



**REGIONAL TRANSPORTATION IMPACT FEE (RTIF)
WORKING GROUP
MEETING AGENDA**

**Thursday, December 4, 2008
Start at 10:00 a.m. in STA Main Conference Room**

**STA Main Conference Room
One Harbor Center, Suite 130
Suisun City, CA 94585**

<u>ITEM</u>	<u>ACTIVITY</u>	<u>ADMINISTRATOR</u>
I.	CALL TO ORDER—SELF INTRODUCTIONS	Sam Shelton, STA
II.	INFORMATION ITEMS	
A.	Review “Forms of Governance” Memo	Daryl Halls, STA
B.	Review RTIF Project Timeline	Daryl Halls, STA
C.	Review Draft Scope of Work for RTIF Request for Proposals (RFP)	Sam Shelton, STA
D.	Review RTIF “Frequently Asked Questions” (FAQ)	Sam Shelton, STA
E.	Review of Draft RTIF Feasibility Study Executive Summary Handout	Sam Shelton, STA
III.	ADJOURNMENT	
	The next RTIF Working Group meeting will be scheduled in January 2009.	

November 25, 2008

To: STA Board
Daryl K. Halls, STA Executive Director
Janet Adams, STA Director of Projects

From: Charles Lamoree, STA Legal Counsel

Re: Forms of Governing Authority for a Regional Transportation Impact Fee

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. Under AB1600 a development impact fee can be created by a city, a county, special district and also through an "authority" or an "agency." A newly created agency or authority lends itself to regional impact fees since, in particular, a city could not create a regional fee since it cannot exercise the police power outside its corporate boundaries.

Thus, when creating a regional or sub-regional transportation impact fee there are three basic forms of governance that could serve to establish and administer such a regional fee. There are 17 areas in California that have regional transportation impact fees and they fall within these three categories:

1. A County (Solano 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 such a fee would be Solano County's Public Facilities Fee which was created several years ago.

There are 17 RTIF's in California and almost all of those are not established and administered by a county standing alone. Instead, the large majority of RTIF's are created and administered by a joint powers organization either through an existing agency or an agency specially created to adopt, impose, collect and administer the RTIF.

2. An Existing 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)

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.

When the STA was created the County and the seven cities in Solano County included a list of some of their common powers to be exercised by the STA. For example, cities and counties can operate transit systems. Thus, one common power that the STA has been given through the JPA is to operate transit. 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.

3. Creating a New Joint Powers Authority

Finally, specialized and focused joint power agencies can be created through joint powers agreements on either a county-wide basis (like the STIA when the sales tax measure was being considered) or in a sub-regional basis by those cities and the county in a defined sub-regional area. The joint powers agreement would, like the suggested amendment to the STA's JPA, delegate those aspects of the police power that relate to creating and administering a transportation development impact fee.

If any Board member has questions, please feel free to give me a call.

END OF MEMO

DRAFT RTIF TIMELINE, 12-04-2008

Fee Governance Authority Discussion	
Month	Meeting • Task
Dec	RTIF Policy Committee meeting • Review Final Governance Structures & Fee Collection options.
Dec 17	STA TAC • Recommend Governance Structure
Jan 14	STA Board Meeting • Adopt RTIF Governance Structure for city circulation
Jan-Mar	City Council Meetings/Planning Commission Meetings • Present RTIF Governance Structure to local agencies
Apr	STA Board • Adopt RTIF governance structure discussions

Nexus Study Schedule	
Month	Meeting • Task
Dec-Mar	RTIF Working Groups • Participate in Nexus Study meetings: members to include local agency staff, elected officials, and the development community.
Mar	STA TAC • Recommend adoption of Nexus Study and Implementation of RTIF
Apr	STA Board • Adopt Nexus Study

Fee Adoption Schedule & Implementation	
Month	Meeting • Task
Apr-May	City Council Meetings/Planning Commission Meetings • Present RTIF Adoption Resolutions to City Councils
Quarterly	RTIF Working Groups • Review Fee Calculations methods and project delivery progress
Quarterly	Governing Authority • Review Fee Collections & Project Progress

Solano Regional Transportation Impact Fee Nexus Study
DRAFT Conceptual Scope of Work and Deliverables
12-04-08

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**

- Task 1: Confirm Final Scope of Work and Schedule and Commence Study**
- Conduct a targeted analysis of the factors critical to determine the full scope of work.
 - Develop the full scope of work and Final Schedule needed to be performed that would provide a study that meets the STA's objectives and State requirements for an AB-1600 study.
 - Confirm a countywide benefit zone for the fee program analysis and fee calculation(s).
 - Conduct AB-1600 study upon STAs approval of the scope of work.
- Deliverable:** The results of this Task will be a *Final Scope of Work*.

- Task 2: Define the Project Criteria and Regional Development Impact Fee System Network**
- Confirm the criteria to be used in selection of projects.
 - Confirm the proposed countywide regional road and highway network and transit facilities to be further analyzed based on STA and member agency plans and studies including but not limited to the Solano Comprehensive Transportation Plan, Routes of Regional Significance, Draft Jepson Parkway Project EIR/S, I-80-I-680/I-780 Major Investment and Corridor Study, SR 12 Major Investment Study, General Plans and/or Capital Improvement programs.

Deliverable: The results of this Task will be a *System Map* depicting the preliminary set of projects to be considered in this study.

Task 3: Regional Travel Demand Model Analysis and Growth Projections

- Review methodology, performance standards, and future “no-build” assumptions.
- Run Solano Napa Travel Demand Model to identify growth projections, levels of service, performance deficiencies and identify regional project locations.

Deliverable: The results of this Task will be a *System Performance Evaluation* including list of roadway segments and maps depicting existing and future levels of service for projects identified in the System Map.

Task 4: Formulate Draft Project List

- Identify proposed improvements based on deficiency analysis results and defined project selection criteria from Task 2.
- Develop Project Cost Estimates.

Deliverable: The results of this Task will be a *Draft Project List with estimated costs*.

Task 5: Travel Demand Model “Select Link” Analysis

- Conduct select link analysis of specific project locations to identify new trips subject to calculation of fees.
- Optional select link iteration based on stakeholder/local agency and Technical Working Group input.

Deliverable: The results of this Task will be a “*Select Link*” Analysis.

Task 6: Regional Fee Calculation Scenarios

- Calculate draft fee options based on select link analysis, optional benefit zone structures, and optional fees structures to be evaluated for various land uses.
- Adjust fees based on stakeholder/local agency and Technical Working Group input.

Deliverable: The results of this Task will be a report identifying a *Regional Fee Calculation*.

Task 7: Fee Revenue Estimation

- Growth forecasts will be used in combination with projected areas of congestion (from Task 3) and the project list (from Task 4) to develop an estimation of overall fee revenues.
- Vested development rights will be evaluated as to the feasibility of levying a regional impact fee on these developments. Previous

contributions and current commitments of these developments towards improving the regional transportation system will be taken into account in determining the feasibility of levying an added fee or establishing credits.

- The extent of vested development in each jurisdiction will be determined based upon discussions with each of the local jurisdiction's planning director. The local jurisdiction's attorney will be consulted regarding the legal feasibility of levying any new fees on vested development. Those developments for which a new fee is determined to be infeasible will be subtracted from the total growth forecast for the purpose of computing fee revenues.

Deliverable: The results of this Task will be a report identifying the *Fee Revenue Estimation*.

Task 8: Nexus and Burden Analysis

The purpose of this task is to allocate the expected unfunded costs of the transportation improvement projects in the draft project list by land use type and jurisdiction type. A portion of each project's cost must be allocated to the correction of existing deficiencies (if appropriate) and to growth in through trips.

There are four sub-steps required to formulate an equitable allocation of the costs:

- Separate the cost of remedying existing deficiencies from the cost of accommodating growth;
- Give credit to new development for dedications, exactions, special assessments, use fees, existing local transportation impact fees or other in-lieu payments toward its share of new capacity;
- Identify the share of costs and benefits attributable to traffic that neither originates nor has a destination in Solano County, and,
- Distribute the net costs for the projects among different types of development (i.e., residential, retail, office, and industrial) and across geographical areas.

Once the project list is refined (in Task 4) the allocated project costs will be used to construct a fee schedule by jurisdiction and land use type. Recommendations will be provided on different strategies for allocating the fees among residential, retail, and other commercial development, and across geographic boundaries.

A preliminary, proposed fee schedule will then be assessed in terms of its relative economic burden placed upon each local jurisdiction's residential and commercial development markets. This assessment will be based upon

discussions with planning directors and other local experts on the strength of each jurisdiction's residential and commercial development markets.

Deliverable: The end product of this task will be a Technical Memorandum entitled "Nexus and Burden Analysis" which will document the analysis methods, summarized quantification of the nexus and burden, proposed fee schedule, and an assessment of the relative economic burden imposed by the preliminary fee schedule on local residential and commercial markets.

Task 9: Committee & Stakeholder Meetings

- Participate in workshops through tasks 1-6 with STA Board, Policy Advisory Committee, Technical Advisory Committee, STA member agencies, and stakeholder groups to present fee program work products, answer questions, and collect feedback. At least twelve (12) meetings are anticipated.

Deliverable: This Task will require attendance at *Committee & Stakeholder Meetings*.

Task 10: Team Meetings

- Participation in person or by phone in team meetings to review project status and work products. Fifteen (15) meetings are anticipated.

Deliverable: This Task will require participation in *Team Meetings*.

Task 11: Draft Nexus Study Report

- Based on input from the public workshops and further consultation with STA and participating agencies, prepare draft and final reports including the following topics:
 1. A brief statement of the need for and purpose of a regional transportation impact fee.
 2. A description of the decision making and public input process used to arrive at the recommended fee program.
 3. A brief summary of the state rules and regulations for impact fees and how they have been complied with for the Solano RTIF fee program.
 4. The list of projects, their costs, their implementation schedule, and the rationale and need for including them in the regional transportation impact fee program.
 5. An estimate of the current balance in fee revenues available for these projects.
 6. Estimates of the non-fee revenues that may be available for these projects,

7. Tabulation of the unfunded shortfall that must be covered by impact fees.
8. The estimated growth (after allowing for vested development rights) that would be subject to the fee in each jurisdiction.
9. The nexus analysis allocating the unfunded regional project costs to new development by land use category and justifying the “proportionality” of the fee.
10. An assessment of the ability of the local residential and commercial markets to absorb a fee increase (economic burden analysis).
11. Summary of proposed procedures for collecting, administering and expending fee revenues.
12. Recommended policies for granting exemptions and credits
13. Recommended Strategic Expenditure Plan & Fee Schedule
14. Recommendations regarding financing and cash flow.

Deliverable: The results of this Task will be a *Draft Nexus Study Report*.

Task 12: Final Report

- Submit a final report and make a formal presentation of AB-1600 study findings and recommendations to the Technical Working Group (TAC) and STA Board.
- Final Report will include a recommended Joint Exercise of Powers Agreement, Operating Agreement and any other appropriate instruments to formally implement the recommended RTIF program by the STA and member agencies.

Deliverable: The results of this Task will be a *Final Nexus Study Report*.

DRAFT Solano Regional Transportation Impact Fee Feasibility (RTIF) Study

Frequently Asked Questions – 12-03-08 Draft

- Q1. What is a regional transportation impact fee program?**
A1. The main purpose of a regional transportation impact fee is to help mitigate and plan for the impact 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 build capacity increasing improvements to the transportation system to lessen future traffic congestion in a timely manner. This program would improve mobility by reducing time delays and maintaining 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 primarily for local improvements that mainly provide very direct improvements to roadways within or immediately adjacent to a 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 new 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 fund interim improvements as money is received. This will allow the project sponsor(s) to provide incremental progress and measurable benefits.
- 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.
- 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.
- 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.
- Q10: **How will we know that growing area 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 within a given subarea or corridor, 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 would only be used to fund new road improvements or intermodal transit facilities that are needed to accommodate future development.
- 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, subject to approval by the STA Board.
- 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 completed RTIF studies, proposed fee schedules and capital improvement program information on its web site at www.solanolinks.com. Or call Sam Shelton, STA's Project Manager, at 707-399-3211 for more information.