendments, and shall report to the STIA Board and the Parties any recommendations for adjustments to the Regional Transportation Impact Fee program or other measures which may be required to mitigate such impacts.
- b. The adoption by the STIA Board in the fifth fiscal year following the first deposit into the Joint Regional Transportation Impact Fee Account, and every five years thereafter, of the findings required by Government Code section 66001 (d).
- c. When sufficient funds have been collected to complete financing on incomplete public improvements and the public improvements remain incomplete, the identification, within 180 days of the determination that sufficient funds have been collected, of an approximate date by which the construction of the public improvements will be commenced or to recommend the refund of the unexpended portion of the fee, and any interest thereon, as required by Government Code section 66001 (e) and (f).
- d. The preparation of a form of written notice to be provided by the Parties at the time of approval of a project and a statement of the amount of the fees, and that the 90-day period within which the applicant may protest has begun. The notice shall provide

that any protest of the Regional Transportation Impact Fee pursuant to Government Code section 66020 (a) shall be served upon the STIA Board.

- e. The production of evidence of the reasonableness and documents which establish that the Regional Transportation Impact Fee does not exceed the cost of the transportation facilities for which it is imposed in response to requests pursuant to Government Code section 66024 (b)(2).
- f. The retention of an independent auditor to conduct an audit of the Regional Transportation Impact Fee program, if requested pursuant to Government Code section 66023.
- g. The defense of any action to attack, review, set aside, void or annul the imposition of the Regional Transportation Impact Fee filed pursuant to Government Code section 66020 (d)(2).
- h. Making recommendations to the STIA concerning any refund of all or any portion of the Regional Transportation Impact Fee pursuant to Government Code sections 66001 (e) or (f) or 66020 (e) or (f).

#### **Section 17.** **Amendments**

This Agreement may be amended at any time by an amendment approved by a unanimous vote of the members of all of the STIA Board of Directors. Notwithstanding this requirement, the list of projects attached hereto as Exhibit "B" may be altered from time to time upon the approval of a majority of the STIA Board of Directors in attendance at the meeting during which voting takes place to reflect completion of projects, changes in project costs, changes in adopted land use plans of the County or Cities, provided that the changes do not alter the fee amounts set forth in Exhibit "A" of this Agreement as adjusted in accordance with Section 13a of this Agreement without compliance with this section.

#### **Section 18.** **Indemnification**

The STIA shall defend, protect, hold harmless and indemnify any or all the Parties from any action taken to challenge, nullify or otherwise hold any Party liable for monetary damages or any other remedy based upon the adoption, collection or enforcement of the Regional Transportation Impact Fee for the funding of transportation projects, or the exercise of any of the rights and duties of the Parties under the Mitigation Fee Act, the California Environmental Quality Act or any other state or federal statute, regulation, law or constitutional provision asserted with respect to the Regional Transportation Impact Fee, whether such action is filed at the time of the imposition of the Regional Transportation Impact Fee or such later date if the Regional Transportation Impact Fee is paid under protest; provided that none of the Parties shall be obligated to provide funds to pay for such indemnification from their general funds or other assets unrelated to the Regional Transportation Impact Fee Program. The STIA shall obtain an indemnification from the STA in the Agreement for Services between the STIA and the STA regarding the administration of the STIA or some other agreement obligating the STA to provide legally available funds of the STA to fund the STIA's obligations to indemnify the Parties under this Section 18.

- a. Unless otherwise provided in a separate written agreement, the STIA shall be exclusively liable for any of its debts, liabilities or obligations, which shall not be the joint or several debts, liabilities or obligations of any of the Parties.
- b. It is expressly agreed by all parties to this Agreement that, in contemplation of sections 895.6 and 6508.1 of the Government Code respecting the right of contribution of public entities that are parties to a joint powers agreement, no public entity a party to this Agreement shall be jointly or severally liable upon any judgment for damages caused by a negligent or wrongful act or omission to act occurring in the performance of this Agreement, which judgment is rendered or imposed upon any one of the parties, unless the public entity shall have authorized or consented to the act or omission to act by an appropriately adopted resolution.
- c. Payments to Project Sponsors or for Developer-funded project reimbursements shall include reasonable requirements for indemnification and insurance, as appropriate for individual projects, and shall include requirements that Project Sponsors or other entities which construct any of the Projects defend and indemnify the STIA and the Parties.

#### **Section 19.**

#### **Interpretation of Agreement**

Nothing in this Agreement shall be construed to hold any Party liable to any other Party, or any person not a party hereto, for the design, construction, installation, inspection, operation, maintenance and/or repair of any of the Transportation Improvement Projects because a Party collected Regional Transportation Impact Fees that were used for the design, construction, installation, inspection, operation, maintenance and/or repair of any of the Transportation Improvement Projects. This Agreement is designed to implement the subvention or disbursement of public funds from one public agency to another and accordingly is not an agreement as defined in Government Code Section 895.

#### **Section 20.**

#### **Manner of Exercise of Powers**

The powers of this Agreement shall be exercised subject to the restrictions upon the manner of exercising of such powers by the County of Solano, as provided in Section 6509 of the Government Code.

#### **Section 21.**

#### **Sole Agreement**

This Agreement is the sole agreement on the subject matters of this Agreement between the parties.

#### **Section 22.**

#### **CEQA Lead Agency Designation**

The Parties agree that for purposes of compliance with the California Environmental Quality Act (CEQA), Public Resources Code section 21000, et seq., for environmental review of the adoption of the Regional Transportation Impact Fee ("STIA"), that the STA shall be the lead agency, and all other Parties shall be responsible agencies. Prior to taking action to approve a Regional Transportation Impact Fee within its jurisdiction, each responsible agency shall certify

that it has reviewed and considered the information contained in the environmental determination made by the STA, which is the lead agency for adoption of the Regional Transportation Impact Fee for purposes of the California Environmental Quality Act (CEQA), Public Resources Code section 21000, et. seq.

**Section 23.**  
**Appeals**

- a. If the applicant for a development project subject to the STIA believes that the land use category in Exhibit "A" to this Agreement is not appropriate for his/her application, the applicant may propose a more appropriate development category as verified by a traffic analysis showing an alternative trip generation rate subject to approval by the STIA.
- b. If the applicant for a development project subject to the STIA believes that the fee in Exhibit "A" to this Agreement is not appropriate for his/her application, the applicant may have prepared, at his/her own expense, a trip generation study conducted by a licensed traffic engineer that forecasts the anticipated peak hour trips for the proposed development utilizing any portion of the regional transportation system. The study procedure and results shall require the approval of the STIA.
- c. Regardless of whether or not the applicant has exercised his/her rights under subsections (a) or (b) above, an applicant who disputes the amount of an impact fee may file a written notice of appeal with the STIA Board of Directors, by service upon the Executive Director of the STIA. The STIA Board of Directors shall render its decision by a majority vote of those members present within 60 days of the filing of the appeal, and such decision shall constitute the final agency action.

**Section 24.**  
**Signatures**

This Agreement may be signed in counterparts with the signature pages attached to form a complete document.

APPROVED BY:

**[JURISDICTION]**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**[JURISDICTION]**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**[JURISDICTION]**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**[ADDITIONAL PARTIES]**

**Exhibit "A"**  
**Regional Transportation Impact Fee Amount**

Subject to adjustments in the fees as provided in Section 13 hereof, the initial Regional Transportation Impact Fees shall be as follows:

LAND USE DESIGNATION				
Residential Average (dwelling unit) Single-Family Apartment Condo/Townhome Multi-Family / Secondary Unity				
Retail (1,000 Sq. Ft.)				
Office / Government (1,000 Sq. Ft.) General Office Government Office Office Park Business Park				
Industrial / Agriculture (1,000 Sq. Ft.) Light Industrial Heavy Industrial Warehouse Manufacturing				
Lodging (room) Hotel Motel				
Fee per Trip				

**DEFINITIONS:**

LAND USE DESIGNATION	DEFINITION
Residential Average (dwelling unit) Single-Family Apartment Multi-Family / Secondary Unit Condo/Townhome	Single-family detached housing includes all single-family detached homes on individual lots. Apartments are rental dwelling units that are located within the same building with at least three other dwelling units, for example quadraplexes and all types of apartment buildings. Multi-family / Secondary (auxiliary) dwelling units are detached units located on the same lot as a single-family dwelling unit as living quarters for another party not of the main residence. Residential condominiums/townhouses are defined as ownership units that have at least one other owned unit within the same building structure. Both condominiums and townhouses are included in this land use.
Retail (1,000 Sq. Ft.)	Retail uses are generally shopping centers that contain a variety of retail shops and specialize in quality apparel; hard goods; and services, such as real estate offices, dance studios, florists and small restaurants. Retail uses include specialty retail centers, discount stores, shopping centers, supermarkets, pharmacy/drug stores, nursery and hardware stores, and home improvement and electronics stores.
Office / Government (1,000 Sq. Ft.)	

<p>General Office</p> <p>Government Office</p>	<p>A general office building houses multiple tenants; it is a location where affairs of businesses, commercial or industrial organizations, or professional persons or firms are conducted. An office building or buildings may contain a mixture of tenants including professional services; insurance companies; investment brokers; and tenant services, such as a bank or savings and loan institution, a restaurant or cafeteria and service retail facilities.</p> <p>A government office building is an individual building containing either the entire function or simply one agency of a city, county, state, federal, or other governmental unit. This type of building differs from a government office complex (ITE Land Use 733) in that it is not a group of buildings that are interconnected by pedestrian walkways.</p>
<p><b>Industrial/Agriculture (1,000 Sq. Ft.)</b></p> <p>Light Industrial</p> <p>Heavy Industrial</p> <p>Warehouse</p>	<p>Light industrial facilities usually employ fewer than 500 persons, they have an emphasis on activities other than manufacturing and typically have minimal office space. Typical light industrial activities include printing, material testing and assembly of data processing equipment. These are free-standing facilities devoted to a single use.</p> <p>Heavy industrial facilities usually have a high number of employees per industrial plant and could also be categorized as manufacturing facilities (ITE Land Use 140). Heavy industrial uses are limited to the manufacturing of large items.</p> <p>Warehouses are primarily devoted to the storage of materials, but they may also include office and maintenance areas.</p>
<p><b>Lodging (room)</b></p> <p>Hotel</p> <p>Motel</p>	<p>Hotels are places of lodging that provide sleeping accommodations and supporting facilities such as restaurants, cocktail lounges, meeting and banquet rooms or convention facilities, limited recreational facilities (pool, fitness room) and/or other retail and service shops.</p> <p>Motels are places of lodging that provide sleeping accommodations and often a restaurant. Motels generally offer free on-site parking and provide little or no meeting space and few (if any) supporting facilities. Exterior corridors accessing rooms – immediately adjacent to a parking lot – commonly characterize motels.</p>

## CREDITS:

A credit shall be provided for development in participating jurisdictions with impact fee programs that include project costs that overlap with the Regional Transportation Impact Fee. The credit shall be equivalent to the percentage of the total STIA project costs shown in Exhibit A for which there is overlap in each participating jurisdiction.

## EXEMPTIONS:

In addition to any exemptions from the levy of development impact fees provided by law, including, as applicable, the levy of development impact fees which are the subject of a vested subdivision map, the following development projects will be exempt from the Fee:

- A. The reconstruction of any building so long as the reconstructed building both continues a use of the same category as the prior use and generates the same or fewer trips as the original building and reconstruction commences and so long as the permit for reconstruction is issued within one (1) year from destruction of the building.
- B. Development within the Fort Ord Reuse Agency ("FORA") area that is subject to transportation improvement fees for transportation projects within the FORA plan area.
- C. Development pursuant to a development agreement that was entered prior to the Effective Date of the Joint Powers Agreement in accordance with the terms of the development agreement in effect prior to the Effective Date of the Joint Powers Agreement.

Exhibit "B"

Regional Transportation Improvement Projects for funding by STIA

Projects	Cost	Location	Description

# **Solano Regional Transportation Impact Fee Feasibility (RTIF) Study**

## **Frequently Asked Questions, 04-30-09**

- Q1. What is a regional transportation impact fee program?**  
A1. The main purpose of a regional transportation impact fee is to help plan for and mitigate transportation impacts of future growth on the regional transportation system.
- Q2: Why do we need a Regional Transportation Impact Fee Program and what benefits would it bring?**  
A2. The program would be used to lessen future traffic congestion through capacity increasing improvements and enhanced transit facilities. This program would improve mobility by reducing time delays and maintaining travel reliability on major roadways throughout Solano County.
- Q3. What is the difference between a local traffic impact fee and a regional transportation impact fee?**  
A3. Local traffic impact fees are used to fund local improvements to mitigate cumulative impacts to roadways caused by development. Regional transportation impact fees build multi-jurisdictional transportation projects which benefit two or more communities.
- Q4. How will the list of eligible projects be determined?**  
A4. STA and its member agencies will develop a list of criteria to identify what types of projects would qualify for these funds. In addition, the Solano Travel Demand Model would be used to quantify the amount and type of increased traffic that would result from the growth areas in the cities and county to make sure that these funds would be expended on critical regional transportation projects needed as the result of cumulative development projects.
- Q5. Won't it take a long time until all the funds are received to build any projects?**  
A5. No. The program would contain provisions to conduct critical project development activities and funding interim improvements as money is received. This will allow the project sponsor(s) to provide incremental progress and measurable benefits. However, as required under AB 1600, there is a five year provision to spend those funds allocated to specific project or they must be re-appropriated.
- Q6. Would an RTIF program pay for 100% of a project's cost?**  
A6. Given the nature of the program and the size of many of the projects, it is not likely that it would fund more than 20% of the cost of any ultimate capital project. However, RTIF funds could be used to as "matching funds" for other funding sources such as State and Federal earmarks or grants.
- Q7. Would an RTIF program increase housing costs?**  
A7. STA will make sure that any new fee(s) considered would be modest and would work with the development community so that any such fees would not have significant effects on housing costs or housing affordability. STA will undertake a nexus study in which the suggested fees will be based on the impacts the project would pose to the transportation system.
- Q8: Would an RTIF program help leverage other funding sources?**  
A8. Yes. This would be one of the main advantages of establishing the program. Most state and federal transportation programs are very competitive, and require at least 20% of the funding mix to come from local funding sources. Therefore, it would help make Solano agencies' applications more successful, particularly for securing our share of larger statewide interregional transportation funds and federal funds.

- Q9. Who would administer and manage the program?**  
**A9.** Such a program would probably be managed either by the Solano Transportation Authority or by a new Joint Powers Authority dedicated to the management of the fee program.
- Q10: How do we know that area(s) where growth is occurring most will receive their proportionate share of the program funds?**  
**A10.** The STA would first adopt a list of priority projects which would be the only ones eligible to receive RTIF funds. Then, it would adopt a capital improvement program specifying which projects would actually receive funds during the next 5-year period, and how much funding would be spent for which activities. Based on an operating agreement to be adopted by the STA member agencies, STA would make sure that a proportionate amount of funds received would be expended, commensurate with the amount of revenues received.
- Q11. Would the program be used to fund existing road problems or existing deficiencies?**  
**A11.** No. The RTIF fees can only be used to fund new road improvements or intermodal transit facilities that are needed to accommodate future development. The focus of this fee is regional capacity enhancement.
- Q12. Will this fee program help a project mitigate its cumulative impacts?**  
**A12.** Yes. The intent of this program would be to provide a mechanism to mitigate a project's share of its cumulative impact on the regional transportation system as required by the California Environmental Quality Act.
- Q13. Would the program be used to fund projects along the Interstate and state highway system in Solano County?**  
**A13.** The program could fund some of the local share of the regional impacts from new growth areas on both arterial roadways as well as on specific interstate and state highway capacity projects, as identified in the nexus study and fee program.
- Q14. Would the RTIF program affect what I pay for property taxes or sales taxes?**  
**Q14.** No. It would be a one-time fee paid at the time of issuance of a building permit.
- Q15. Would the RTIF program have any effect on the local economy?**  
**A15.** Building key transportation projects will help to stimulate the local economy by creating jobs and improving mobility for commuters and goods delivery. Also, the Solano Economic Development Corporation is providing input to the STA during the development of the program to make sure that the business community's needs and comments are reflected in any program that the STA may eventually consider.
- Q16. How can I find more information on the proposed Solano RTIF Program?**  
**A16.** STA will post the RTIF studies, proposed fee schedules and capital improvement program information on its web site at [www.solanolinks.com](http://www.solanolinks.com). Or call Sam Shelton, STA's Project Manager, at 707-399-3211 for more information.

