



Solano Transportation Authority

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

Members:

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

4:00 p.m., Wednesday, December 10, 2008

**Suisun City Hall
701 Civic Center Blvd.
Suisun City, CA 94585**

MEETING AGENDA

- I. CALL TO ORDER/INTRODUCTIONS** Chair Spering
(4:00 – 4:05 p.m.)
- II. APPROVAL OF THE AGENDA**
(4:05 – 4:10 p.m.)
- III. OPPORTUNITY FOR PUBLIC COMMENTS**
(4:10 – 4:15 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. INFORMATION ITEMS**
 - A. Review of Draft RTIF Feasibility Study Executive Summary** Daryl Halls, STA
(4:15 – 4:20 p.m.)
 - B. Review of RTIF Project Timeline** Daryl Halls, STA
(4:20 – 4:30 p.m.)

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 David Van Kirk	Osby Davis Joseph Tanner	Jim Spering Michael Johnson

The complete RTIF Committee packet is available on
STA’s website: www.solanolinks.com

C. Review “Forms of Governance” Memo
(4:30 – 4:40 p.m.)

Charles Lamoree, STA

V. ACTION ITEMS

A. Regional Transportation Impact Fee (RTIF) Nexus Scope of Work

Daryl Halls, STA

Recommendation:

Recommend that the STA Board approve the following:

- 1. RTIF Nexus Study Scope of Work as specified in Attachment A; and*
- 2. Authorize the Executive Director to issue a request for proposal and retain a consultant to conduct a RTIF Nexus Study consistent with the specified scope of work.*

(4:40 – 4:45 p.m.)

VI. CLOSING COMMENTS FROM COMMITTEE MEMBERS

Committee Members

(4:45 – 5:00 p.m.)

VII. ADJOURNMENT

The next Regional Traffic Impact Fee (RTIF) Policy Committee Meeting is scheduled at **4:00 p.m.. Wednesday, January 14, 2009** at Suisun City Hall.

Taking Steps Towards Implementing a Regional Transportation Impact Fee

The STA will be engaging local agency staff, elected officials, and the development and business community through a number of meetings during the development of the nexus study and adoption of an Impact Fee.



Paying for a Less Congested Future

Studying the Feasibility of Charging Additional Development Fees for the Regional Traffic Congestion Impacts of New Solano County Residents & Businesses



Development of Fee Nexus Study



Before a fee can be collected, the agency must show a reasonable relationship (nexus) between the fee's use (building transportation projects) and the type of development project (homes, offices, retail, industry, etc.) as part of AB1600 fee requirements. This is usually done through complex travel demand modeling of projected new developments.

Adoption of Fee Governance Authority

Who will be in charge of the fee: Solano County, the Solano Transportation Authority, or a new Joint Powers Authority? More discussion is needed and those meetings will be held while the nexus study is being completed.

Insert revised schedule here

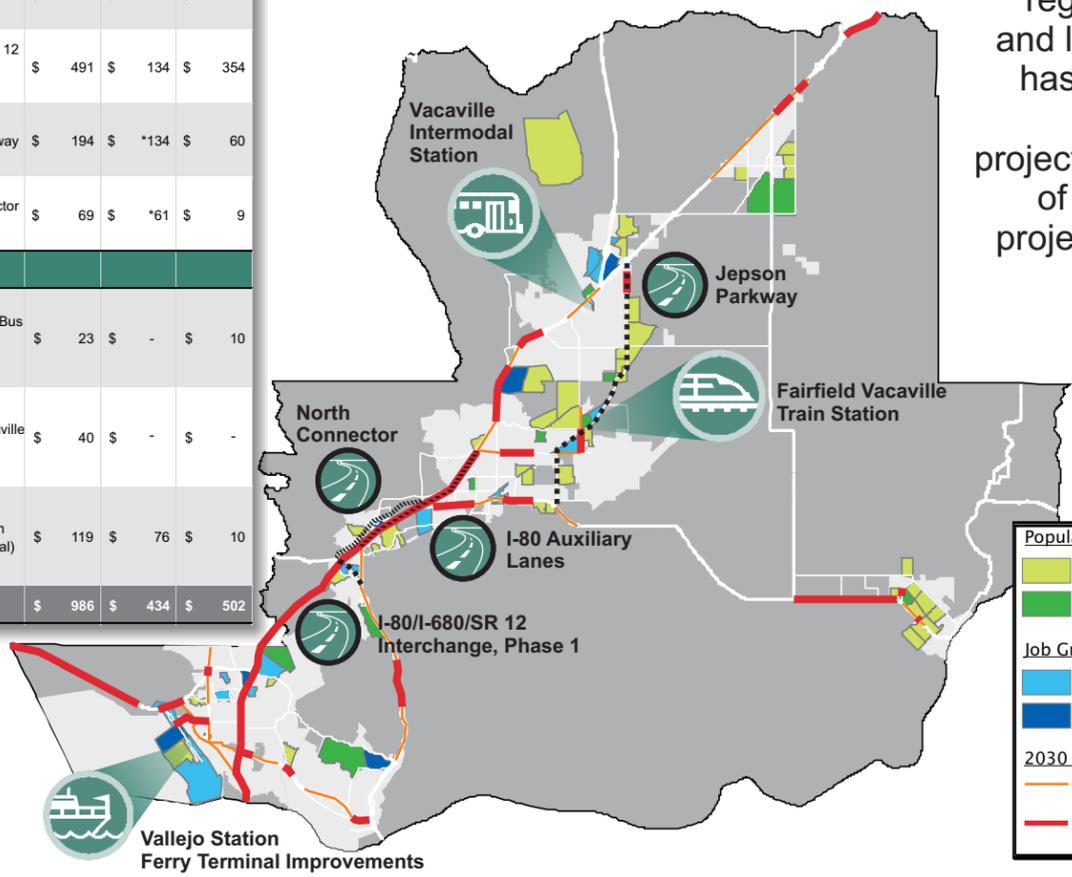
Adoption & Implementation of a Regional Transportation Impact Fee

Once the Fee Nexus Study is complete and local agencies wishing to participate have weighed in on a governance structure, the STA will move forward with the required approvals to enable local agencies to collect the fee and the Fee Governing Authority to make use of those fees.

Fed & State Funds Available for Only 7 New Projects by 2030

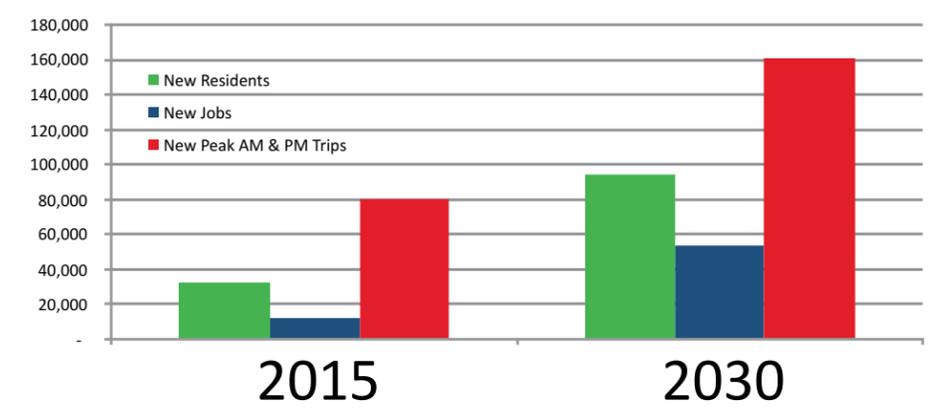
Project Category	Project Name	Total Cost in millions	Secured Funding	Future Funding
Roadway Projects	I-80 Auxiliary Lanes (I-680 to Air Base Parkway)	\$ 50	\$ -	\$ 50
	I-80/I-680/SR 12 Interchange Phase 1	\$ 491	\$ 134	\$ 354
	Jepson Parkway	\$ 194	\$ *134	\$ 60
	North Connector Project	\$ 69	\$ *61	\$ 9
Transit Projects	I-80 Express Bus Intermodal Facility	\$ 23	\$ -	\$ 10
	Fairfield/Vacaville Train Station	\$ 40	\$ -	\$ -
	Vallejo Station (Ferry Terminal)	\$ 119	\$ 76	\$ 10
	TOTAL	\$ 986	\$ 434	\$ 502

* Assumes that local agencies will provide 50% of the project costs while the STA provides 50% through other funds. Local 50% share will most likely come from impact fees.



An increasing demand for "regional" mobility and limited funding has narrowed the list of priority projects to a handful of transportation projects across the county.

Projected Increase in New Homes, New Jobs and New Traffic by 2030



Other projects identified through other studies or by member agencies cannot compete for limited future funding, despite their local necessity for "regional" mobility.

Solano County will need to be creative in finding funding for new projects.

A local option is a Regional Transportation Fee that can provide needed infrastructure improvements

Can we charge new development for its regional congestion impacts?

17 Successful Regional Transportation Impact Fee Models in California

17 other counties across California charge impact fees on new development to help pay for new transportation infrastructure.

RTIFs collected based on square footages of new residential, commercial, and/or industrial developments.

RTIFs assist funding interstates, interchanges, state highways, arterials, and transit facilities. Impact fee contributions towards larger projects are typically less than 20% of the total project cost.

Local agencies choose the most appropriate TIF option, projects, and fee rates.



County	Impact Fee Details
Alameda	Area & Countywide based fees.
Amador	"Traffic Mitigation Fee", Countywide Fee
Contra Costa	Planning Area and Corridor Based Development Impact Fees
El Dorado	Countywide and Corridor Fees.
Los Angeles	Considering a Countywide Fee
Madera	Corridor Impact Fee
Marin	Area and Corridor Based Fees
Merced	Countywide Fee
Monterey	Countywide Regional Impact Fee divided by benefit zones
Orange	Corridor and Regional Impact Fee
Placer	Countywide, Corridor, and Regional Fees
Riverside	"Transportation Uniform Mitigation Fee", Subarea Fees
Sacramento	Countywide and Area Fees
San Francisco	Transit only, Commercial Fees
Santa Barbara	Region Based Fees
Santa Cruz	Planning Area Fees
Sonoma County	Countywide and Corridor Fees

Keeping Home Prices Regionally Competitive & Affordable

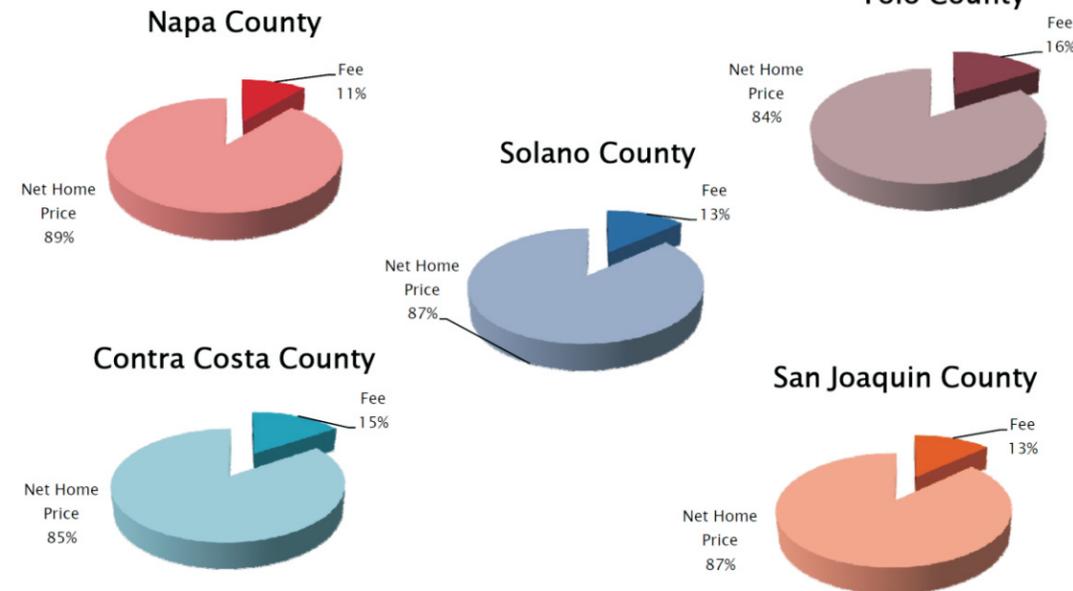
Between 1999 and 2008, Solano County agencies have charged impact fees between 9% and 13% of the total home price, on average.

To remain regionally competitive for attracting new development, impact fees will need to remain lower or on par with neighboring counties.

Impact fees can raise the final price of homes, creating an affordable housing issue. The U.S. Department of Housing and Urban Development (June 2008) recommends reducing the estimated transportation impacts of development near transit and development at higher densities.

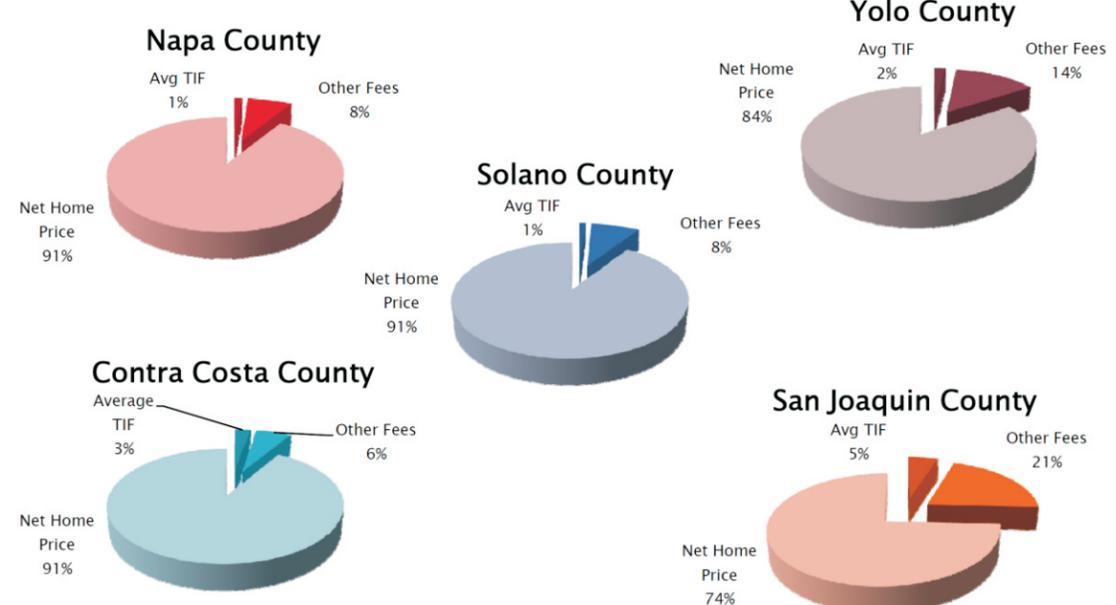
Bowels, L., Nelson, A., (2008). Impact Fees and Housing Affordability: A Guide for Practitioners. Prepared for the U.S. Department of Housing and Urban Development.

1999 Percent of Impact Fees Compared to Remaining Home Price by County Average



Landis, John et al. 2001. Pay to Play: Residential Development Fees in California Cities and Counties. State of California Department of Housing and Community Development

2008 Percent of Impact Fees Compared to Remaining Home Price by County Average



Christians, Dan (2008). Impact Fee Survey of 23 Recent Developments in Contra Costa, Napa, San Joaquin, Solano, and Yolo Counties. Prepared for the Solano Transportation Authority's Regional Transportation Impact Fee Feasibility Study.

Working with Existing Development Impact Fees

Existing AB1600 Fees and Credits

If a local agency is already collecting development impact fees towards improvement projects included in the regional fee program, then development projects in such jurisdictions could be eligible for a discount against the regional fee.

The RTIF may provide fee credits to developers who dedicate land or construct regional facilities that are funded through the regional fee program.

One of the comments expressed by developers is the concern that they be treated equally. In communities without impact fees, developers are often at the mercy of the local agency for off-site improvements to mitigate the impact of development.

An important feature of a system of well-defined impact fee charges is the knowledge that all developers, big and small, will be treated equitably.

Legal Authority

The premise on which impact fees are based is that development should pay for the cost of providing the facilities necessary to accommodate growth. AB 1600 (Cortese), which became effective on January 1, 1989, regulates the way that impact fees are imposed on development projects. The agency imposing the fee must:

- (1) Identify the purpose of the fee;
- (2) identify the use to which the fee is to be put, including identifying the public facilities to be financed;
- (3) Show a reasonable relationship (nexus) between the fee's use and the type of development project;
- (4) Show the reasonable relationship between the public facility to be constructed and the type of development; and
- (5) Account for and spend the fees collected only for the purposes and projects specifically used in calculating the fee.

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 the Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and County of Solano 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.

Solano Transportation Authority

Revised Draft Regional Transportation Impact Fee Schedule, 12-05-08

Task:		Nexus Study	Fee Governance Authority		
2008	Dec	<ul style="list-style-type: none"> • STA Board Adopts Scope 	<ul style="list-style-type: none"> • Stakeholder meetings to recommend governance structure 		
2009	Jan	<ul style="list-style-type: none"> • STA Releases RFP for Nexus Study 	<ul style="list-style-type: none"> • STA advisory committees recommend governance structure to STA Board 		
	Feb	<ul style="list-style-type: none"> • STA reviews RFP responses & interviews consultants 	<ul style="list-style-type: none"> • STA Board approves governance structure for circulation to local agencies (city council meetings, planning commissions, County Board of Supervisors) 		
	Mar	<ul style="list-style-type: none"> • STA Hires Nexus Study consultants 			
	Apr	<ul style="list-style-type: none"> • Begin Stakeholder meetings (local agency staff, developers, elected officials, etc.) • Model impacts & Define Projects 		<ul style="list-style-type: none"> • Local agencies adopt Fee Governance Authority ordinance. 	
	May				
	Jun				
	Jul				
	Aug		<ul style="list-style-type: none"> • New Fee Governance Authority established 		
	Sept		<ul style="list-style-type: none"> • Draft Nexus Study Completed 		<ul style="list-style-type: none"> • Fee Governance Authority adopts Nexus Study & Operating Agreement
	Oct		<ul style="list-style-type: none"> • Nexus Study Reviewed by STA Advisory Committees 		<ul style="list-style-type: none"> • Nexus Study & Operating Agreement circulated for approval by local agencies.
	Nov		<ul style="list-style-type: none"> • Nexus Study adopted by Fee Governance Authority 		
	Dec	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Nexus Study & Operating Agreement executed 		



DATE: November 25, 2008
TO: RTIF Policy Committee
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.



DATE: December 2, 2008
 TO: RTIF Policy Committee
 FROM: Janet Adams, Deputy Executive Director/Director of Projects
 RE: Regional Transportation Impact Fee (RTIF) Nexus Scope of Work

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:

RTIF Feasibility Study

On October 8, the STA Board recommended that STA Staff move forward with the formation of multi-agency working groups for the purpose of developing the scope of work for a countywide RTIF nexus study, including project selection and fee options.

Below is a schedule of meetings aimed at completing the feasibility study (Attachment A) by January 14 for STA Board consideration:

Date	Committee/Group	Meeting Agenda
2008		
July 23	City Managers Meeting	• RTIF Study Introduction
July 30	Public Works Directors and Planning Directors	• RTIF Study Introduction
Aug 27	RTIF Working Group meeting	• Review background and RTIF options
Aug 27 – Sept 17	Individual Agency Meetings	• Review potential TIF Projects & Options
Sept 17	RTIF Working Group meeting	• Recommend Draft RTIF Study for additional committee review
Sept 24	STA TAC Meeting	• Recommend Draft RTIF Study to STA Board for Adoption
Oct 8	STA Board Meeting	• Presented Preliminary RTIF Study Findings. • Received STA Board direction for Countywide RTIF
Nov 13	RTIF Working Group meeting	• Reviewed Countywide RTIF direction • Received Draft Nexus study RFP & Feasibility Study “Frequently Asked Questions” (FAQ).

Date	Committee/Group	Meeting Agenda
2008		
Nov 19	STA TAC Meeting	• Recommend STA conduct Nexus Study
Dec 4	RTIF Working Group meeting	• Review Final Feasibility Study, FAQ, and Nexus Study Scope of Work
Dec 10	RTIF Policy Committee meeting	• Review Governance Structures & Fee Collection options.
Dec 10	STA Board	• Authorize STA to carryout RTIF Nexus Study with consultants
Dec 17	STA TAC	• Recommend Feasibility Study
Jan 14	STA Board	• Adopt Feasibility Study

Subarea Working Groups

On November 13, the RTIF Working Group discussed the need for RTIF subarea working groups. Working group members advised that subarea working groups would be necessary to help define the RTIF Nexus Study Network of potential projects and implement RTIF funded projects. The RTIF Working Group recommended the previously recommended subarea working groups, plus the addition of a Vacaville-Dixon-Solano County working group for the area between Dixon and Vacaville. As each study area includes unincorporated areas and involves issues of regional interest. Both STA and Solano County would have membership on all committees.

Subarea/Roadways	Agencies to Participate in Working Groups
Jepson Parkway/Peabody Road	Fairfield, Solano County, Vacaville
State Route 12 - East	Solano County, Rio Vista
State Route 12 - Central	Fairfield, Suisun City, Solano County
Dixon/Vacaville	Dixon, Solano County, Vacaville
South Solano County	Benicia, Vallejo, Solano County

Nexus Study Scope of Work

On November 19th, 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 as specified in Attachment A.

On December 4th, RTIF Working Group members reviewed a Final RTIF Nexus Study Scope of Work and made no changes. Below is a summary of tasks included in the draft scope of work:

Solano Regional Transportation Impact Fee Nexus Study

DRAFT Conceptual 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

While STA staff is conducting the nexus study, STA staff proposes to also conduct various meetings to discuss options and make a decision regarding a RTIF Governance Structure, responsible for fee collection and project funding.

December 2008 to October 2009		
Dec-June	RTIF Working Groups	• Participate in Nexus Study meetings
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
Sept	STA TAC	• Recommend adoption of Nexus Study and Implementation of RTIF
Oct	STA Board	• Adopt Nexus Study and proceed to Implementation of RTIF (as decided in governance structure discussions)

Fiscal Impact:

In addition to staff time to facilitate the policy committee and working group meetings, there is also the cost of the impact fee nexus study. The estimated costs for the STA as the lead agency for the Nexus Study could reach a total of \$300,000 (based on recent consultant contracts for countywide impact fee nexus studies in other counties and STA transit related studies).

Recommendation:

Recommend that the STA Board approve the following:

1. RTIF Nexus Study Scope of Work as specified in Attachment A; and
2. Authorize the Executive Director to issue a request for proposal and retain a consultant to conduct a RTIF Nexus Study consistent with the specified scope of work.

Attachments:

- A. Regional Transportation Impact Fee (RTIF) Nexus Study Scope of Work.

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

Tasks:

- 1. Confirm Final Scope of Work and Schedule and Commence Study**
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- 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*.