

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

April 9, 2014

AGENDA ITEM NO.: **3**

Action Requested: ACCEPT

ANNUAL SUBMITTAL OF REGIONAL TRANSPORTATION CONGESTION
IMPROVEMENT PROGRAM FUNDING PROGRAMS BY LOCAL JURISDICTIONS

File Number 1500100

Introduction

In accordance with the Regional Transportation Congestion Improvement Program (RTCIP) provisions in the *TransNet* Extension Ordinance (Attachment 1), local jurisdictions within the San Diego region were required to submit their initial RTCIP funding programs by April 1, 2008. The purpose of each jurisdiction's funding program is to provide additional revenue to fund improvements to the Regional Arterial System necessitated by development of newly constructed residences. In 2008, all 18 cities and the County of San Diego submitted their initial RTCIP funding programs, and these were approved by the Board of Directors in April 2008 and were in place by July 1, 2008.

The *TransNet* Extension Ordinance further requires the submittal of the RTCIP funding programs to the Independent Taxpayer Oversight Committee (ITOC) on an annual basis by April 1. Failure by a local jurisdiction to submit its funding program results in a loss of eligibility to receive its *TransNet* local street and roads funding for the upcoming fiscal year. All 19 local jurisdictions submitted their funding programs by the April 1, 2014, deadline, certifying in their correspondence that their RTCIP funding programs are still in place and include the necessary components to fulfill the *TransNet* Extension Ordinance requirements (Attachment 2). This will be verified as part of the annual fiscal and compliance audit process for FY 2014.

Recommendation

The ITOC is asked to accept the RTCIP funding program submittals in accordance with the *TransNet* Extension Ordinance.

- Attachments: 1. *TransNet* Extension Ordinance RTCIP Language
2. Funding Program Submittals (from 19 jurisdictions)

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org

SECTION 9. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP):

A. New Development Exactions

Starting on July 1, 2008, each local agency in the San Diego region shall contribute \$2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. These exactions shall ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System and related regional transportation facility improvements, as defined in San Diego Association of Governments' (SANDAG's) most recent, adopted Regional Transportation Plan. New residential housing units constructed for extremely low, very-low, low, and moderate income households, as defined in California Health and Safety Code Sections 50105, 50106, 50079.5 and 50093, will be exempted from the \$2,000 per unit contribution requirement. The amount of contribution shall be increased annually, in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record or similar cost of construction index. Each local agency shall establish an impact fee or other-revenue Funding Program by which it collects and funds its contribution to the RTCIP. Each local agency shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. The RTCIP revenue will be used to construct improvements on the Regional Arterial System such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit. This action is predicated on the desire to establish a uniform mitigation program that will mitigate the regional transportation impacts of new development on the Arterial system. While the RTCIP cannot and should not fund all necessary regional transportation network components and improvements, the RTCIP will establish a new revenue source that ensures future development will contribute its pro rata share towards addressing the impacts of new growth on regional transportation infrastructure.

B. Oversight, Audit and Funding Allocations

The Regional Transportation Congestion Improvement Program (RTCIP) shall be overseen by SANDAG and implemented by each local agency, with the objective of developing a consolidated mitigation program for the San Diego region as a funding source for the Regional Arterial System. The RTCIP and each local agency's Funding Program shall be subject to an annual review and audit to be carried out by the SANDAG and the Independent Taxpayers Oversight Committee, as defined in Section 11 of this Ordinance. Any local agency that does not provide its full monetary contribution required by Section 9(A) in a given fiscal year will not be eligible to receive funding for local streets and roads under section 4(D)(1) of the TransNet Ordinance for the immediately following fiscal year. Any funding not allocated under 4(D)(1) as a result of this requirement shall be reallocated to the remaining local agencies that are in compliance with this Section.

C. Implementation of the Regional Transportation Improvement Program (RTCIP)

Provisions for implementation of the RTCIP are described in the document titled "TransNet Extension Regional Transportation Congestion Improvement Program," which is hereby incorporated by reference as if fully set forth herein.



March 14, 2014

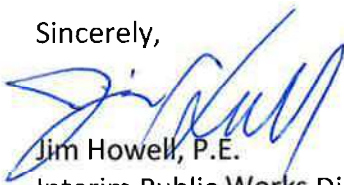
Johnathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Carlsbad submitted an initial funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 and an updated funding program on March 18, 2013 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that an updated program as included in the current Capital Improvement Program adopted by the City Council is in effect. The attached spreadsheet contains the relevant components of the current Capital Improvement Program and as such it is the current RTCIP funding program for the City of Carlsbad.

Should you have any questions regarding our RTCIP funding program please contact Marshall Plantz, Senior Civil Engineer, at (760) 602-2766.

Sincerely,



Jim Howell, P.E.
Interim Public Works Director

c: Finance Director
Senior Civil Engineer, Transportation Department/Planning and Programs



**TIF Program of Projects
as Adopted by the City Council
as part of the FY 2013/14 CIP and Operating Budget Adoption**

Proj #	RAS RT/CIP Eligible	Project	Description	TIF Account	Estimated Cost	Previous TIF Approp.	Total Future TIF Approp.	13 14	14 15	15 16	16 17	17 18	19 23	24 28
1	No	Avantida Encinas - EW/PCF to Embacadero (I800)	Widen along both sides to Secondary Arterial standards	Carlsbad	\$5,402,000	\$225,000	\$5,177,000		\$421,000	\$2,395,000	\$2,367,000			
2	Yes	Carlsbad Blvd - Manzana to Tierra del Oro	Widen - Major Arterial standards	Carlsbad	\$6,047,100	\$0	\$6,047,100							\$6,047,100
3	Yes	ECR - Tamarack to Chestnut	Widen along both sides to Prime Arterial standards	Carlsbad	\$7,658,023	\$7,658,023	\$0							
4	No	Carlsbad Village Drive - Portia to Victoria	Widen between Portia and Victoria	C-14-b3-d	\$2,675,900	\$0	\$2,675,900							\$2,675,900
5	Yes	ECR - Arroyo to La Costa	Widen along the west side to provide a RT lane SB ECR to WB La Costa	RT/CIP	\$1,625,000	\$0	\$1,625,000	\$450,000	\$1,175,000					\$1,175,000
6	Yes	Carlsbad Blvd. Mountain View to northern City Limits	20% Match for bridge and roadway improvements	Carlsbad	\$649,700	\$0	\$649,700							\$649,700
7	Yes	Carlsbad Boulevard/Palomar Airport Road	Demo existing interchange. Rebuild new RR overpass and at grade interconnection	RT/CIP	\$804,400	\$0	\$804,400							\$804,400
8	Yes	Poinsettia Lane - Paseo Del Norte to 34th Street	Widen Poinsettia Lane to six lanes by adding a lane in each direction.	RT/CIP	\$366,100	\$0	\$366,100							\$366,100
9	Yes	Palomar Airport Road/Paseo Del Norte	Extend WB right turn lane along PAR from Paseo Del Norte to Amada Drive - In Service	Carlsbad	\$1,676,019	\$1,676,019	\$0							
10	Yes	Palomar Airport Road/Cosque Boulevard	Add SB to WB right turn lane from Cosque Blvd. to PAR - In Service	Carlsbad	\$495,500	\$495,500	\$0							
11	Yes	El Camino Real/Palomar Airport Road	Add RT on PAR EB to SB ECR - In Service	Carlsbad	\$891,000	\$891,000	\$0							\$891,000
12	Yes	Palomar Airport Road/El Fuerte Street	Add WB right turn lane along PAR to NB El Fuerte Street	Carlsbad	\$1,034,150	\$0	\$1,034,150							\$1,034,150
13	Yes	Palomar Airport Road/Melrose Drive	Add EB right turn lane along PAR to SB Melrose Drive - In Service	Carlsbad	\$88,500	\$88,500	\$0							\$88,500
14	Yes	Melrose Drive/Palomar Airport Road	Add SB right turn lane along Melrose Drivets. WB PAR	Carlsbad	\$51,000	\$51,000	\$0							\$51,000
15	Yes	Melrose Drive/Alja Road	Add left turn lane along Alja Road	Carlsbad	\$48,000	\$0	\$48,000							\$48,000
16	Yes	El Camino Real/Village Drive	Right turn lane on all approaches	Carlsbad	\$248,000	\$0	\$248,000							\$248,000
17	Yes	El Camino Real/Canyon Road	Add NB to EB right turn lane. Widen Bridge structure. Add second NB and SB turn lanes	Carlsbad	\$589,000	\$589,000	\$0							\$589,000
18	Yes	El Camino Real/Alvar Road/Avdima > way	Prepare a study for RT lane ECR NB to EB Alja	Carlsbad	\$278,000	\$0	\$278,000							\$278,000
19	Yes	El Camino Real/Tamarack Avenue	Add second NB to WB left turn lane.	Carlsbad	\$286,000	\$0	\$286,000							\$286,000
20	No	Programs - City Wide	Program to complete missing segments of sidewalk at various locations	Carlsbad	\$4,100,000	\$1,400,000	\$2,700,000	\$300,000	\$500,000	\$300,000	\$300,000	\$300,000	\$1,200,000	\$1,200,000
21	No	Sidewalk Construction Program - misc. locations	Complete missing segments of sidewalk	Carlsbad	\$2,674,256	\$2,674,256	\$0							\$2,674,256
22	No	Sidewalk Construction Program - Valley/Magnolia	Perform year-to-year counts, analyze and report annually on the adequacy of the circulation system	Carlsbad	\$2,674,256	\$2,674,256	\$0							\$2,674,256
23	No	Traffic Monitoring Program	Update Fee Program	Carlsbad	\$200,000	\$200,000	\$0							\$200,000
				Beginning Fund				\$1,240,555	\$240,125	\$229,147	\$780,165	\$535,108	\$6,442,837	\$12,256,124
				TIF - Carlsbad				\$44,495	\$306,335	\$153,645	\$107,799	\$473,666	\$357,163	\$1,759,976
				TIF (RT/CIP)				\$1,585,020	\$648,460	\$612,832	\$867,965	\$1,308,394	\$9,860,000	\$47,045,119
				TIF (Total)				\$1,585,020	\$648,460	\$612,832	\$867,965	\$1,308,394	\$9,860,000	\$47,045,119
				Prev TIF Appr.		\$27,000		\$465,000	\$175,628	\$0	\$0	\$0	\$0	\$6,297,738
				Programmed Expenditures TIF (RT/CIP)				\$465,000	\$175,628	\$0	\$0	\$0	\$0	\$6,297,738
				Total				\$1,240,555	\$240,125	\$229,147	\$780,165	\$535,108	\$6,442,837	\$12,256,124
								\$44,495	\$306,335	\$153,645	\$107,799	\$473,666	\$357,163	\$1,759,976
								\$1,585,020	\$648,460	\$612,832	\$867,965	\$1,308,394	\$9,860,000	\$47,045,119
								\$1,585,020	\$648,460	\$612,832	\$867,965	\$1,308,394	\$9,860,000	\$47,045,119
								\$465,000	\$175,628	\$0	\$0	\$0	\$0	\$6,297,738
								\$465,000	\$175,628	\$0	\$0	\$0	\$0	\$6,297,738



Department of Public Works

Date March 28, 2014

Jonathan Tibbits, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbits:

The City of Chula Vista submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you is still in effect and has not materially changed. The City of Chula Vista's Western Transportation Development Impact Fee (WTDIF) complies with this \$2,254 per dwelling unit amount since it currently collects \$2,825.40 solely for the Regional Arterial System (RAS) facilities. On July 1, 2014, the WTDIF RAS component will increase by 2% to at least \$2,881.91.

Due to the recent approval by the California Coastal Commission of the Chula Vista Bayfront Master Plan, we have been working with the San Diego Unified Port District on updating the WTDIF program subarea located west of Interstate-5. We now have cost estimates for roadway facilities, including extending the limits of the RAS roadways west across Interstate-5, into our Bayfront area. We are in the process of revising the WTDIF so that the Bayfront area will be within a new RTCIP area while we reduce the benefit area of the WTDIF to be covered by the new Bayfront Development Impact Fee (BFDIF) area program. We should be presenting this RTCIP update to our City Council in spring 2014 and the revised fees should take effect this summer. Each of these two programs will still comply with collecting at least \$2,254 per dwelling unit for the RAS facilities.

Should you have any questions regarding our RTCIP funding program, please contact me at (619) 691-5045.

Sincerely,

Francisco X. Rivera P.E., T.E.
Principal Civil Engineer

J:\Engineer\TRAFFIC\WTDIF\TF364\RTCIP Letter_2014.doc



**CITY OF CORONADO
ENGINEERING & PROJECT DEVELOPMENT**

1825 STRAND WAY
CORONADO, CA 92118-3005

TEL: (619) 522-7383
FAX: (619) 522-2408

March 25, 2014

Mr. Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Coronado submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 18, 2008, in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Ed Walton at 522-7385.

Sincerely,

Ed Walton
Director

cc: Blair King, City Manager



City of Del Mar



March 6, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Del Mar submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 25, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved (by Del Mar Ordinance Number 803) is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact myself at (858) 755-9313.

Sincerely,

A handwritten signature in black ink that reads "Kathleen A. Garcia".

Kathleen A. Garcia
Planning and Community Development Director

cc: Scott W. Huth, City Manager
Tim Thiele, City Engineer
File



March 10, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of El Cajon submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 9, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Mario Sanchez of my staff at (619) 441-1651 or msanchez@cityofelcajon.us.

Sincerely,

Dennis Davies, P.E.
Deputy Director of Public Works



*City of
Encinitas*

March 25, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Encinitas submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 27, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Edward Deane, Senior Civil Engineer at 760-633-2872.

Sincerely,


Gus Vina
City Manager



Julie Procopio, P.E.
Assistant Director of Public Works/Engineering
201 North Broadway, Escondido, CA 92025
Phone: 760-839-4001 Fax: 760-839-4597

March 6, 2014

Paul Fromer, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Fromer:

The City of Escondido submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and previously submitted is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, I may be contacted at (760) 839-4001 or jprocopio@escondido.org to assist you.

Sincerely,

A handwritten signature in blue ink that reads "Julie Procopio".

Julie Procopio, P.E.
Assistant Director of Public Works

cc: Edward Domingue
Matt Souttere

RESOLUTION NO. 2013-42

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING AN ADJUSTMENT OF THE
REGIONAL TRANSPORTATION CONGESTION
IMPROVEMENT PROGRAM FEE FOR FISCAL
YEAR 2013/2014

WHEREAS, in accordance with the Transnet Extension Ordinance, the City of Escondido City Council adopted Resolution 2008-10 to establish a traffic impact fee schedule and approve the City of Escondido's participation in the Regional Transportation Congestion Improvement Program ("RTCIP"); and

WHEREAS, City Council adopted the original RTCIP fee of \$2,000 per new residential unit effective July 1, 2008; and

WHEREAS, the Transnet Extension Ordinance states the fee amount per residential unit shall be adjusted annually on July 1 of each year beginning July 1, 2009, based on the Engineering Construction Cost Index as published by the Engineering News Record or similar cost of construction index; and

WHEREAS, any increase shall not be less than 2 percent per year; and

WHEREAS, the Fiscal Year ("FY") 2012/2013 RTCIP fee was increased 2 percent and set at \$2,165 per residential dwelling unit per Resolution 2012-42; and

WHEREAS, in accordance with the Transnet Extension Ordinance, the RTCIP fee for FY 2013/2014, must increase a minimum of 2 percent for a new RTCIP fee of \$2,209 per residential dwelling unit.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council adopts a \$2,209 RTCIP fee per each new residential dwelling unit effective July 1, 2013.
3. The \$2,209 RTCIP fee per each new residential dwelling unit is to continue being placed into a separate interest bearing RTCIP account.
4. Future annual increases approved by the SANDAG Board of Directors may be administratively approved by the Public Works Director/City Engineer.

A 2% INCREASE WOULD
MAKE THE FEE \$2,254.



City of Imperial Beach, California

PUBLIC WORKS DEPARTMENT

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8311 Fax: (619) 429-4861

March 19, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Imperial Beach submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 27, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you March 27, 2008 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Hank Levien, Public Works Director at telephone no. 619-628-1369 or via e-mail at hlevien@imperialbeachca.gov.

Sincerely,

Hank Levien
Public Works Director



March 5, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of La Mesa submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 28, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Dann E. Marquardt at 619-667-1337.

Sincerely,

Gregory P. Humora
Director of Public Works/City Engineer

CC: 0150-40



CITY OF LEMON GROVE

"Best Climate On Earth"

Engineering Services Department

March 31, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Lemon Grove submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me.

Sincerely,

Leon Firsh
City Engineer



RESOLUTION NO. 2014-3249

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA
AMENDING THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT
PLAN FEE

WHEREAS, on March 18, 2009, City Council adopted Ordinance No. 372, establishing the requirements and procedures to impose the Regional Transportation Congestion Improvement Plan (RTCIP) fee; and

WHEREAS, the intent of the RTCIP fee is to provide and retain purchasing power for funding transportation improvements to the Regional Arterial System (RAS); and

WHEREAS, the City has six streets that are a part of the RAS (these include Broadway, College Avenue, Federal Boulevard, Lemon Grove Avenue, Massachusetts Avenue, and Sweetwater Road); and

WHEREAS, on April 15, 2008, City Council adopted Resolution No. 2782 establishing the RTCIP fee at \$2,000 per residence for new construction; and

WHEREAS, the fee may adjust on July 1 of each year as approved by the San Diego Association of Governments (SANDAG); and

WHEREAS, on February 28, 2014, the SANDAG Board of Directors approved the minimum 2 percent increase to the RTCIP fee, from \$2,209 to \$2,254, effective July 1, 2014; and

WHEREAS, it is anticipated that the increase in the fee will not have a dramatic impact on the forecasted amount to be received in FY 2013-14; and

WHEREAS, amending the RTCIP fee will allow the City to recover costs that would otherwise be absorbed by the General Fund or TransNet Fund.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Increases the RTCIP fee for each newly constructed residential unit to two thousand two hundred and fifty-four dollars (\$2,254); and
2. Implements the amended RTCIP fee on July 1, 2014.

/////
/////


PASSED AND ADOPTED: On March 18, 2014, the City Council of the City of Lemon Grove, California adopted resolution No. 2014-3249, by the following vote:

<u>COUNCILMEMBERS</u>	AYES	NOES	ABSTAIN	ABSENT
Mary Teresa Sessom	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Howard Cook	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Gastil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jerry Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Racquel Vasquez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



MARY TERESA SESSOM, Mayor

Attest:



SUSAN GARCIA, City Clerk



March 26, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of National City submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please feel free to contact Stephen Manganiello, City Engineer at 619-336-4380 or via email at smanganiello@nationalcityca.gov.

Sincerely,

Leslie Deese
City Manager

cc: Ariana zur Nieden, SANDAG



CITY OF OCEANSIDE

ENGINEERING

March 26, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Oceanside submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 5, 2013, in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect – with the sole change being that the minimum RTCIP fee collected per dwelling unit will increase to \$2,254 beginning July 1, 2014.

Should you have any questions regarding our RTCIP funding program, please contact me at gkellison@ci.oceanside.ca.us or (760) 435-5112.

A handwritten signature in cursive script that reads "Gary Kellison".

Gary Kellison
Senior Civil Engineer

c. Jane McPherson, Accounting Manager

CITY OF POWAY



DON HIGGINSON, Mayor
DAVE GROSCII, Deputy Mayor
JIM CUNNINGHAM, Councilmember
JOHN MULLIN, Councilmember
STEVE VAUS, Councilmember

March 5, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Poway submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 2, 2008, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you five years ago is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Melody Rocco, Senior Civil Engineer, at (858) 668-4622 or mrocco@poway.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert J. Manis".

Robert J. Manis
Director of Development Services

c: Peter Moote, Assistant Director of Administrative Services
Steve Crosby, City Engineer
Melody Rocco, Senior Civil Engineer

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City Hall Located at 13325 Civic Center Drive
Mailing Address: P.O. Box 789, Poway, California 92074-0789

www.poway.org



THE CITY OF SAN DIEGO

March 4, 2014

Jim Ryan, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Ryan:

The City of San Diego submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year was still in effect and not materially changed through June 30, 2013.

In FY 2013, the City of San Diego's RTCIP document was updated to better codify all aspects of the RTCIP. With the program update (attached) an analysis of community contributions to regional transportation projects was completed, and an additional community planning area added to the list of communities exempt from the RTCIP fee. The update also identifies a process to allow for developer reimbursement or credit for the provision of RAS identified regional transportation improvements.

Should you have any questions regarding our RTCIP funding program, please contact Megan Sheffield, Senior Management Analyst, at (619) 533-3187.

Sincerely,

A handwritten signature in blue ink that reads "Tom Tomlinson".

Tom Tomlinson, Deputy Director
Planning, Neighborhoods, and Economic Development Department

Attachment



City of San Diego
Regional Transportation
Congestion Improvement
Program (RTCIP) Funding
Program

Revised April 2012

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APPENDIX:

- A. SANDAG TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN
- B. RTCIP IMPACT FEE NEXUS STUDY
- C. COUNCIL RESOLUTION APPROVING RTCIP FUNDING PROGRAM
- D. REGIONAL ARTERIALS WITHIN SAN DIEGO JURISDICTION (SANDAG 2050 RTP)
- E. SANDAG BOARD POLICY NO. 31 - RULES 17 & 23

1 INTRODUCTION

On May 28, 2004, the San Diego County Regional Transportation Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (TransNet 2 Ordinance), approved by San Diego voters in November, 2004. The TransNet 2 Ordinance (Appendix A) established a Regional Transportation Congestion Improvement Program (RTCIP) to ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System (RAS) and related regional transportation facility improvements.

Under Section 9 of the TransNet 2 Ordinance, each local agency shall establish an impact fee or other revenue Funding Program by which it collects and funds its contribution to the RTCIP; and shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. This program is known as the local jurisdiction's funding program. RTCIP revenue is to be used to construct improvements on the RAS such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit. If a local agency does not comply with the RTCIP requirements set forth in the TransNet 2 Ordinance, the agency may lose TransNet sales tax funding for local roads.

This document constitutes the City of San Diego's RTCIP Funding Program (City RTCIP Program) pursuant to the TransNet 2 Ordinance requirements. Key Components to the City RTCIP Program include:

- Beginning July 1, 2008, the City of San Diego (City) must contribute \$2,000 (increased annually based upon the Engineering Construction Cost Index or similar cost of construction index or two percent, whichever is greater, and as approved by the SANDAG Board of Directors) on RAS improvements per each new residential dwelling unit (City RTCIP Funding Requirement);
- Beginning July 1, 2008, the City implements a City RTCIP Development Impact Fee Schedule on residential development, as adopted and updated annually by City Council Resolution, which identifies the applicable RTCIP fee (City RTCIP Fee);
- Beginning July 1, 2008, certain residential development in communities, and specifically identified projects, as adopted and updated by City Council Resolution, are not required to pay a City RTCIP Fee because compliance with the City's RTCIP Program is demonstrated through private sector payments or provision of an average of \$2,000 (plus applicable annual increases) per residential unit through payment of a Facilities Benefit Assessment (FBA) or other similar development fee, or through provision of eligible RAS improvements;
- City RTCIP Fees are collected at building permit issuance; and revenues must be expended within the parameters defined under the Mitigation Fee Act (California Government Code Sections 66000 *et seq.*) and in a manner consistent with the expenditure priorities in the SANDAG Regional Transportation Plan (RTP); and
- The Independent Taxpayer Oversight Committee (ITOC), created by SANDAG for the TransNet Program is responsible for reviewing the City's implementation of the RTCIP.

2 NEXUS STUDY

In order to comply with the Mitigation Fee Act, the City is required to make certain findings demonstrating a reasonable relationship or nexus between the amount of the City RTCIP Fee collected and the cost of public facilities attributable to the development on which the fee is imposed. On September 22, 2006 the SANDAG Board of Directors approved the “RTCIP Impact Fee Nexus Study” dated September 5, 2006, as prepared by MuniFinancial (Nexus Study). The Nexus Study (Appendix B) provides the basis for the dollar amount of the RTCIP Fee. The Nexus Study was adopted by the San Diego City Council (City Council) on April 14, 2008 by Resolution No. R-303554 (Appendix C).

3 RTCIP IMPACT FEE CALCULATION

SANDAG staff developed the original RTCIP contribution amount of \$2,000 per residence using an approach that allocated transportation system improvements proportionately across both existing development and projected growth. The methodology, specified in the Nexus Study, assumes that all residential development, existing and new, has the same impact on the need for RAS improvements based on the amount of travel demand generated (vehicle trips). Thus, existing and new development should share proportionately in the cost of transportation system improvements.

The City RTCIP Fee is broken down into a multi-family fee and a single family fee as set forth below:

New Multi-Family Residential Unit (FY 2009)	\$ 1,865
New Single Family Residential Unit (FY 2009)	\$ 2,331

The purpose of bifurcating the fee is to reflect the reduced number of vehicle trips generated by multifamily residential development. This methodology is consistent with other Development Impact Fee calculations in which a separate single family and multi-family fee is provided. As it was anticipated that these fee amounts would satisfy the RTCIP Funding Requirement, the City adopted these fee amounts as the City RTCIP Fee with the implementation of the City RTCIP Program on July 1, 2008.

4 COLLECTION OF IMPACT FEES

In accordance with Municipal Code Section 142.0640, and the resolutions adopting the City RTCIP Fee, the City RTCIP Fee is due at building permit issuance. In accordance with the TransNet 2 Ordinance, the fee is subject to annual increases based upon the Engineering Construction Cost Index or similar cost of construction index, or two percent, whichever is greater, as approved by the SANDAG Board of Directors.

5 EXPENDITURE OF FUNDS

1. Revenues collected through the City RTCIP Program shall be used for preliminary and final engineering, right-of-way acquisition, and construction that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. Selection of proposed projects to be fully or partially funded by the City RTCIP Program are based upon RTCIP eligibility criteria and the City Council approved CIP Prioritization Policy (800-14).

RTCIP Fee revenues must be expended on improvements to the Regional Arterial System (RAS), as designated and updated periodically in the SANDAG Regional Arterials by Jurisdiction (Appendix D showing San Diego area locations). RAS arterials are defined as meeting one of three criteria:

- provides parallel capacity in high-volume corridors to supplement freeways, state highways, and/or other regional arterials (Corridor);
- provides capacity and a direct connection between freeways or other regional arterials, ensuring continuity of the freeway, state highways, and arterial network throughout the region without duplicating other regional facilities (Cross-corridor); or
- provides all or part of the route for existing or planned regional and/or corridor transit service that provides headways of 15 minutes or less during the peak period.

RTCIP revenues may be expended for costs associated with RAS improvements including: arterial widening, extension, and turning lanes; traffic signal coordination and other traffic improvements; reconfigured freeway-arterial interchanges; railroad grade separations; and expanded regional bus service.

6 REPORTING REQUIREMENTS

TransNet 2 Ordinance Section 9 requires that RTCIP fees increase annually by an amount no less than 2% per year; that an annual review of the City RTCIP Program be performed by the SANDAG Independent Taxpayers Oversight Committee (ITOC), and that an annual audit of the City RTCIP Program be performed by SANDAG. For specific requirements, see SANDAG Board Policy Rule 17 and Rule 23 (Appendix E). Specific to the City of San Diego:

Annual Fee Schedule Increase

The Development Services Department (DSD) Facilities Financing Division prepares an annual Report to City Council no later than April 29 of each year requesting approval and adoption of an increase to the current City RTCIP Fee Schedule for the following fiscal year in an amount equal to the annual percent increase approved by the SANDAG Board of Directors.

Annual ITOC Review

The DSD Facilities Financing Division submits an annual report to ITOC no later than March 31 of each year documenting implementation of the City RTCIP Program, itemizing changes to the program including amount of previous annual increase approved by City Council, and confirming continued adherence to the program through the end of the prior fiscal year.

Annual SANDAG Audit

The SANDAG annual audit is conducted in the Office of the City Auditor in conjunction with DSD Facilities Financing Division to verify the City is in compliance with the TransNet 2 Ordinance, and has collected or provided RAS improvements in an amount or value greater than \$2,000 (plus applicable annual increases) average per residential unit.

7 GENERAL EXEMPTIONS

Consistent with the RTCIP as set forth in the TransNet 2 Ordinance, the following types of development shall be exempt from the City RTCIP Fee:

- A. New moderate, low, very low and extremely low income residential units as defined in Health & Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1;
- B. Government/public buildings, public schools and public facilities;
- C. Rehabilitation and/or reconstruction of any legal residential structure and/or the replacement of a previously existing residential unit;
- D. Development projects subject to Public Facilities Development Agreements prior to the effective date of the TransNet 2 Ordinance (May 28, 2004) that expressly prohibit the imposition of new fees; provided however, that if the terms of the development agreement are extended after July 1, 2008, the requirements of the City RTCIP Program shall be imposed;
- E. Guest dwellings;
- F. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
- G. Kennels and catteries established in conjunction with an existing residential unit;
- H. The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption;
- I. Residential units that have been issued a building permit prior to July 1, 2008; and,
- J. Condominium conversions.

8 AFFORDABLE HOUSING EXEMPTION

In order to be exempt from payment of the City RTCIP Fee at the time of building permit issuance, each unit must meet the definition of affordable housing as defined above in Section 7(A), and provide a copy of an affordable housing agreement with the San Diego Housing Commission.

9 EXEMPT ALTERNATIVELY CONTRIBUTING COMMUNITIES

Community planning areas which collect Facilities Benefit Assessments (FBA), or similar development fees or facilities in an amount or value greater than \$2,000 average (plus applicable annual increases) per residential unit, are considered to have met the required contribution towards the RAS and thus the City's RTCIP Funding Requirement without additional payment of the City RTCIP Fee. These communities, as identified in Section 12, are considered to be **Exempt Alternately Contributing Communities** and are exempt from the City RTCIP Fee.

To ensure that City RTCIP Fees continue to be collected appropriately, the DSD Facilities Financing Division shall conduct an analysis to determine the current per-residential unit contribution towards funding or provision of RAS projects, no less than once every five years, beginning in Fiscal Year 2009. Based on the analysis, the list of communities exempt from paying City RTCIP Fees may be amended. However, changes to the list are subject to City Council approval and only those communities and specific projects included on the current Council approved list may be exempt from payment of City RTCIP Fees at time of building permit issuance.

10 POTENTIALLY EXEMPT ALTERNATIVELY CONTRIBUTING COMMUNITY PROJECTS

In certain circumstances, the City may determine that a particular project that is not otherwise located in an alternatively contributing community will otherwise contribute the required contribution toward the RAS, and thus meet the RTCIP Funding Requirement through the payment of other development fees or provision of RAS improvements valued at an amount greater than or equal to the amount the project would otherwise be required to pay through City RTCIP Fee collection. These community projects, identified in Section 13, are considered to be **Potentially Exempt Alternatively Contributing Community Projects**, and residential units within these projects may qualify for the RTCIP exemption.

To be exempt from paying the City RTCIP Fee at time of building permit issuance, prior to building permit issuance the City must verify that the value of the RAS improvement being provided exceeds the revenue requirements of the RTCIP Funding Program. If it cannot be verified, the City RTCIP Fee shall be paid at building permit issuance. If the value received from the project toward RAS improvements is determined to be insufficient after the building permit is issued, in no case shall a certificate of occupancy be issued until the deficit is paid in City RTCIP Fees. In order to comply with the annual auditing requirements of the RTCIP, the City must submit evidence demonstrating that the required contribution toward the City RTCIP has been met through the provision of improvements that equal or exceed the City RTCIP Fee.

Each alternatively contributing community project shall be required to submit documentation for each RAS improvement it provides, in support of its alternative contribution to the RTCIP Funding Requirement. Such documentation shall include, but not be limited to, copies of contracts, change orders, and invoices received, proof of vendor payments, and proof that all mechanic liens have been released. The City shall verify whether materials and work have been installed and performed per the documents submitted, terms of the project plans and specifications, and in adherence to the bid list as to quality and quantities.

The applicant will be required to establish a deposit account with the City, and contribute up to a maximum of three percent (3%) of the total cost of each RAS improvement as stated below:

- Up to three percent (3%): RAS improvement less than \$1,000,000;
- Up to two percent (2%): RAS improvement greater than \$1,000,00 and less than \$5,000,000; or
- Up to one percent (1%): RAS improvement greater than \$5,000,000.

The deposit account will fund the cost to review and verify the value of the RAS improvement provided in lieu of the City RTCIP Fee. It is anticipated that the review and verification process will be conducted by a consultant retained by the City. The funds used in the deposit account shall not count toward the value of the RAS improvement contributed in lieu of the City RTCIP Fee, nor shall it be considered a credit against fees.

11 NON-EXEMPT COMMUNITIES

List of communities in which City RTCIP Fee will be imposed:

Barrio Logan	Mission Beach	San Ysidro
Carmel Mountain Ranch	Mission Valley	Serra Mesa
Centre City	Navajo	Skyline/Paradise Hills
Clairemont Mesa	North Park	Southeastern San Diego
College Area	Ocean Beach	Subarea 2
Fairbanks Ranch	Old San Diego	Tierrasanta
Golden Hill	Otay Mesa – Nestor	Tijuana River Valley
Kearny Mesa	Pacific Beach	Torrey Hills
La Jolla	Peninsula	Torrey Pines
Linda Vista	Rancho Bernardo	University City South
Mid City	Rancho Encantada	Uptown
Midway/Pac. Highway	Sabre Springs	Via de la Valle
Miramar Ranch North	San Pasqual	

12 LIST OF EXEMPT ALTERNATIVELY CONTRIBUTING COMMUNITIES

Communities in which City RTCIP Fee will not be imposed:

Black Mountain Ranch
Carmel Valley
Del Mar Mesa
Mira Mesa
North University City
Otay Mesa
Pacific Highlands Ranch
Rancho Peñasquitos
Scripps Miramar Ranch
Torrey Highlands

13 LIST OF POTENTIALLY EXEMPT ALTERNATIVELY CONTRIBUTING COMMUNITY PROJECTS

Projects in which Residential Development May be Exempt from City RTCIP Fee

Quarry Falls Project No. 49068

In-lieu of contributing the City RTCIP Fee, the Quarry Falls Project No. 49068 (Quarry Falls Project) may provide its share toward mitigating new traffic impacts on the RAS by constructing RAS improvements in an amount or value greater than \$2,000 (plus applicable annual increases) average per residential unit. An analysis of the Quarry Falls Project is shown in Section 14.

RTCIP Reimbursement

For those projects listed in Section 13, RTCIP reimbursement may be issued. At the City's sole discretion, City RTCIP Fees already paid at time of building permit issuance may be reimbursed to a private developer, if the private developer has designed and/or constructed an eligible RAS improvement and has entered into a Reimbursement Agreement (RA) with the City, and as per the specific terms of the RA.

RTCIP Credit Allowance

For those projects listed in Section 13, RTCIP credit allowance may be issued. At the City's discretion, a private developer (Developer) may be entitled to a City RTCIP Fee credit allowance as follows:

- A. Up to twenty-five percent (25%) credit allowance based on the City verified cost estimate for the RAS improvement subject to a Developer satisfying all of the following requirements:
 - 1. All construction plans and drawings for the RAS improvement have been approved by the City;
 - 2. Any right-of-way required for the RAS improvement has been secured and dedicated, or an irrevocable offer to dedicate has been provided to the City;
 - 3. All required permits and environmental clearances necessary for the RAS improvement have been secured;
 - 4. Provision of all performance bonds and payment bonds to complete the RAS improvement; and
 - 5. Payment of all City fees and costs.

- B. Up to fifty percent (50%) credit allowance based on the amount of the construction contract, consultants contract, and soft costs that qualify as allowable in lieu costs then incurred for the individual RAS improvement subject to a Developer satisfying all of the above referenced requirements for the twenty-five percent (25%) credit allowance, and provided Developer has received valid bids for the RAS improvement, and has awarded the construction contract.

- C. Up to ninety percent (90%) credit allowance at the time of Operational Acceptance, provided that reimbursement requests have been submitted and approved for such amounts, based on the value of the improvements as verified by the City.

- D. A credit allowance shall be issued to Developer based upon the remaining ten percent (10%) of value of RAS improvement upon the later of: (i) the recordation by Developer of the notice of completion and delivery of a conformed copy to City, or (ii) City's written acceptance of the Project As-Built Drawings.

14 PROJECT SPECIFIC CONTRIBUTION ANALYSIS

Quarry Falls Project No. 49068

Standard RTCIP Fee Calculation:

Number of Market Rate Residential Units:	4,302
Number of Affordable Units:	478
FY 2012 RTCIP Fee:	\$1,979
Total Estimated Contribution:	\$8,513,658

Proposed Alternative Contribution

Number of Market Rate Residential Units:	4,302
Approx. Per Unit Average:	\$6,403
Value of RAS Improvements (2011)	\$27,547,433

Comparison:

RTCIP Fee Contribution, Per Unit and Total:	\$1,979 / \$8,513,658
Alternative Contribution, Per Unit and Total:	\$6,403/ \$27,547,433

Phasing and Design, Funding, and Estimated Construction Cost Details:

Project No.	Project Title	Estimated Cost
PHASE 1*		
4	Friars Road - Qualcomm Way to Mission Center Road	\$2,613,762.00
10	Friars Road & Avenida De Las Tiendas	\$158,558.00
11	Texas Street - Camino del Rio South to El Cajon Blvd	\$1,185,544.00
		\$3,957,864.00
PHASE 2*		
15a	Friars Rd/SR-163 Interchange	\$2,660,000.00
15b	Mission Center Road/I-8 Interchange	\$1,000,000.00
16	Friars Road - Pedestrian Bridge across Friars Road	\$3,500,000.00
17	Friars Rd EB Ramp/Qualcomm Way	\$1,296,750.00
18	Friars Road WB Ramp/Qualcomm Way	Incl. Above
19	Friars Rd/I-15 SB Off-ramp	\$1,056,044.00
		\$9,512,794.00
PHASE 3*		
15b	Mission Ctr Rd/ I-8 Interchange	\$13,034,250.00
20	Texas St/ El Cajon Blvd	\$416,350.00
21	Qualcomm Way / I-8 WB off ramp	\$626,175.00
		\$14,076,775.00
Total Estimated Contribution:		\$27,547,433.00

*Quarry Falls Transportation Phasing Plan (TPP) Project No. 49068; the TPP assumes no Phyllis Place Road connection and may be modified if the City subsequently approves the connection.

332
B
4/24

RESOLUTION NUMBER R- 307401
DATE OF FINAL PASSAGE MAY 07 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO ADOPTING APRIL 2012 REVISIONS TO THE
CITY OF SAN DIEGO REGIONAL TRANSPORTATION
IMPROVEMENT (RTCIP) FUNDING PROGRAM.

WHEREAS, in November 2004, voters approved Proposition A to extend the TransNet half-cent sales tax for transportation projects through 2048; and

WHEREAS, the passage of Proposition A resulted in the establishment of the Regional Transportation Congestion Improvement Program (RTCIP); and

WHEREAS, on April 14, 2008, the City Council adopted Resolution No. R-303554 originally approving and adopting the City's RTCIP Funding Program, the associated nexus study, and development impact fee schedule; and

WHEREAS, the City's RTCIP Funding Program was originally contained within Report to City Council No. 08-049; and

WHEREAS, it is desirable for the City's RTCIP Funding Program to be identified as a separate adopted document; and

WHEREAS, revisions to the City's RTCIP Funding Program have been proposed to fully document the City's administrative processes for implementation of the RTCIP, to require the verification and update of the list of exempt communities every five years, and to establish a methodology for calculating project-specific contributions of regional arterial system infrastructure that may be provided in-lieu of payment of the RTCIP fee; and

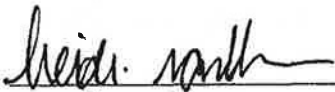
WHEREAS, the revisions to the City's RTCIP Funding Program are shown in the "City of San Diego Regional Transportation Improvement Program (RTCIP) Funding Program -- Revised April 2012," on file in the Office of the City Clerk as Document No. RR- 307401 (April 2012 City RTCIP Program); NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego:

1. That the above recitals are true, correct, and incorporated by reference herein.
2. That the April 2012 City RTCIP Program is adopted.
3. That the RTCIP shall be implemented, and RTCIP development impact fees shall

be collected, in accordance with the April 2012 City RTCIP Program.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Heidi K. Vonblum
Deputy City Attorney

HKV:hm
04/02/2012
Or.Dept:DSD-Facilities Financing
Document No. 346221

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 24 2012.

ELIZABETH S. MALAND
City Clerk

By *Mary Zumaeta*
Deputy City Clerk

Approved: 5-7-12
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor



March 20, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of San Marcos submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Beth Herzog at 760-744-1050 ext. 3280.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Edwards', is written over a light blue horizontal line.

Mike Edwards
City Engineer/Public Works Director

Cc: Paul Vo, Principal Engineer; Laura Rocha, Finance Director; Beth Herzog, Sr. Management Analyst



CITY OF SANTEE

MAYOR
Randy Voepel

CITY COUNCIL
Jack E. Dale
Rob McNelis
John W. Minto
John Ryan

CITY MANAGER
Keith Till

February 26, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Santee submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) in May 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you in May 2008 is still in effect and has not materially changed. A copy of the Council agenda dated April 23, 2008, approving the funding program is enclosed.

Should you have any questions regarding our RTCIP funding program, please contact me at 619-258-4100 extension 167 or at POrso@cityofsanteeca.gov.

Sincerely,

Pedro Orso-Delgado
Director of Development Services

Cc: Tim McDermott, Santee Director of Finance
Carl Schmitz, Santee Principal Civil Engineer
Minjie Mei, Santee Principal Traffic Engineer

Enclosure

MEETING DATE April 23, 2008

AGENDA ITEM NO.

ITEM TITLE RESOLUTION TO ADOPT THE RTCIP MITIGATION FEE PURSUANT TO SECTION 16.26.050 OF THE SANTEE MUNICIPAL CODE.

DIRECTOR/DEPARTMENT Gary Halbert/Development Services

SUMMARY

This item requests City Council adopt the attached resolution establishing the fee rate for the RTCIP Mitigation Fee and adjusting the Traffic Mitigation Fee rate for single and multi-family residential pursuant to Section 16.26.050 of the Santee Municipal Code.

A staff report detailing the fee methodology is attached for City Council's consideration.

ENVIRONMENTAL REVIEW

Adoption of the resolution is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to California Public Resources Code sections 21080(a) and 21080(b)(13) and California Code of Regulations, Title 14, Chapter 3 ("CEQA Guidelines") sections 15002(i), 15357 and 15276.

FINANCIAL STATEMENT

The resolution will establish a new development impact fee that will be used to fund Regional Arterial improvements within the City.

RECOMMENDATION

1. Conduct and close the Public Hearing.
2. Find the resolution Exempt from CEQA based on the findings stated above.
3. Adopt the resolution as recommended by staff.

ATTACHMENTS (Listed Below)

Staff Report
Resolution

Staff Report
Development Impact Fee for the Regional
Transportation Congestion Improvement Program
 April 23, 2008

To simplify the accounting process and the annual reporting requirements under TransNet, staff is recommending the adoption of a RTCIP Mitigation Fee separate from the City's Traffic Mitigation Fee. The RTCIP fee would go toward construction of improvements needed for the Regional Arterial System as defined by SANDAG. Arterials in the City of Santee that are in the Regional Arterial System include:

- Mission Gorge Road between the west City limit and Magnolia Avenue
- Woodside Avenue between Magnolia Avenue and SR 67
- Mast Boulevard between SR 52 and Magnolia Avenue
- Cuyamaca Street between Mission Gorge Road and the south City limit
- Magnolia Avenue between Mast Boulevard and Prospect Avenue

To ensure development is not overcharged, we are recommending a proportional reduction in the Traffic Mitigation Fee for residential units for that portion of the fee attributable to regional arterial improvements. The current Traffic Mitigation Fee program identifies \$130,913,109 in traffic improvements proposed City wide.

Of the projects identified, the following are regional arterial improvements with the exception of Mast Boulevard widening which has not been incorporated into the regional arterial system pending completion of SR 52. This connection provides an important east-west connection to Lakeside and would be consider a parallel capacity project. Staff has a high degree of confidence this improvement will be included into the regional system so it is included herewith for determining the fee adjustment amount:

Widening Improvements

Magnolia Ave - Mission Gorge Rd to Chubb Lane	\$ 3,395,300
Mast Blvd – Los Ranchitos Rd. to eastern City limit	\$ 3,601,800
Mission Gorge Rd – Carlton Hills to SR 125	\$ 9,447,309

Intersection Improvements

Magnolia Avenue/Mission Gorge	\$ 3,309,200
Magnolia Avenue/Prospect Avenue	\$ 338,000
Mission Gorge/Cottonwood	\$ 335,600
Mission Gorge/Cuyamaca	\$ 382,000
Mission Gorge/Fanita	\$ 338,100

Median Improvements

Magnolia Ave – Chubb Ln to Braverman Dr	\$ 1,200,000
Mast Blvd – Fanita Pkwy to Carlton Hills	\$ 1,100,000
Mast Blvd – Cuyamaca St to Magnolia Ave	\$ 983,000
Mission Gorge Rd – Riverview Pky to Magnolia	\$ 1,857,000
Woodside Ave – Magnolia Ave to SR 67	\$ 1,311,000
Mast Blvd – median enhancements	<u>\$ 1,250,000</u>
TOTAL =	\$ 28,848,309

The Regional Arterial System improvements represent twenty-two percent (22%) of the total program costs.

Reducing the existing Traffic Mitigation Fee for single family residential and multi-family residential by 22% yields a new fee rate for single family residential of \$2,857/unit and for multi-family residential \$1,787/unit.

The RTCIP Mitigation Fee is recommended at \$2,000/residential unit as determined in the SANDAG nexus study. The fee proposed by the nexus study is the same for single family and multi-family residential.

Staff recommends City Council adopt the new fee rates as identified above. The attached resolution reflects staff recommendation and the new fee rates.



CITY OF SOLANA BEACH

635 SOUTH HIGHWAY 101 • SOLANA BEACH, CALIFORNIA 92075-2215 • (858) 720-2400
www.ci.solana-beach.ca.us FAX (858) 792-6513 / (858) 755-1782

March 24, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

On April 23, 2008, the Solana Beach City Council approved a funding program in accordance with the Regional Transportation Congestion Improvement Program (RCTIP) requirements contained within the *TransNet* Extension Ordinance. This funding program was forwarded to the San Diego Association of Governments (SANDAG) later that same month. In accordance with the reporting requirements of the Ordinance, this letter confirms that the program approved and submitted in 2008 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact either myself or Dan Goldberg at (858) 720-2470.

Sincerely,

Mohammad Sammak
Public Works Director/City Engineer

c. Finance Manager



March 10, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

The City of Vista adopted a revised funding program for buildout of the City's transportation network on April 23, 2013. In accordance with this program, the City currently collects a fee of \$5,163 per new single-family residential unit and \$4,131 per new multi-family residential unit, which is inclusive of the fee per residential unit required in the Regional Transportation Congestion Improvement Program (RTCIP). The City hereby submits our revised funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) in accordance with the RTCIP requirements contained within the *TransNet* Extension Ordinance.

Should you have any questions regarding our RTCIP funding program, please contact me at (760) 639-6100.

Sincerely,

John Conley
Director of Community Development & Engineering

Attachment:
City Council Resolution No. 2013-53

C: Greg Mayer, City Engineer
Dale Nielsen, Finance Director
Patrick Johnson, City Manager

RESOLUTION NO. 2013-53

A RESOLUTION OF THE CITY COUNCIL OF THE CHARTERED CITY OF VISTA, CALIFORNIA, APPROVING REVISIONS TO THE ARTERIAL STREET IMPROVEMENTS AND TRAFFIC SIGNAL DEVELOPMENT IMPACT FEES AND FIRE PLAN CHECK, PERMITTING AND INSPECTION FEES, ESTABLISHING A STORM WATER PLAN CHECK FEE, AND AMENDING CITY COUNCIL POLICY NO. 300-13 RELATING TO THE COLLECTION OF CERTAIN DEVELOPMENT IMPACT FEES

The City Council of the City of Vista does resolve as follows:

1. **Findings.** The City Council hereby finds and declares the following:

A. Chapter 5, Division 1, Title 7 of the California Government Code, commencing with Section 66000 (commonly referred to as the "Mitigation Fee Act") authorizes a local agency to impose fees in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project.

B. Chapter 17.60 of the Vista Development Code ("Code") authorizes the City to establish impact fees, including fees for traffic thoroughfare and traffic signalization purposes, on development projects within the City of Vista to compensate for the impacts on the City.

1. The City Council has received a report that includes fee recommendations entitled "Impact Fee Study Update, Arterial Streets and Traffic Signals" ("Traffic Impact Fee Report") from the City's financial consultant for the adjustment and imposition of the traffic impact fees described in such Report, a copy of which is attached as Exhibit A.

2. Chapter 4 of the Traffic Impact Fee Report provides language that offers credits to developers for improvements made and for existing development.

3. The purpose of the traffic impact fees hereby enacted is to prevent new development from reducing the quality and availability of public services provided to residents of the City by requiring new development to contribute to the cost of additional capital assets needed to meet the growth generated by such development.

4. The revenue from the traffic impact fees hereby enacted will be used to construct public facilities and infrastructure and pay for other capital expenditures needed to serve new development as identified in the Impact Fee Report dated March 22, 2013.

5. Based on analysis presented in the Impact Fee Report, there is a reasonable relationship between:

(i) The use of the fees and the types of development projects on which they are imposed.

(ii) The need for facilities and the types of development projects on which the fees are imposed.

C. Pursuant to Section 37112 of the Government Code, the City of Vista may further impose fees as an incidental function of carrying out the provisions of the Government Code.

1. The City Council has received a report that includes fee recommendations for fire prevention services, entitled "User Fee Analysis, Fire Prevention Fees" ("Fire Prevention Fee Report") for the analysis and imposition of user fees for fire prevention services, including inspections, permitting, and plan check, a copy of which is attached as Exhibit B. The City Council finds that, based on the analysis in the Fire Prevention Fee Study, an adjustment to the fee schedule is necessary to cover the cost of staff time for the provision of fire prevention services.

2. The City Council finds that new fees are necessary to cover the cost of staff time in processing, reviewing, and approving storm water technical reports as part of new development applications.

D. A public hearing has been duly noticed and held as part of a regularly scheduled meeting, pursuant to the requirements of Government Code Section 66018, at which hearing every interested person had an opportunity to present oral and written statements.

E. The City Council wishes to concurrently amend specific sections of the Development Code and City Council Policy No. 300-13 to allow for the deferral of certain development impact fees to final building inspection.

2. Action.

A. The Impact Fee Study Update, Arterial Streets and Traffic Signals, prepared for the City of Vista, dated March 22, 2013, is attached as Exhibit A. The Arterial Street Improvements and Traffic Signal Development Impact Fees, included in Table 3.4 and Table 3A.4 of Exhibit A, are hereby adopted.

B. The traffic impact fees in Table 3A.4 shall become effective 60 days following the date of adoption of this Resolution ("Effective Date"). The traffic impact fees in Table 3.4 of Exhibit A shall become effective three calendar years following the Effective Date. An exception from the fee adjustment shall apply to project applications which are either: (a) approved entitlements that have not expired; or (b) an application that is submitted and deemed complete by the City Planner on or prior to the effective date.

C. The traffic impact fees in Table 3.4 and Table 3A.4 shall be increased annually on July 1 of each year, starting on July 1, 2014, by an amount equal to the adjustment in the Engineering News Report ("ENR") Construction Cost Index for Los Angeles during the previous year. The adjustment shall be determined by comparing the change in the ENR published at least sixty (60) days before the adjustment date to the comparable ENR published for the preceding year.

D. The City Treasurer is hereby authorized and directed to deposit and maintain all revenue received from said Traffic Impact Fees in a separate Capital Facilities Fund of the City; to make disbursements from said Fund solely for the purposes for which the Fees were collected in such amounts and in such manner as may be approved from time to time by the

RESOLUTION 2013-53
CITY COUNCIL OF THE CHARTERED CITY OF VISTA
PAGE 3

City Council; and to prepare and tender such reports and other accounts of the revenues received, the expenditures made, and the balances remaining as is required by State Law.

E. The User Fee Analysis, Fire Prevention Fees, prepared for the City of Vista, dated March 2013, is attached as Exhibit B. The fire prevention plan check, permitting and inspection fees, included in Exhibit B, are hereby adopted.

F. The fire prevention inspection and permitting fees adopted in Exhibit B shall become effective on September 30, 2013. The fire prevention building plan check fees adopted in Exhibit B shall become effective 30 days following adoption of this Resolution. Said fire prevention fees shall be increased annually on July 1 of each year, starting on July 1, 2014, by an amount equal to the adjustment in the Engineering News Report ("ENR") Construction Cost Index for Los Angeles during the previous year. The adjustment shall be determined by comparing the change in the ENR published at least sixty (60) days before the adjustment date to the comparable ENR published for the preceding year.

G. The storm water plan check and inspection fees established for the purpose of reviewing storm water technical reports for new development applications, included in Exhibit C, are hereby adopted.

H. The storm water fees shall become effective 30 days following the date of adoption of this Resolution.

[Continued on page 4.]

I. Paragraph 5 of City Council Policy No. 300-13, "Inclusionary Housing," is amended to read as follows:

5. The in-lieu fees required under this policy shall be paid prior to issuance of a building permit, or, at the request of the applicant, deferred until all work required for final inspection has been completed and all department approvals required for final inspection have been obtained by the applicant. If the applicant chooses to defer the payment of fees to prior to the request for final inspection, then the amount of the fees shall be based on the fees in effect at the time of the request for final inspection. In the event that the city fails to collect any or all fees prior to final inspection, such fees shall remain the obligation of the developer and/or property owner.

3. **Adoption.** PASSED AND ADOPTED at a meeting of the City Council held on April 23, 2013, by the following vote:

AYES: MAYOR RITTER, AGUILERA, RIGBY

NOES: COWLES, CAMPBELL

ABSTAIN: NONE



JUDY RITTER, MAYOR

APPROVED AS TO FORM:
DAROLD PIEPER, CITY ATTORNEY

ATTEST:
MARCI KILIAN, CITY CLERK

By: 

By: 

Exhibits:

- A. City of Vista Impact Fee Update – Arterial Streets and Traffic Signals (Final Report: April 23, 2013)
- B. City of Vista User Fee Analysis, Fire Prevention Fees (March 2013)
- C. Proposed Storm Water Technical Report Plan Check Fees

City of Vista



Impact Fee Study Update Arterial Streets and Traffic Signals

Final Report: April 23, 2013

Prepared by:



Colgan Consulting Corporation

3323 Watt Avenue # 131

Sacramento, CA 95821

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Executive Summary

The City of Vista has retained Colgan Consulting Corporation to prepare this study to analyze the impacts of development on the City's need for arterial street improvements and traffic signals, and to calculate impact fees based on that analysis. This study updates the City's existing impact fees for arterial streets and traffic signals, which are based on a 2007 study.

Future Development

Forecasts of future development shown in Chapter 2 are intended to represent all additional development potential in the City under the Vista General Plan.

Comparing existing and future development, forecasted future development represents a 44% increase in residential units, a 21% increase in square feet of private non-residential development, and a 36% increase in the number of average daily vehicle trips in the City.

Impact Fee Analysis

At its meeting on April 23, 2013, the Vista City Council adopted impact fees based on this report, but deferred the collection of fees for some projects for three years. Both the proposed impact fees and the adopted impact fees are presented and discussed below.

Proposed Impact Fees. The calculation of proposed impact fees is shown in Chapter 3 of this report, and is based on future development's share of arterial street improvements and traffic signals listed in Chapter 3. Costs attributed to new development are allocated to various types and amounts of development using weighted trip generation rates.

Those weighted rates reflect the number of trips generated by each type of development AND the average trip length for each type of development. Both trip generation rates and trip length factors are based on SANDAG's *Traffic Generators* manual. The proposed impact fees calculated in Chapter 3 are shown in Table 3.4, which is reproduced below.

Table 3.4: Impact Fees per Unit by Development Type

Development Type	Dev Units ¹	Wtd Trips per Unit ¹	Cost per Wtd Trip ²	Impact Fee per Unit ³
Residential, Single Family	DU	10.68	\$613.99	\$6,554.76
Residential, Multi-Family	DU	8.54	\$613.99	\$5,243.81
Residential, Mobile Home	DU	4.27	\$613.99	\$2,621.90
Commercial/Services	KSF	29.51	\$613.99	\$18,121.00
Office	KSF	23.78	\$613.99	\$14,603.01
Industrial	KSF	9.73	\$613.99	\$5,973.96

¹ Units of development type: DU = dwelling unit; KSF = 1,000 gross square feet of building area; acre = net acre of site area

² Weighted trips per unit from Table 2.1

³ Average cost per weighted trip from Table 3.3

⁴ Impact fee per unit = weighted trips per unit X cost per weighted trip

Adopted Impact Fees. Calculation of the adopted impact fees is identical to calculation of the proposed impact fees, except that costs for three street improvement projects are excluded. The calculation of impact fees adopted by the City Council is presented in Chapter 3A of this report, and the adopted fees are shown in Table 3A.4, which is reproduced below.

Table 3A.4: Impact Fees per Unit by Development Type

Development Type	Dev Units ¹	Wtd Trips per Unit ¹	Cost per Wtd Trip ²	Impact Fee per Unit ³
Residential, Single Family	DU	10.68	\$483.70	\$5,163.82
Residential, Multi-Family	DU	8.54	\$483.70	\$4,131.06
Residential, Mobile Home	DU	4.27	\$483.70	\$2,065.53
Commercial/Services	KSF	29.51	\$483.70	\$14,275.69
Office	KSF	23.78	\$483.70	\$11,504.22
Industrial	KSF	9.73	\$483.70	\$4,706.27

¹ Units of development type: DU = dwelling unit; KSF = 1,000 gross square feet of building area; acre = net acre of site area

² Weighted trips per unit from Table 2.1

³ Average cost per weighted trip from Table 3A.3

⁴ Impact fee per unit = weighted trips per unit X cost per weighted trip

Implementation

Chapter 4 of this report discusses the requirements of the California Mitigation Fee Act for adoption and administration of impact fees.

Recovery of Study Cost

As discussed in Chapter 4, Colgan Consulting normally recommends that agencies charging impact fees increase the fees by a small percentage to recover the cost of periodically updating the fees.

One method that can be used for allocating the cost of fee study updates to impact fees is to divide the cost of the current study by the amount of revenue that will be generated by the impact fees before the fees will need to be updated. However, in light of uncertainty regarding the timing of an economic recovery, and the possibility that development may be unusually slow over the next five years, that approach does not appear to be appropriate at this time.

A substantial number of California cities add an administrative charge of 2% or 2.5% to impact fees to cover the cost of periodic updates and administration of impact fees. In this case, Colgan Consulting recommends that an increase of 2% be applied to the City's impact fees to cover the cost of future updates. The administrative charge can be built into the fees by increasing each fee by 2% before it is adopted, or added as a surcharge when the fee is collected. For administrative simplicity, we recommend the former. Any revenue collected as a result of the administrative charge should be used only for the purpose of updating the City's impact fees.

Chapter 1 Introduction

Purpose

The City of Vista has retained Colgan Consulting Corporation to prepare this study to analyze the impacts of development on the City's need for arterial street improvements and traffic signals, and to calculate impact fees based on that analysis. This study updates the City's existing impact fees for arterial streets and traffic signals, which are based on a 2007 study.

The methods used to calculate impact fees in this study are intended to satisfy all legal requirements governing impact fees, including provisions of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (California Government Code Sections 66000, et seq.).

Legal Framework

This brief summary of the legal framework for development impact fees is intended as a general overview. It was not prepared by an attorney, and should not be treated as a legal opinion.

U. S. Constitution. Like all land use regulations, development exactions, including impact fees, are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against "regulatory takings." A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest, and must not deprive the owner of all economically viable use of the property. In the case of impact fees, the government's interest is in protecting public health, safety, and welfare by ensuring that development is not detrimental to the quality and availability of essential public services provided to the community at large.

Impact fees that apply to all development in a jurisdiction are not subject to the same level of judicial scrutiny as exactions involving the dedication of land or an interest in land, or a fee imposed as a condition of approval on a single development project. In those cases, heightened scrutiny applies, and a higher standard must be met. The U. S. Supreme Court has found that a government agency must demonstrate an "essential nexus" between such exactions and the interest being protected (See *Nollan v. California Coastal Commission*, 1987). The agency must also demonstrate that the exaction imposed is "roughly proportional" to the burden created by development. (See *Dolan v. City of Tigard*, 1994).

A local legislative body is accorded considerable discretion by the courts when enacting impact fees that apply broadly to development projects within its jurisdiction. However, even where heightened scrutiny does not apply, an agency enacting impact fees should take care to demonstrate a nexus and ensure proportionality in the calculation of its fees.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIII A. However, that objection is valid only if the fees exceed the cost of providing capital facilities needed to serve new development. If that were the case, then the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act. Articles XIII C and XIII D, added by Proposition 218 in 1996, require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges as a condition of property development.”

The Mitigation Fee Act. California’s impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature, and took effect in January, 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time the impact fee statute has been amended from time to time, and in 1997 was officially titled the “Mitigation Fee Act.” Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include “public improvements, public services and community amenities.” Although the issue is not specifically addressed in the Mitigation Fee Act, other provisions of the Government Code (see Section 65913.8) prohibit the use of impact fees for maintenance or operating costs. Consequently, the fees calculated in this report are based on capital costs only.

The Mitigation Fee Act does not use the term “mitigation fee” except in its official title. Nor does it use the more common term “impact fee.” The Act simply uses the word “fee,” which is defined as “a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project ...”

To avoid confusion with other types of fees, this report uses the widely-accepted terms “impact fee” and “development impact fee” which should both be understood to mean “fee” as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and require annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the Implementation Chapter of this report.

Required Findings. Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,

3. Determine that there is a reasonable relationship between:
 - a. The use of the fee and the development type on which it is imposed;
 - b. The need for the facility and the type of development on which the fee is imposed; and
 - c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific purpose of the fees calculated in this study is to fund construction of certain capital improvements identified in this report. Those improvements will be needed to mitigate the impacts of planned new development on City facilities, and to maintain an acceptable level of public services as the City grows. Findings with respect to the purpose of a fee should define the purpose broadly as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001, if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose, but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case, we recommend that the City Council adopt this report as the document that identifies the facilities to be funded by the fees.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

These three reasonable relationship requirements as defined in the statute mirror the nexus and proportionality requirements widely considered to be the standard for defensible impact fees. The term "dual rational nexus" is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The "duality" of the nexus refers to (1) an impact or need created by a development project subject to impact fees, and (2) a benefit to the project from the expenditure of the fees. Although proportionality is reasonably implied in the dual rational nexus formulation, it was explicitly required by the Supreme Court in the *Dolan* case, and we prefer to list it as the third element of a complete nexus.

Demonstrating an Impact. All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, only to the extent that the need for facilities is occasioned by

the development project subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities, based on applicable level-of-service standards. This report contains all of the information needed to demonstrate this element of the nexus.

Demonstrating a Benefit. A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be spent in a timely manner and facilities funded by the fees must serve the development projects paying the fees. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to developments paying the fees. Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are expended expeditiously or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that the impact of development is reflected in the allocation of those costs. In calculating impact fees, costs for development-related facilities must be allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

Impact Fees for Existing Facilities. It is important to note that impact fees may be used to pay for existing facilities, provided those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that the fees meet the need and benefit elements of the nexus.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to prohibit impact fees from including costs attributable to existing deficiencies in public facilities. The legislature's intent in adopting this amendment, as stated in the bill, was to codify the holdings in *Bixel v. City of Los Angeles* (1989), *Rohn v. City of Visalia* (1989), and *Shapell Industries Inc. v. Governing Board* (1991).

Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed. Each method has advantages and disadvantages

in a particular situation. To some extent they are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Reduced to its simplest terms, the process of calculating impact fees involves two steps: determining the cost of development-related capital improvements, and allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many factors involved in defining the relationship between development and the need for facilities.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is measured by a “demand variable,” which is an attribute of development that represents the facility needs created by different types and amounts of development. Different variables are used in analyzing different types of facilities.

The following paragraphs discuss three general approaches to calculating impact fees and how they can be applied.

Plan-Based or Improvements-Driven Method. Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified by a facility plan, while the development is identified by a land use plan that identifies potential development by type and quantity. Facility costs are allocated to various categories of development in proportion to the amount of development and the relative intensity of demand created by each category. To calculate impact fees using this approach, it is necessary to define an end point or “buildout” condition for development, and to determine what facilities will be needed to serve the additional development that occurs from the time of the analysis to buildout. Buildout is a hypothetical condition in which undeveloped land encompassed by the study has been developed to its expected intensity.

Under this approach, the total cost of eligible facilities is divided by the total units of additional demand (based on the demand variable) to calculate a cost per unit of demand. Then, the cost per unit of demand is multiplied by the units of demand per unit of development (e.g. dwelling units or square feet of building area) in each category to arrive at a cost per unit of development. This method is somewhat inflexible in that it is based on the relationship between a particular facility plan and a particular land use plan. If either plan changes significantly, the fees may have to be recalculated.

Capacity-Based or Consumption-Driven Method. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity required to serve each increment of development can be estimated and the facility has adequate capacity available to serve the development. Since the cost per unit of demand does not depend on the type or quantity of development to be served, this method is flexible with respect to changing development plans.

Under this method, the cost of unused capacity is not allocated to development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. To

produce a schedule of impact fees based on standardized units of development (e.g. dwelling units or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

Standard-based Method. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area. Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the amount of service or capacity to be provided for each unit of development. The standard-based method is useful where facility needs are defined directly by a service standard, and where unit costs can be determined without reference to the total size or capacity of a facility or system. Parks fit that description. It is common for cities or counties to establish a service standard for parks in terms of acres per thousand residents. In addition, the cost per acre for parks can usually be estimated without knowing the size of a particular park or the total acreage of parks in the system.

This approach is also useful for facilities such as libraries, where it is possible to estimate a generic cost per square foot before a building is actually designed. One advantage of the standard-based method is that a fee can be established without committing to a particular size of facility, and facility size can be adjusted based on the amount of development that actually occurs.

Organization of the Report

The next chapter, Chapter 2, contains data on land use and development in the study area. Chapter 3 contains the impact fee analysis and impact fee calculations. Chapter 4 contains implementation recommendations.

Chapter 2 Land Use and Development

This chapter of the report organizes and correlates data on existing and planned development to provide a framework for the impact fee analysis contained in subsequent chapters of the report. The information in this chapter forms a basis for establishing levels of service, analyzing facility needs, and allocating the cost of capital facilities between existing and future development and among various types of new development.

Data on existing and future development shown in this report are based on estimates of existing development and 2030 forecasts in the San Diego Association of Governments (SANDAG) Regional Growth Forecast.

Study Area and Time Frame

The study area for the impact fee analysis is the area covered by the Circulation Element of the Vista General Plan. The timeframe for this study extends from the present to buildout of all land designated for development within the study area. The term “buildout” is used to describe a hypothetical condition in which all currently undeveloped land in the study area has been developed as indicated in the General Plan.

The time required for buildout will depend on the rate at which development occurs. Neither the rate of growth nor the buildout date enters into the impact fee analysis, so it is not necessary in this report to make assumptions about the timing of development.

Development Types

The following land use categories are used in this report. Impact fees calculated in this report are intended to be applied based on actual land use rather than zoning.

Residential Development. Residential development types used in this study are:

- Residential, Single-Family
- Residential, Multi-Family
- Residential, Mobile Home

Non-Residential Development. Non-residential development types used in this study are:

- Commercial/Services
- Office
- Industrial

Public Facilities. The categories of public facilities are used in this study are:

- Schools
- Parks and Recreation

Units of Development

In this study, quantities of existing and planned development are measured in terms of certain units of development. Those units are discussed below.

Dwelling Units. The dwelling unit (DU) is the most commonly used measure of residential development, and is the standard unit for residential development in this study.

Building Area. One thousand square feet of gross building area (KSF) is used as the standard unit of development for non-residential development in this study.

Acres. One acre is used as the standard unit of development for public facilities in this study.

Demand Variable

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development are used in those formulas to reflect the impact of different types and amounts of development on the need for additional facilities or system capacity. Colgan Consulting refers to those attributes as “demand variables.”

Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

In this study, the demand variable used to represent the impact of development on the need for arterial street improvements and traffic signals is **weighted vehicle trips**.

The impact of development on a city’s transportation system is commonly measured by the number of vehicle trips added by new development. Traffic studies by the Institute of Transportation Engineers (ITE) and SANDAG have established trip generation rates (average vehicle trips per unit of development per weekday) for various types of development.

Those average daily trip or ADT rates are used to forecast the number of vehicle trips added to the system. But the trips associated with different types of development tend to have different average trip lengths, and in this study ADT rates are weighted by trip length to better measure the impact of new development on the need for additional street capacity. The trip length factors used for that purpose are taken from the SANDAG publication, *Traffic Generators*.

It should also be noted that the trip generation rate for the Commercial/Services category is a blended rate based on the expected mix of future commercial uses in the City. That rate has been adjusted to eliminate “pass-by” trips,¹ which are included in the base trip generation rates but create no added impact on the need for street capacity.

¹ Trip generation rates are based on “driveway counts” of vehicles arriving at and leaving a location. Commercial trip generation rates can be inflated when shopping stops occur between the origin and destination of a single trip, and are counted as separate trips. The pass-by trip adjustment attempts to eliminate the over-counting.

Table 2.1 presents a set of factors used in this study. They include floor area ratios for private non-residential development as well as trip generation rates, trip length factors, and weighted trip generation rates.

The floor area ratios in Table 2.1 are used to convert acres to square feet for private non-residential development in Tables 2.2 through 2.4. The average systemwide trip length mentioned in footnote 5 is calculated using data for existing development in Table 2.2.

Table 2.1: Factors Used in This Study

Development Type	Dev Units ¹	FAR ²	Trips per Unit ³	Avg Trip Length ⁴	Trip Length Factor ⁵	Wtd Trips per Unit ⁶
Residential, Single Family	DU		10.0	7.90	1.07	10.68
Residential, Multi-Family	DU		8.0	7.90	1.07	8.54
Residential, Mobile Home	DU		4.0	7.90	1.07	4.27
Commercial/Services	KSF	0.28	56.0	3.90	0.53	29.51
Office	KSF	0.31	20.0	8.80	1.19	23.78
Industrial	KSF	0.33	8.0	9.00	1.22	9.73
Schools	Acre		75.0	4.20	0.57	42.57
Parks and Recreation	Acre		10.0	5.70	0.77	7.70

¹ Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area;
Acre = net acre

² Floor area ratio = gross square feet of building area / net square feet of site area; factors based on City of Vista existing development

³ Average daily trips (ADT) per unit of development based on the SANDAG *Traffic Generators* manual

⁴ Average trip length by development type from the SANDAG *Trip Generators* manual

⁵ Trip Length factor = average trip length / systemwide trip length (7.4 miles)

⁶ Weighted trips per unit = trips per unit X trip length factor

Development Data

Tables 2.2 through 2.4 present data on existing and planned development in the City that will be used in the impact fee calculations. Table 2.2 on the next page shows data for existing development.

Table 2.2: City of Vista - Existing Development

Development Types	Acres	Dev Units ¹	Existing Units ²	Existing Trips ³	Existing Wtd trips ⁴
Residential, Single Family		DU	17,261	172,610	184,273
Residential, Multi-Family		DU	11,341	90,728	96,858
Residential, Mobile Home		DU	2,048	8,192	8,746
Subtotal Residential			30,650	271,530	289,877
Commercial/Services	907	KSF	254.0	14,222	7,495
Office	101	KSF	31.3	626	745
Industrial	1,034	KSF	341.2	2,730	3,320
Schools	324	Acre	324.0	24,300	13,792
Parks and Recreation	1,051	Acre	1,051	10,510	8,096
Total				323,918	323,324

¹ Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Acre = net acre

² Existing units based on SANDAG estimates

³ Existing daily vehicle trips (ADT) = estimated units X trips per unit from Table 2.1

⁴ Existing weighted trips = estimated units X weighted trips per unit from Table 2.1

Table 2.3 presents a summary of future development in the City, based on SANDAG forecasts.

Table 2.3: City of Vista - Future Development to Buildout

Development Types	Acres	Dev Units ¹	Added Units ²	Added Trips ³	Weighted Wtd trips ⁴
Residential, Single Family		DUs	1,609	16,090	17,177
Residential, Multi-Family		DUs	12,009	96,072	102,563
Residential, Mobile Home		DUs	(238)	(952)	(1,016)
Subtotal Residential			13,380	111,210	118,724
Commercial/Services	365	KSF	102	5,723	3,016
Office	(6)	KSF	(2)	(37)	(44)
Industrial	90	KSF	30	238	289
Schools	0	Acre	0	0	0
Parks and Recreation	32	Acre	32	320	246
Total				117,454	122,232

¹ Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Acre = net acre

² Added Units = buildout units from Table 2.4 - existing units from Table 2.2

³ Added daily vehicle trips (ADT) = buildout trips from Table 2.4 - existing trips from Table 2.2

⁴ Added weighted trips = buildout weighted trips from Table 2.4 - existing weighted trips from Table 2.2

Table 2.4 sums the data from the previous two tables and represents a forecast of total development in the City at buildout.

Table 2.4: City of Vista - Total Development at Buildout

Development Types	Acres	Dev Units ¹	Buildout Units ²	Buildout Trips ³	Buildout Wtd trips ⁴
Residential, Single Family		DUs	18,870	188,700	201,450
Residential, Multi-Family		DUs	23,350	186,800	199,422
Residential, Mobile Home		DUs	1,810	7,240	7,729
Subtotal Residential			44,030	382,740	408,601
Commercial/Services	1,272	KSF	356.2	19,945	10,512
Office	95	KSF	29.5	589	700
Industrial	1,124	KSF	370.9	2,967	3,609
Schools	324	Acre	324.0	24,300	13,792
Parks and Recreation	1,083	Acre	1,083.0	10,830	8,342
Total				441,371	445,556

¹ Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area;
Acre = net acre

² Buildout units based on SANDAG 2050 subregional growth forecast

³ Buildout daily vehicle trips (ADT) = buildout units X trips per unit from Table 2.1

⁴ Buildout weighted trips = buildout units X weighted trips per unit from Table 2.1

Comparing existing and future development, the forecasted future development shown in Table 2.3 represents a 44% increase in residential units, a 21% increase in square feet of private non-residential development, and a 36% increase in the number of average daily vehicle trips in the City.

Chapter 3 Proposed Impact Fees

This chapter calculates impact fees for arterial streets and traffic signals needed to serve future development in the City of Vista. Improvements needed to serve new development are based on the Circulation Element of the Vista General Plan 2030.

Service Area

The impact fees calculated in this chapter are intended to apply to all new development in the City.

Level of Service

The level of service standard identified in the Circulation Element of the Vista General Plan 2030 is level of service (LOS) D, based on the level-of-service classification system (levels A through F) for streets and intersections defined in the Transportation Research Board's Highway Capacity Manual.

Demand Variable

The demand variable used to measure the impact of development, and to allocate improvement costs for arterial street improvements and traffic signals in this chapter, is average daily vehicle trips (ADT) weighted by trip length. Weighted trips per unit of development for each development type are calculated in Table 2.1, in Chapter 2 of this report and are shown in Table 3.4 in this chapter. The trip generation rates and trip length factors used in this study are taken from the SANDAG *Traffic Generators* manual.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements.

New development's share of the cost for each improvement is determined based on the percentage of added capacity that is available to serve new development. If part of the added capacity is needed to correct an existing deficiency, a proportionate share of the improvement cost is deducted before the impact fees are calculated.

Costs eligible to be recovered through impact fees are divided by the added weighted trips associated with new development, and the resulting cost per weighted trip is applied to new development based on the weighted trips per-unit factor for each development type.

Facility Needs

Table 3.1 lists the arterial street and intersection improvements the City has identified as eligible for funding under the development impact fee program. That table also shows the estimated cost of each project, and the share of that cost allocated to future development in the impact fee calculations.

Table 3.1: Arterial Street and Intersection Improvements

Arterial Street	Project Limits	Estimated Project Cost ¹	Existing Capacity ⁵	2010 ADT ²	2030 ADT ³	2010 LOS	2030 LOS ⁴	Fut Dev Traff % ⁶	Future Dev Cost ⁸
Arterial Street Improvements									
Branding Iron Drive	SR-78 to S. Melrose Drive	\$ 5,894,880	7.9	0.6	13.9	A	D	100.0%	\$ 5,894,880
Civic Center Drive	SR-78 to S. Santa Fe Avenue	\$ 9,009,640	36.0	31.2	47.6	F	E	100.0%	\$ 9,009,640
E. Vista Way	Civic Center Drive to Bobler Drive	\$ 3,693,000	36.0	43.9	44.3	F	D	4.8%	\$ 177,976
E. Vista Way	Taylor Street to City limits	\$ 6,069,760	7.9	29.7	31.2	F	C	6.4%	\$ 390,757
Emerald Drive	Date Street to Olive Avenue	\$ 7,963,920	7.9	17.4	24.5	F	E	42.8%	\$ 3,406,255
N. Melrose Drive	SR-78 to north City limits	\$ 7,438,120	36.0	35.9	37.7	D	C	100.0%	\$ 7,438,120
N. Santa Fe Avenue	Bobler Drive to north City limits	\$ 9,992,160	7.9	17.8	22.7	F	A	33.1%	\$ 3,308,215
Olive Avenue	Extension to N. Santa Fe Avenue	\$ 14,836,880						Cost to be funded from other sources	\$ 0
Olive Avenue	N. Melrose Drive to Emerald Drive	\$ 8,443,000	13.5	9.3	13.9	C	A	100.0%	\$ 8,443,000
S. Melrose Drive	Sunset Drive to SR-78	\$ 5,313,880	36.0	30.7	39.2	C	C	100.0%	\$ 5,313,880
Sycamore Avenue	Melrose Drive to SR-78	\$ 12,181,000	36.0	28.1	40.1	C	D	100.0%	\$ 12,181,000
Taylor Street	E. Vista Way to Warmlands Avenue	\$ 3,441,840	7.9	5.7	9.6	B	B	100.0%	\$ 3,441,840
Taylor Street	E. Vista Way to N. Santa Fe Avenue	\$ 8,976,000	7.9	5.5	10.7	B	C	100.0%	\$ 8,976,000
W. Vista Way	Thunder Drive to Melrose Drive	\$ 17,348,880	7.9	14.6	16.1	F	B	18.3%	\$ 3,173,576
Subtotal Arterial Street Improvements		\$ 120,602,960						59.0%	\$ 71,455,139
Intersection Improvements									
Civic Center Drive	At Eucalyptus Avenue	\$ 670,000	36.0	26.5	36.1	C/C	C/D	100.0%	\$ 670,000
Civic Center Drive	At S. Santa Fe Avenue	\$ 988,000	36.0	31.2	47.6	C/D	D/D	100.0%	\$ 988,000
Emerald Drive	At Hacienda Drive	\$ 641,000	22.5	27.3	30.6	D/D	C/D	40.7%	\$ 261,148
Mar Vista Drive	At SR-78/Thibodo Road	\$ 772,880	7.9	12.8	16.3	F/F	C/C	41.7%	\$ 322,033
N. Melrose Drive	At North Avenue	\$ 644,000	36.0	35.9	37.7	C/C	C/C	100.0%	\$ 644,000
Subtotal Intersection Improvements		\$ 3,715,880						77.6%	\$ 2,885,181
Total		\$ 124,318,840						59.6%	\$ 74,040,320

- ¹ Estimated project cost by the City of Vista Engineering Department
- ² 2010 traffic counts by RBF Consulting for the City of Vista General Plan 2030 (in thousands)
- ³ 2030 traffic volumes (in thousands) projected using the San Diego Association of Governments (SANDAG) traffic model
- ⁴ Level of service in 2030 assumes projected traffic and completion of improvements; double entry for intersections (e.g. B/D) indicates LOS for AM/PM peak hours
- ⁵ Capacity of existing roadway in ADT at LOS D (in thousands)
- ⁶ Future development share of total traffic: If existing traffic is less than existing capacity, new development share is 100%; if existing traffic exceeds existing capacity, new development share = new development traffic / all traffic exceeding current capacity
- ⁷ Future development share of total project cost; new development share of cost is based on new development share of traffic for most projects; new development share of cost has been reduced for projects where improvements are needed to bring the existing level of service up to the adopted standard
- ⁸ Future development cost = estimated project cost X future development traffic percentage

Table 3.2 on the next page lists the new traffic signals the City has identified as eligible for funding under the development impact fee program, as well as the estimated cost of each signal and the share of cost allocated to new development in the impact fee calculations.

Table 3.2: New Traffic Signals

Location	Estimated Signal Cost ¹	2010 ADT ²	2030 ADT ³	Future Dev % ⁴	Future Dev Cost ⁵
Foothill Drive @ Oak Drive	\$ 280,000	14.3	16.3	12.27%	\$ 34,356
E. Bobier Drive @ Goodwin Drive	\$ 280,000	18.3	21.6	15.28%	\$ 42,784
W. Vista Way @ Cedar Road	\$ 280,000	9.1	17.2	47.09%	\$ 131,852
Olive Avenue @ Grapevine Road	\$ 280,000	9.3	13.9	33.09%	\$ 92,652
S. Santa Fe Avenue @ Santa Anita Place	\$ 280,000	19.7	32.9	40.12%	\$ 112,336
Emerald Drive @ Jonathon Street	\$ 280,000	17.4	24.5	28.98%	\$ 81,144
Bobier Drive @ W. Knapp Drive	\$ 280,000	20.4	28.4	28.17%	\$ 78,876
S. Santa Fe Avenue @ Eucalyptus Avenue	\$ 280,000	19.7	32.9	40.12%	\$ 112,336
Emerald Drive @ Lewis St/Timothy Place	\$ 280,000	17.4	24.5	28.98%	\$ 81,144
Shadowridge Drive @ Lupine Hills Drive	\$ 280,000	15.6	16.3	4.29%	\$ 12,012
E. Bobier Drive @ Anza Avenue	\$ 280,000	18.3	21.6	15.28%	\$ 42,784
N. Santa Fe Avenue @ Knapp Drive	\$ 280,000	17.8	22.7	21.59%	\$ 60,452
N. Santa Fe Avenue @ Angeles Vista Drive	\$ 280,000	17.8	22.7	21.59%	\$ 60,452
N. Melrose Drive @ Ascot Drive	\$ 280,000	35.9	37.7	4.77%	\$ 13,356
W Vista Way @ Hill Drive	\$ 280,000	14.6	16.1	9.32%	\$ 26,096
W Vista Way @ Santa Clara Drive	\$ 280,000	14.6	16.1	9.32%	\$ 26,096
Total	\$ 4,480,000			22.52%	\$ 1,008,728

¹ Estimated signal cost by the City of Vista Engineering Department

² 2010 traffic counts by RBF for the City of Vista General Plan 2030

³ 2030 traffic volumes projected using the San Diego Association of Governments (SANDAG) traffic model

⁴ Future development share of total traffic = (2030 traffic - 2010 traffic) / 2030 traffic

⁵ Future development cost = estimated project cost X future development share of 2030 traffic, except where the City has determined that 100% of the need for the signal is driven by future development

Average Cost per Weighted Trip

Table 3.3 on the next page shows the average cost per weighted trip for arterial street and intersection improvements and new traffic signals, based on the costs allocated to new development in Tables 3.1 and 3.2. The number of weighted trips added by new development is taken from Table 2.3 in Chapter 2.

Table 3.3: Cost per weighted Trip - Arterial Streets and Traffic Signals

Cost Component	Improvement Costs ¹	Added Wtd Trips ²	Cost per Wtd Trip ³
Street/Intersection Improvements	\$ 74,040,320	122,232	\$ 605.74
Traffic Signals	\$ 1,008,728	122,232	\$ 8.25
Total	\$ 75,049,048		\$ 613.99

¹ See Tables 3.1 and 3.2

² Weighted trips added by new development; see Table 2.3

³ Average cost per weighted trip = improvement costs / added weighted trips

Impact Fees per Unit of Development

Table 3.4 calculates impact fees per unit of development by development type, using the average cost per weighted trip from Table 3.3 and the weighted trips per unit of development from Table 2.1 in Chapter 2.

Table 3.4: Impact Fees per Unit by Development Type

Development Type	Dev Units ¹	Wtd Trips per Unit ¹	Cost per Wtd Trip ²	Impact Fee per Unit ³
Residential, Single Family	DU	10.68	\$613.99	\$6,554.76
Residential, Multi-Family	DU	8.54	\$613.99	\$5,243.81
Residential, Mobile Home	DU	4.27	\$613.99	\$2,621.90
Commercial/Services	KSF	29.51	\$613.99	\$18,121.00
Office	KSF	23.78	\$613.99	\$14,603.01
Industrial	KSF	9.73	\$613.99	\$5,973.96

¹ Units of development type: DU = dwelling unit; KSF = 1,000 gross square feet of building area; acre = net acre of site area

² Weighted trips per unit from Table 2.1

³ Average cost per weighted trip from Table 3.3

⁴ Impact fee per unit = weighted trips per unit X cost per weighted trip

Table 3.4 does not show impact fees per unit for the Schools and Parks and Recreation development types. Those categories are included in land use tables in this report because they do generate traffic. Traffic from existing schools shows up in the existing weighted trip numbers. However, no additional schools are planned in the City, so there is no impact from new schools the impact fee calculations.

Parks and recreation facilities generate a relatively small amount of traffic, but since they are public facilities the only way to collect impact fees to cover the associated cost is to reallocate the costs to new residential development. In this case, the share of cost allocated to parks and recreation facilities is about 0.2% and this report does not reallocate those costs.

Projected Revenue

Potential revenue from the impact fees calculated in this chapter can be projected by applying the fees per unit from Table 3.4 to future units for each development type. The resulting projections are shown in Table 3.5.

Table 3.5: Projected Revenue - Arterial Streets/Signals Impact Fees

Development Type	Dev Units ¹	Added Units ²	Impact Fee per Unit ³	Projected Revenue ⁵
Residential, Single Family	DU	1,609	\$ 6,554.76	\$ 10,546,606
Residential, Multi-Family	DU	12,009	\$ 5,243.81	\$ 62,972,872
Residential, Mobile Home	DU	(238)	\$ 2,621.90	\$ (624,013)
Commercial/Services	KSF	102	\$ 18,121.00	\$ 1,851,966
Office	KSF	(2)	\$ 14,603.01	\$ (27,162)
Industrial	KSF	30	\$ 5,973.96	\$ 177,427
Total				\$ 74,897,696

¹ Units of development type: DU = dwelling unit; KSF = 1,000 gross square feet of building area; acre = net acre of site area

² Added units; see Table 2.3

³ Impact fee per unit; see Table 3.4

⁴ Projected revenue = added units X Impact fee per unit

The costs and fees shown in this report are in current dollars. This study assumes that the projects covered by these impact fees will be constructed on a pay-as-you-go basis, so they should be indexed or adjusted annually to keep pace with changes in price levels. See the Implementation Chapter for more on indexing of fees.

The impact fee revenue shown in Table 3.5 would cover about 58% of the total cost of arterial street and intersection improvements and new traffic signals shown in Tables 3.1 and 3.2. The projection of impact fee revenue assumes that future development will occur as forecasted in this report.

Chapter 3A Adopted Impact Fees

At its meeting on April 23, 2013, the Vista City Council adopted impact fees for arterial streets and traffic signals based on this report, but with fees for certain projects deferred for three years. This chapter presents calculations for the fees as adopted. On April 23, 2014 the deferrals will expire and the City will begin charging the impact fees calculated in Chapter 3.

Service Area

The impact fees calculated in this chapter are intended to apply to all new development in the City.

Level of Service

The level of service standard identified in the Circulation Element of the Vista General Plan 2030 is level of service (LOS) D, based on the level-of-service classification system (levels A through F) for streets and intersections defined in the Transportation Research Board's Highway Capacity Manual.

Demand Variable

The demand variable used to measure the impact of development, and to allocate improvement costs for arterial street improvements and traffic signals in this chapter, is average daily vehicle trips (ADT) weighted by trip length. Weighted trips per unit of development for each development type are calculated in Table 2.1, in Chapter 2 of this report and are shown in Table 3A.4 in this chapter. The trip generation rates and trip length factors used in this study are taken from the SANDAG *Traffic Generators* manual.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements.

New development's share of the cost for each improvement is determined based on the percentage of added capacity that is available to serve new development. If part of the added capacity is needed to correct an existing deficiency, a proportionate share of the improvement cost is deducted before the impact fees are calculated.

Costs eligible to be recovered through impact fees are divided by the added weighted trips associated with new development, and the resulting cost per weighted trip is applied to new development based on the weighted trips per-unit factor for each development type.

Facility Needs

Table 3A.1 lists the arterial street and intersection improvements the City has identified as eligible for funding under the development impact fee program. That table also shows the estimated cost of each project, and the share of that cost allocated to future development in

the impact fee calculations. Projects whose costs are temporarily excluded from the fee calculations by City Council action are shown as “deferred” in the right-hand column.

Table 3A.1: Arterial Street and Intersection Improvements

Arterial Street	Project Limits	Estimated Project Cost ¹	Existing Capacity ⁵	2010 ADT ²	2030 ADT ³	2010 LOS	2030 LOS ⁴	Fut Dev Traff % ⁶	Future Dev Cost ⁸
Arterial Street Improvements									
Branding Iron Drive	SR-78 to S. Melrose Drive	\$ 5,894,880	7.9	0.6	13.9	A	D	100.0%	\$ 5,894,880
Civic Center Drive	SR-78 to S. Santa Fe Avenue	\$ 9,009,640	36.0	31.2	47.6	F	E	100.0%	\$ 9,009,640
E. Vista Way	Civic Center Drive to Bobier Drive	\$ 3,693,000	36.0	43.9	44.3	F	D	4.8%	\$ 177,976
E. Vista Way	Taylor Street to City limits	\$ 6,069,760	7.9	29.7	31.2	F	C	6.4%	\$ 390,757
Emerald Drive	Date Street to Olive Avenue	\$ 7,963,920	7.9	17.4	24.5	F	E	42.8%	\$ 3,406,255
N. Melrose Drive	SR-78 to north City limits	\$ 7,438,120	36.0	35.9	37.7	D	C	100.0%	Deferred ⁹
N. Santa Fe Avenue	Bobier Drive to north City limits	\$ 9,992,160	7.9	17.8	22.7	F	A	33.1%	\$ 3,308,215
Olive Avenue	Extension to N. Santa Fe Avenue	\$ 14,836,880		Cost to be funded from other sources					\$ 0
Olive Avenue	N. Melrose Drive to Emerald Drive	\$ 8,443,000	13.5	9.3	13.9	C	A	100.0%	\$ 8,443,000
S. Melrose Drive	Sunset Drive to SR-78	\$ 5,313,880	36.0	30.7	39.2	C	C	100.0%	Deferred ⁹
Sycamore Avenue	Melrose Drive to SR-78	\$ 12,181,000	36.0	28.1	40.1	C	D	100.0%	\$ 12,181,000
Taylor Street	E. Vista Way to Warmlands Avenue	\$ 3,441,840	7.9	5.7	9.6	B	B	100.0%	\$ 3,441,840
Taylor Street	E. Vista Way to N. Santa Fe Avenue	\$ 8,976,000	7.9	5.5	10.7	B	C	100.0%	\$ 8,976,000
W. Vista Way	Thunder Drive to Melrose Drive	\$ 17,348,880	7.9	14.6	16.1	F	B	18.3%	Deferred ⁹
Subtotal Arterial Street Improvements		\$ 120,602,960						45.8%	\$ 55,229,563
Intersection Improvements									
Civic Center Drive	At Eucalyptus Avenue	\$ 670,000	36.0	26.5	36.1	C/C	C/D	100.0%	\$ 670,000
Civic Center Drive	At S. Santa Fe Avenue	\$ 988,000	36.0	31.2	47.6	C/D	D/D	100.0%	\$ 988,000
Emerald Drive	At Hacienda Drive	\$ 641,000	22.5	27.3	30.6	D/D	C/D	40.7%	\$ 261,148
Mar Vista Drive	At SR-78/Thibodo Road	\$ 772,880	7.9	12.8	16.3	F/F	C/C	41.7%	\$ 322,033
N. Melrose Drive	At North Avenue	\$ 644,000	36.0	35.9	37.7	C/C	C/C	100.0%	\$ 644,000
Subtotal Intersection Improvements		\$ 3,715,880						77.6%	\$ 3,885,181
Total		\$ 124,318,840						46.7%	\$ 58,114,745

¹ Estimated project cost by the City of Vista Engineering Department
² 2010 traffic counts by RBF Consulting for the City of Vista General Plan 2030 (in thousands)
³ 2030 traffic volumes (in thousands) projected using the San Diego Association of Governments (SANDAG) traffic model
⁴ Level of service in 2030 assumes projected traffic and completion of improvements; double entry for intersections (e.g. B/D) indicates LOS for AM/PM peak hours
⁵ Capacity of existing roadway in ADT at LOS D (in thousands)
⁶ Future development share of total traffic: If existing traffic is less than existing capacity, new development share is 100%; if existing traffic exceeds existing capacity, new development share = new development traffic / all traffic exceeding current capacity
⁷ Future development share of total project cost; new development share of cost is based on new development share of traffic for most projects; new development share of cost has been reduced for projects where improvements are needed to bring the existing level of service up to the adopted standard
⁸ Future development cost = estimated project cost X future development traffic percentage
⁹ Inclusion of this component in the impact fees was deferred by the City Council for three years from April 23, 2013

Table 3A.2 on the next page lists the new traffic signals the City has identified as eligible for funding under the development impact fee program, as well as the estimated cost of each signal and the share of cost allocated to new development in the impact fee calculations.

Table 3A.2: New Traffic Signals

Location	Estimated Signal Cost ¹	2010 ADT ²	2030 ADT ³	Future Dev % ⁴	Future Dev Cost ⁵
Foothill Drive @ Oak Drive	\$ 280,000	14.3	16.3	12.27%	\$ 34,356
E. Bobier Drive @ Goodwin Drive	\$ 280,000	18.3	21.6	15.28%	\$ 42,784
W. Vista Way @ Cedar Road	\$ 280,000	9.1	17.2	47.09%	\$ 131,852
Olive Avenue @ Grapevine Road	\$ 280,000	9.3	13.9	33.09%	\$ 92,652
S. Santa Fe Avenue @ Santa Anita Place	\$ 280,000	19.7	32.9	40.12%	\$ 112,336
Emerald Drive @ Jonathon Street	\$ 280,000	17.4	24.5	28.98%	\$ 81,144
Bobier Drive @ W. Knapp Drive	\$ 280,000	20.4	28.4	28.17%	\$ 78,876
S. Santa Fe Avenue @ Eucalyptus Avenue	\$ 280,000	19.7	32.9	40.12%	\$ 112,336
Emerald Drive @ Lewis St/Timothy Place	\$ 280,000	17.4	24.5	28.98%	\$ 81,144
Shadowridge Drive @ Lupine Hills Drive	\$ 280,000	15.6	16.3	4.29%	\$ 12,012
E. Bobier Drive @ Anza Avenue	\$ 280,000	18.3	21.6	15.28%	\$ 42,784
N. Santa Fe Avenue @ Knapp Drive	\$ 280,000	17.8	22.7	21.59%	\$ 60,452
N. Santa Fe Avenue @ Angeles Vista Drive	\$ 280,000	17.8	22.7	21.59%	\$ 60,452
N. Melrose Drive @ Ascot Drive	\$ 280,000	35.9	37.7	4.77%	\$ 13,356
W Vista Way @ Hill Drive	\$ 280,000	14.6	16.1	9.32%	\$ 26,096
W Vista Way @ Santa Clara Drive	\$ 280,000	14.6	16.1	9.32%	\$ 26,096
Total	\$ 4,480,000			22.52%	\$ 1,008,728

¹ Estimated signal cost by the City of Vista Engineering Department

² 2010 traffic counts by RBF for the City of Vista General Plan 2030

³ 2030 traffic volumes projected using the San Diego Association of Governments (SANDAG) traffic model

⁴ Future development share of total traffic = (2030 traffic - 2010 traffic) / 2030 traffic

⁵ Future development cost = estimated project cost X future development share of 2030 traffic, except where the City has determined that 100% of the need for the signal is driven by future development

Average Cost per Weighted Trip

Table 3A.3 on the next page shows the average cost per weighted trip for arterial street and intersection improvements and new traffic signals, based on the costs allocated to new development in Tables 3A.1 and 3A.2. The number of weighted trips added by new development is taken from Table 2.3 in Chapter 2.

Table 3A.3: Cost per weighted Trip - Arterial Streets and Traffic Signals

Cost Component	Improvement Costs ¹	Added Wtd Trips ²	Cost per Wtd Trip ³
Street/Intersection Improvements	\$ 58,114,745	122,232	\$ 475.45
Traffic Signals	\$ 1,008,728	122,232	\$ 8.25
Total	\$ 59,123,473		\$ 483.70

¹ See Tables 3A.1 and 3A.2

² Weighted trips added by new development; see Table 2.3

³ Average cost per weighted trip = improvement costs / added weighted trips

Impact Fees per Unit of Development

Table 3A.4 calculates impact fees per unit of development by development type, using the average cost per weighted trip from Table 3A.3 and the weighted trips per unit of development from Table 2.1 in Chapter 2.

Table 3A.4: Impact Fees per Unit by Development Type

Development Type	Dev Units ¹	Wtd Trips per Unit ¹	Cost per Wtd Trip ²	Impact Fee per Unit ³
Residential, Single Family	DU	10.68	\$483.70	\$5,163.82
Residential, Multi-Family	DU	8.54	\$483.70	\$4,131.06
Residential, Mobile Home	DU	4.27	\$483.70	\$2,065.53
Commercial/Services	KSF	29.51	\$483.70	\$14,275.69
Office	KSF	23.78	\$483.70	\$11,504.22
Industrial	KSF	9.73	\$483.70	\$4,706.27

¹ Units of development type: DU = dwelling unit; KSF = 1,000 gross square feet of building area; acre = net acre of site area

² Weighted trips per unit from Table 2.1

³ Average cost per weighted trip from Table 3A.3

⁴ Impact fee per unit = weighted trips per unit X cost per weighted trip

Table 3A.4 does not show impact fees per unit for the Schools and Parks and Recreation development types. Those categories are included in land use tables in this report because they do generate traffic. Traffic from existing schools shows up in the existing weighted trip numbers. However, no additional schools are planned in the City, so there is no impact from new schools the impact fee calculations.

Parks and recreation facilities generate a relatively small amount of traffic, but since they are public facilities the only way to collect impact fees to cover the associated cost is to reallocate the costs to new residential development. In this case, the share of cost allocated to parks and recreation facilities is about 0.2% and this report does not reallocate those costs.

Projected Revenue

Potential revenue from the impact fees calculated in this chapter can be projected by applying the fees per unit from Table 3A.4 to future units for each development type. The resulting projections are shown in Table 3A.5.

Table 3A.5: Projected Revenue - Arterial Streets/Signals Impact Fees

Development Type	Dev Units ¹	Added Units ²	Impact Fee per Unit ³	Projected Revenue ⁵
Residential, Single Family	DU	1,609	\$ 5,163.82	\$ 8,308,593
Residential, Multi-Family	DU	12,009	\$ 4,131.06	\$ 49,609,893
Residential, Mobile Home	DU	(238)	\$ 2,065.53	\$ (491,596)
Commercial/Services	KSF	102	\$ 14,275.69	\$ 1,458,975
Office	KSF	(2)	\$ 11,504.22	\$ (21,398)
Industrial	KSF	30	\$ 4,706.27	\$ 139,776
Total				\$ 59,004,244

¹ Units of development type: DU = dwelling unit; KSF = 1,000 gross square feet of building area; acre = net acre of site area

² Added units; see Table 2.3

³ Impact fee per unit; see Table 3A.4

⁴ Projected revenue = added units X impact fee per unit

The costs and fees shown in this report are in current dollars. This study assumes that the projects covered by these impact fees will be constructed on a pay-as-you-go basis, so they should be indexed or adjusted annually to keep pace with changes in price levels. See the Implementation Chapter for more on indexing of fees.

The impact fee revenue shown in Table 3A.5 would cover about 46% of the total cost of arterial street and intersection improvements and new traffic signals shown in Tables 3A.1 and 3A.2. The projection of impact fee revenue assumes that future development will occur as forecasted in this report.

Chapter 4 Implementation

This chapter of the report contains recommendations for adoption and administration of a development impact fee program based on this study, and for the interpretation and application of impact fees recommended herein. Statutory requirements for the adoption and administration of fees imposed as a condition of development approval are found in the Mitigation Fee Act (Government Code Sections 66000 et seq.). For implementation of fees in lieu of park land dedication, see the Quimby Act (Government Code Section 66477).

Adoption

The form in which development impact fees are enacted, whether by ordinance or resolution, should be determined by the City Attorney. Ordinarily, it is desirable that specific fee amounts be set by resolution to facilitate periodic adjustments. Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Chapter 1 of this report.

Establishment of Fees. Pursuant to the Mitigation Fee Act (Section 66001(a)), when the City establishes fees to be imposed as a condition of development approval, it must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
 - a. The use of the fee and the type of development project on which it is imposed;
 - b. The need for the facility and the type of development project on which the fee is imposed

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be reviewed and approved by the City Attorney.

Finding: Purpose of the Fee. The City Council finds that the purpose of the impact fees hereby enacted is to prevent new development from reducing the quality and availability of public services provided to residents of the City by requiring new de-

velopment to contribute to the cost of additional capital assets needed to serve additional development.

Finding: Use of the Fee. The City Council finds that revenue from the impact fees hereby enacted will be used to construct public facilities and pay for other capital assets needed to serve new development. Those public facilities and other assets are identified in the 2013 Arterial Streets and Traffic Signals Impact Fee Study Update prepared by Colgan Consulting Corporation.¹

Finding: Reasonable Relationship: Based on analysis presented in the 2013 Arterial Streets and Traffic Signals Impact Fee Study Update prepared by Colgan Consulting Corporation, the City Council finds that there is a reasonable relationship between:

- a. The use of the fees and the types of development projects on which they are imposed; and,
- b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

Imposition of Fees. Pursuant to the Mitigation Fee Act (Section 66001(a)), when the City imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

- 1. Identify the purpose of the fee;
- 2. Identify the use of the fee; and
- 3. Determine how there is a reasonable relationship between:
 - a. The use of the fee and the type of development project on which it is imposed;
 - b. The need for the facility and the type of development project on which the fee is imposed

Per Section 66001 (b), at the time when an impact fee is imposed on a specific development project, the City is also required to make a finding to determine how there is a reasonable relationship between:

¹ According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information.

- c. The amount of the fee and the facility cost attributable to the development project on which it is imposed.

In addition, Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." In this case, the fees will be used to finance street improvements and traffic signals identified in the 2012 Arterial Streets and Traffic Signals Impact Fee Study Update prepared by Colgan Consulting Corporation.

Section 66020 (d) (1) requires that the City, at the time it imposes an impact fee provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

The City should develop procedures for imposing fees that satisfy those requirements for findings and notice.

Collection of Fees. Section 66007 (a), provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first. However, "utility service fees" (not defined) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees "will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy" or (2) the fees are "to reimburse the local agency for expenditures previously made."

Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the city may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited "with other fees for the improvement" in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments and expend those fees solely for the purpose for

which the fee was collected. Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements). We are not aware of any city that has interpreted that language to mean that funds must be segregated by individual projects.

As a practical matter, that approach is unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects. We recommend that approach.

Impact Fee Exemptions, Reductions, and Waivers. In the event that a development project is found to have no impact on facilities for which impact fees are charged, that project must be exempted from the fees. If a project has characteristics that indicate its impacts on a particular public facility or infrastructure system will be significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly. Per Section 66001 (b), there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, the City may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project, as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, and are allowable only if the City offsets the lost revenue from other fund sources.

Credit for Improvements Provided by Developers. If the City requires a developer, as a condition of project approval, to dedicate land or construct facilities or improvements for which impact fees are charged, the impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for such dedication or construction. In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the City may accept or reject such offers, and may negotiate the terms under which such an offer would be accepted.

Credit for Existing Development. If a development project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project which represents a net increase in demand for relevant City facilities, applying the measure of demand used in this study to calculate that particular impact fee. Where residential service demand is estimated on the basis of demand per dwelling unit, an addition to, or expansion of, a dwelling unit would not be subject to an impact fee if it does not increase the number of dwelling units in the structure. In any project that results in a net increase in the number of dwelling units, the added units would normally be subject

to impact fees. A similar analysis can be applied to non-residential development, using the unit of demand on which the impact fees are based.

Reporting. Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

That information must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Refunds. Prior to 1996, a local agency collecting impact fees was required to expend or commit impact fee revenue within five years, or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;

4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete an incomplete improvement for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

Annual Update of the Capital Improvement Plan. Section 66002 (b) provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative, per Section 66001 (a) (2) is to identify improvements by applicable general or specific plans or in other public documents.

In most cases, the CIP identifies projects for a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study. We recommend that this study be identified by the City Council as the public document on which the use of the fees is based.

Indexing of Impact Fees. The impact fees calculated in this report assume the facilities in question will be constructed on a pay-as-you-go basis. Those fees are based on current costs and should be adjusted annually to account for inflation. That adjustment is intended to account for future escalation in costs for land and construction. We recommend the *Engineering News Record Construction Cost Index* as the basis for indexing construction costs.

Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale. Before fees are imposed, a staff training workshop is highly desirable if more than a handful of employees will be involved in collecting or accounting for fees.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone who is responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. The fees recommended in this report are tied to specific

improvements and cost estimates. Fees must be expended accordingly and the City must be able to show that funds have been properly expended.

Recovery of Study Cost

Colgan Consulting normally recommends that agencies charging impact fees increase the fees by a small percentage to recover the cost of periodically updating the fees. Section 66014 of the Government Code provides that fees for processing applications related to planning, zoning, subdivisions, building permits and certain other procedures “may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations.”

Although impact fees are not specifically addressed in that section of the code, Section 66014 is located within the Mitigation Fee Act, and the preparation of an impact fee study is clearly necessary to support the finding required by the Mitigation Fee Act for the adoption and imposition of impact fees.

One method Colgan Consulting often uses for allocating the cost of fee study updates to impact fees is to divide the cost of the current study by the amount of revenue that will be generated by the impact fees before the fees will need to be updated. It is common practice for cities in California to update impact fees about every five years. So, assuming the impact fees will be updated after five years, the cost of the study would be divided by the amount of impact fee revenue to be generated over that period. The result of that calculation is the percentage by which the impact fees must be increased to recover the cost of the study over two years—assuming the revenue projections are correct.

However, in light of uncertainty regarding the timing of an economic recovery, and the possibility that development may be unusually slow over the next five years, that approach does not appear to be appropriate at this time.

A substantial number of California cities add an administrative charge of 2% or 2.5% to impact fees to cover the cost of periodic updates and administration of impact fees. In this case, Colgan Consulting recommends that an increase of 2% be applied to the City’s impact fees to cover the cost of future updates. The administrative charge can be built into the fees by increasing each fee by 2% before it is adopted, or added as a surcharge when the fee is collected. For administrative simplicity, we recommend the former. Any revenue collected as a result of the administrative charge should be used only for the purpose of updating or administering the City’s impact fees.



County of San Diego

RICHARD E. CROMPTON
DIRECTOR

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March 24, 2014

Jonathan Tibbitts, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Tibbitts:

San Diego County's Board of Supervisors first adopted the Regional Transportation Congestion Improvement Program (RTCIP) funding program and resolution on January 30, 2008. The County of San Diego submitted its RTCIP funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008, in accordance with RTCIP requirements contained within the *TransNet* Extension Ordinance.

In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed. Section 77.216 of the County's Transportation Impact Fee (TIF) ordinance (adopted October 31, 2012 and effective since January 1, 2013) confirms the RTCIP extraction amount matches the SANDAG established amount for the fiscal year for each non-exempt newly constructed residential housing unit. The County of San Diego's TIF Ordinance is available at <http://www.sdcounty.ca.gov/dpw/land/landpdf/Docs/TIFOrdinance2012.pdf>.

If you have any questions or need additional information please contact Terry Rayback, LUEG Program Manager at (858) 694-2822 or e-mail Terrence.Rayback@sdcounty.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mohamad Fakhreddine".

MOHAMAD FAKHRRIDDINE
Deputy Director, County Engineer/Road Commissioner