REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM - REVIEW OF FUNDING PROGRAMS SUBMITTED BY JURISDICTIONS

Introduction

The TransNet Extension Ordinance requires that all jurisdictions within San Diego County submit funding programs by April 1, 2008, in accordance with the provisions of the RTCIP. Funding programs were received from all 19 jurisdictions by the April 1, 2008, deadline and are included in this item.

Discussion

The TransNet Extension Ordinance states that, “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.” The Ordinance further states that, “Each jurisdiction’s Funding Program shall be submitted for review by the Independent Taxpayer Oversight Committee (ITOC) referred to in Section 11 of the TransNet Ordinance prior to April 1, 2008, approved by Regional Transportation Commission by June 1, 2008 and shall become operative on July 1, 2008.”

In accordance with the above, each jurisdiction submitted evidence of an existing development fee program, a modification of an existing development fee program, or a new development fee program to fulfill the requirements of the RTCIP. Each submittal was reviewed to assure it allowed for collection of the minimum $2,000 per newly constructed residential housing unit and that those funds would be committed to improvements on the Regional Arterial System (RAS) as contained in the latest Regional Transportation Plan (RTP).

Although some jurisdictions submitted detailed information on an expenditure plan, the Ordinance does not require this until the first audit submittal on July 1, 2009. Because the Ordinance requires that any transportation mitigation fee program be implemented in accordance with the Mitigation Fee Act (Government Code Section 66000 et seq.), a minimum 60-day public notice must be allowed prior to the collection of any new mitigation fees. Therefore, all of the funding programs either have been approved by the jurisdictions’ governing bodies or are scheduled to be approved by May 1, 2008, in order to comply with the public notice requirements.

CHARLES “MUGGS” STOLL
TransNet Program Manager

Attachments: 1. TransNet Extension Ordinance RTCIP Language
2. RTCIP Funding Plan Submittal Summary
3. Funding Program Submittals (19)

Key Staff Contact: Charles “Muggs” Stoll, (619) 699-6945, mst@sandag.org
SECTION 8. MAINTENANCE OF EFFORT: It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this measure be used to augment, not supplant existing local revenues being used for the purposes set forth in Section 4 herein. Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance (Fiscal Years 2000-01, 2001-02, 2002-03), as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. The maintenance of effort level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans. Any increase in the maintenance of effort level based on this adjustment shall not exceed the growth rate in the local jurisdiction's General Fund revenues over the same time period. The Commission shall not allocate any revenues pursuant to Section 4(D) to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the maintenance of effort requirement for each agency was met. Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level. In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement. Such a request must be approved by the Commission. The Independent Taxpayer Oversight Committee shall also review such requests and make recommendations to the Commission. Any local street and road revenues not allocated pursuant to the maintenance of effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in Section 4(D)(1). The maintenance of effort requirement also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4. In addition, revenues provided from this Ordinance shall not be used to replace other private developer funding that has been or will be committed for any project.

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.

SECTION 10. BONDING AUTHORITY: Upon voter approval of the ballot proposition to approve the extension of the tax and the issuance of bonds payable from the proceeds of the tax, bonds may be issued by the Commission pursuant to Division 12.7 of the Public Utilities Code, at any time, and from time to time, payable from the proceeds of the existing tax and its extension and secured by a pledge of revenues from the proceeds of the tax, in order to finance and refinance improvements authorized by Ordinance 87-1 and this Ordinance. The Commission, in allocating the annual revenues from the measure, shall meet all debt service requirements prior to allocating funds for other projects.

SECTION 11. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE: An Independent Taxpayer Oversight Committee (ITOC) shall be established to provide an enhanced level of accountability for expenditure made under the Expenditure Plan. The ITOC will help to ensure that all voter mandates are carried out as required and will develop recommendations for improvements to the financial integrity and performance of the program. The roles and responsibilities of the ITOC, the selection process for ITOC members, and related administrative procedures shall be carried out in substantially the same manner as further described in the document titled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is hereby incorporated by reference as if fully set forth herein. Up to $250,000 per year, with adjustments for inflation based on the Consumer Price Index for San Diego County, may be expended for activities related to the ITOC.

SECTION 12. ADMINISTRATIVE EXPENSES: Revenues may be expended by the Commission for staff salaries, wages, benefits, and overhead and for those services, including contractual services, necessary to administer the Act; however, in no case shall such expenditures exceed one percent of the annual revenues provided by the measure. Any funds not utilized in a given fiscal year shall
Providing new transportation services and facilities is an expensive undertaking. Not providing them, however, will result in a decreased quality of life due to significant increases in traffic congestion, degrading mobility throughout the San Diego region. As SANDAG’s Regional Transportation Plan explains, our challenge is especially critical for the Regional Arterial System, which is forecast to carry an increasingly significant amount of traffic volume. The SANDAG Board recognizes the need to establish a new Regional Transportation Congestion Improvement Program (RTCIP) that ensures future development will contribute its share toward funding and mitigating new traffic impacts on the Regional Arterial System.

A. Funding Program

1. Section 9 of the TransNet Ordinance requires that local jurisdictions establish a program or mechanism that provides $2,000 per new residential unit for the purpose of funding the Regional Arterial System, including SR 75. For purposes of the RTCIP, the Regional Arterial System is defined in SANDAG’s most recent and adopted Regional Transportation Plan. Each jurisdiction’s program or mechanism shall be known as a “Funding Program.” Local jurisdictions may choose to implement a Funding Program through a development impact fee program or other exactions from the private sector.

2. In the event a jurisdiction(s) chooses to establish a development impact fee program to meet its Funding Program requirements, said program shall be consistent with Government Code Section 66000 et seq.

3. SANDAG will be responsible for producing the required nexus study to satisfy the requirements of California Government Code Section 66000 et seq. for Funding Programs utilizing a development impact fee. The first draft of the regional nexus study shall be presented to the SANDAG Board within nine months of the successful reauthorization of TransNet.

4. In no case will non-residential development be subject to a development impact fee to meet the requirements of Section 9 of the TransNet Ordinance.

5. Each jurisdiction’s Funding Program shall be submitted for review by the Independent Taxpayer Oversight Committee (ITOC) referred to in Section 11 of the TransNet Ordinance prior to April 1, 2008, approved by Regional Transportation Commission by June 1, 2008 and shall become operative on July 1, 2008. Failure to submit a Funding Program for review by the ITOC by April 1 of any year beginning April 1, 2008 shall result in that jurisdiction losing eligibility to receive funding for local streets and roads under Section 4(D)(1) of the Ordinance until July 1 of the following year.
B. Purpose

1. The purpose of each jurisdiction’s Funding Program is to provide additional revenue to fund those facility and service improvements on the Regional Arterial System necessitated by development of newly constructed residences.

C. Fee Adjustment

1. The fee amount per residential unit shall be adjusted by SANDAG on July 1 of each year beginning July 1, 2009 based upon the Engineering Construction Cost Index as published by the Engineering News Record or similar cost of construction index.

2. Any increase shall not exceed the percentage increase set forth in the construction index. In no event, however, shall the increase be less than two percent per year. The purpose of this annual adjustment is to retain purchasing power in anticipation of future inflation.

D. Expenditure of Funding Program Revenues

1. Revenues collected under Section 9 of the TransNet Ordinance shall be deposited into each jurisdiction’s Funding Program for use on the Regional Arterial System as described in this Subsection D.

2. Revenue collected through the Funding Programs shall be used to construct transportation improvements on the Regional Arterial System such as new arterial roadway lanes, turning lanes, reconfigured freeway-arterial interchanges, railroad grade separations and new regional express bus services, or similar types of improvements, 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. A reasonable portion of the program revenue, up to a maximum of three percent, may be used for fund administration.

3. Expenditure of the Funding Program revenues shall be in a manner consistent with the expenditure priorities in SANDAG’s most recent and adopted long-range Regional Transportation Plan and with Section 5 of the TransNet Ordinance. To maximize the effective use of these Funding Program revenues, they may be transferred, loaned, or exchanged in accordance with the requirements of Section 7 of the TransNet Ordinance.

E. Exemptions

The following development types shall be exempt from the Funding Program requirements:

1. 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.
2. Government/public buildings, public schools and public facilities.

3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing dwelling unit.

4. All new, rehabilitated, and/or reconstructed non-residential structures.

5. Development Projects which are the subject of a Public Facilities Development Agreements (pursuant to applicable Government Code Sections) prior to the effective date of this ordinance, wherein the imposition of new fees are expressly prohibited, provided, however that, if the term of such a Development Agreement is extended after July 1, 2008, the requirements of this funding program shall be imposed.

6. Guest Dwellings

7. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning.

8. Kennels and Catteries established in conjunction with an existing residential unit.

9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for property tax exemption.

10. Residential units that have been issued a building permit prior to July 1, 2008.

11. Condominium conversions

F. Credits

1. If a developer funds or constructs improvements on the Regional Arterial System and/or as that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for the costs associated with the arterial improvements, offsetting the revenue requirements of the Funding Program. Such credits shall only apply to the Funding Program for the jurisdiction in which the residential unit was developed.

2. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the local jurisdiction in consultation with the developer.

3. The amount of the credit shall not exceed the revenue requirements of the most current Funding Program or actual cost, whichever is less.

4. The local jurisdictions shall compare facilities in their Funding Program, against the Regional Arterial System and eliminate any overlap in its Funding Program except where there is a legally recognized benefit district established.
5. If there is a legally recognized benefit district established, the local agency may credit that portion of the facility identified in both programs against its Funding Program.

G. Procedures for the Levy, Collection and Disposition of Funding Program Revenues

1. Each jurisdiction shall establish and implement a procedure to levy and collect its required contribution to the RTCIP in its Funding Program document.

2. Each jurisdiction shall determine its own schedule for collecting and/or contributing private sector exactions to its Funding Program. This schedule shall be kept up-to-date and provided to SANDAG and the Independent Taxpayers Oversight Committee each year at the time of the annual review and audit. Each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the Independent Taxpayer Oversight Committee for a review and audit by July 1 of each year beginning July 1, 2009. The Taxpayer Independent Oversight Committee shall review each jurisdiction’s Funding Program consistent with its auditing role as described in Section 11 of the Ordinance and the Statement of Understanding referenced in that Section.

3. Funding Program revenue requirements shall not be waived.

4. Each jurisdiction shall have up to but no more than seven fiscal years to expend Funding Program revenues on the Regional Arterial Systems projects. The seven year term shall commence on the first day of July following the jurisdiction’s receipt of the revenue. At the time of the review and audit by the Independent Taxpayer Oversight Committee, each jurisdiction collecting a development impact fee to meet the requirements of its Funding Program shall provide the Committee with written findings for any expended, unexpended and uncommitted fees in their Program Fund and demonstrates a reasonable relationship between the fee and the purpose for which it was charged, consistent with the requirements of Government Code Section 66000 et seq. Unless a planned need for such fees can be demonstrated and a justification for the delay can be provided that is acceptable to the Taxpayer Independent Oversight Committee, the unexpended or uncommitted portion of the Funding Program revenues shall be transferred to the Regional Transportation Commission (SANDAG) to be expended within three years on qualified projects within the same subregion. Contributions to the Funding Program not committed or expended by the tenth anniversary date of the July 1 following collection shall be refunded to the current record owner of the development project on a prorated basis. In no case will a refund be more than was initially contributed to the Funding Program.

5. The Independent Taxpayers Oversight Committee identified in Section 11 of the Ordinance shall be responsible for issuing an annual audit statement on each jurisdiction’s compliance with requirements of Section 9 of the TransNet Ordinance by October 1 of each year beginning October 1, 2009. SANDAG will report to the Board on the RTCIP and the annual audit statement in November of each year beginning in November 2009.
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<thead>
<tr>
<th>Jurisdiction</th>
<th>New (N), Existing (E), Modified (M) Fee Program</th>
<th>Program Approved? Y/N (See Comments)</th>
<th>SANDAG Nexus Study Used? Y/N</th>
<th>Appropriate Fee Program</th>
<th>Sufficient Fee Amount</th>
<th>Commitment to Collect for and Expend on RAS</th>
<th>System to Facilitate Tracking &amp; Audit*</th>
<th>Comments</th>
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<td>Carlsbad</td>
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<td>Resolution to revise existing Ordinance to be approved by Council on April 23, 2008.</td>
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<td>Imperial Beach</td>
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<td>Ordinance and Resolution approved by Council on April 23, 2008. Also passed resolution to expend all funds on SR 75 - their only RAS route.</td>
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<td>La Mesa</td>
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<td>Ordinance and Resolution to be approved by Council on April 22, 2008.</td>
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<td>Lemon Grove</td>
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<td>Ordinance adopted on March 18, 2008. Fee to be set by Council Resolution on April 15, 2008.</td>
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<td>National City</td>
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<td>Ordinance and Resolution approved by Council on April 1, 2008.</td>
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<td>Oceanside</td>
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<td>Submitted existing program and intention to modify accounting procedures to assure compliance.</td>
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<td>Poway</td>
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<td>Approved Resolution on April 1, 2008 to establish new fee. No new Ordinance required as existing Municipal Code allows for collection of traffic mitigation fees.</td>
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<td>City of San Diego</td>
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<td>Resolution adopting new RTCIP fee and separate account to go to Council on April 14, 2008. Mayor has ten days to approve.</td>
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<td>San Marcos</td>
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<td>Existing Resolution and program received.</td>
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<td>Santee</td>
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<td>Ordinance and Resolution to be approved by Council on April 23, 2008.</td>
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<td>Solana Beach</td>
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<td>Ordinance and Resolution to be approved by Council on April 23, 2008.</td>
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<td>Vista</td>
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<td>Existing Resolution and program received. Resolution going to Council on April 8, 2008 to commit $2000 of existing fee program to RTCIP.</td>
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<td>County of San Diego</td>
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<td>Although the County TIF program was recently amended on February 27, 2008, the County Board of Supervisors passed a resolution on January 30, 2008 committing to the minimum RTCIP fee and expenditure on the RAS.</td>
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* Note that RTCIP Ordinance language requires that "Each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the Independent Taxpayer Oversight Committee for a review and audit by July 1 of each year beginning July 1, 2009."
## Funding Program Submittals

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<td>County of San Diego</td>
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Independent Taxpayers Oversight Committee
c/o Charles "Muggs" Stoll
San Diego Association of Governments - SANDAG
401 B Street, Suite 800
San Diego, CA 92101-423123

REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM

The City of Carlsbad is pleased to provide the following information regarding our implementation of the Regional Transportation Congestion Improvement Program (RTCIP) as described in Section 9 of the TransNet Extension Ordinance.

To take advantage of the City's existing Traffic Impact Fee (TIF) program, which was established in 1991, we are recommending that the City Council update the TIF to account for changes in development and project costs as well as the requirements of the RTCIP. The City Council is scheduled to conduct a public hearing regarding this item on April 8, 2008. In support of the TIF update, the City prepared the attached Traffic Impact Fee Update Study (Study) which describes the justification for and calculation of the new fee. By approving this Study and adopting the associated Resolutions and Ordinances, which will increase the fees and modify the City of Carlsbad Municipal Code to set aside the required portion of the TIF revenue, the City of Carlsbad will satisfy the requirements of RTCIP.

The TIF update will establish the new fee values for both residential and commercial/industrial development in conjunction with a new project list. Based on projected residential development, the new fee value will generate approximately $2,938/unit in revenue for a total of $13.4 million. In accordance with the RTCIP requirements, it is projected that $9.1 million will be placed in a TIF (RTCIP) sub-account for use on RAS projects. The new project list, see attached, consists of 11 roadway segment and 11 roadway intersection projects, as well as a citywide sidewalk program and a traffic monitoring program. There are 7 roadway segment and 11 roadway intersection projects on the new project list which are on the Regional Arterial System (RAS) and eligible for TIF (RTCIP) funding. The current estimated cost for these 18 projects is $37.9 million and, therefore, all of the RTCIP funds could be used on these projects. Attached is a Program of Projects which identifies how the TIF (RTCIP) funds are planned for use on RAS projects as included on the TIF project list.

At noted above, we have scheduled this item to be considered by the City Council at their April 8th meeting. Based on this meeting date, the Agenda will be published on Friday, April 4th at which time it can be viewed and/or downloaded from the City's website. Based on approval of the item at the April 8th meeting, the adoption of the Ordinance amending the fee would occur on April 15th and the new fee for residential development would go into effect on June 14, 2008.
March 24, 2008
REGIONAL TRANSPORATION CONGESTION IMPROVEMENT PROGRAM
Page 2

If you have any questions regarding this subject, contact Marshall Plantz, Senior Civil Engineer, at (760) 602-2766.

Robert T. Johnson Jr.

ROBERT T. JOHNSON, JR., P.E.
City Engineer

Attachments: Traffic Impact Fee Update Study, March 2008
2008 Traffic Impact Fee Update - Project List
Program of Projects, w/charts

c: Finance Director
   Public Works Director
   Deputy City Engineer, Planning and Programs Division
   Senior Civil Engineer, Planning and Programs
ORDINANCE NO. ______________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AMENDING TITLE 18, CHAPTER 18.42, OF THE CARLSBAD MUNICIPAL CODE UPDATING THE TRAFFIC IMPACT FEE.

The City Council of the City of Carlsbad, California, hereby ordains as follows:

SECTION 1: That Title 18, Chapter 18.42 of the Carlsbad Municipal Code is amended by the revision of Section 18.42.050(a) to read as follows:

"18.42.050 Fee.

(a) A traffic impact fee of three hundred fifty-three dollars for each average daily trip generated by a residential project and a traffic impact fee of one hundred forty-two dollars for each average daily trip generated by a commercial or industrial project, pursuant to Section 18.42.020(e), shall be paid by the owner or developer prior to the issuance of any building permit or occupancy permit for a project. Traffic impact fees shall be adjusted annually as part of the City's Capital Improvement Program budget process, by two percent or the annual percentage change in the Caltrans Construction Costs Index, (12-Month Index), whichever is higher."

SECTION 2: That Title 18, Chapter 18.42 of the Carlsbad Municipal Code is amended by the revision of Section 18.42.070 to read as follows:

"18.42.070 Use of Fees.

(a) All of the fees collected for a commercial or industrial project shall be allocated to a circulation improvement account and shall be expended only to build or finance circulation improvements serving the city.

(b) All of the fees collected for each newly constructed residential unit, excepting the portion defined in paragraph (c), shall be allocated to a circulation improvement account and shall be expended only to build or finance circulation improvements serving the city.

(c) A portion of the fees collected for newly constructed residential housing units, excepting the fees collected for newly constructed 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, during the forty year period starting July 1, 2008 shall be allocated to a separate circulation improvement sub account and shall be used to build or finance circulation improvements to the Regional Arterial System as adopted by the San Diego
Association of Governments Board. For the year from July 1, 2008 to June 30, 2009, said portion shall equal two thousand dollars per residential housing unit. Said portion shall be adjusted annually as part of the City’s Capital Improvement Program budget process, by two percent or the annual percentage change in the Caltrans Construction Costs Index, (12-Month Index), whichever is higher."

EFFECTIVE DATE: This ordinance was adopted at a noticed public hearing at which time the City Council of the City of Carlsbad also considered the Traffic Impact Fee Update Study which study and associated information was available to the general public for a period of at least fourteen (14) days prior to the public hearing. The fee established by this ordinance shall apply to the issuance of any building permit, for any residential development issued sixty (60) days following this ordinance’s adoption and for all other types of development within thirty (30) days following its adoption. The City Clerk shall certify to the adoption of this ordinance and cause it to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen (15) days after its adoption.
INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the ______ day of ________________________, 2008, and thereafter.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad, California, on the ______ day of ________________________, 2008, by the following vote, to wit:

AYES:
NOES:
ABSENT:

APPROVED AS TO FORM AND LEGALITY:

__________________________
RONALD R. BALL, City Attorney

__________________________
CLAUDE A. LEWIS, Mayor

ATTEST:

__________________________
LORRAINE M. WOOD, City Clerk
(SEAL)
RESOLUTION NO.________________________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

CARLSBAD, CALIFORNIA, APPROVING THE CITY OF

CARLSBAD TRAFFIC IMPACT FEE UPDATE STUDY, DATED

MARCH 2008 AND DESIGNATING THE CIRCULATION

IMPROVEMENTS TO BE FUNDED BY TRAFFIC IMPACT FEES.

WHEREAS, a report entitled the "City of Carlsbad Traffic Impact Fee Update Study, March 2008", hereinafter referred to as the "Study", has been prepared; and

WHEREAS, the Study estimates the cost to construct improvements necessary to implement the City's Circulation Program; and

WHEREAS, fees to implement the construction of those improvements are set forth in the Study; and

WHEREAS, the fees set forth do not exceed the reasonable costs of constructing the facilities and the fees are not levied for general revenue purposes; and

WHEREAS, the Study was available for public inspection and review fourteen (14) days prior to this public hearing; and

WHEREAS, the Finance Director is directed to establish a fund or funds necessary to collect the fees so imposed and to maintain said fund or funds and the interest collected therein and to authorize expenditures for only those projects, bond payments, or other construction activities set forth in the Traffic Impact Fee Update Study. The fee deposited in the fund or funds shall not be commingled with any other funds or revenue of the City. The Finance Director is further directed to make a report, at least annually, and within sixty (60) days of the close of the fiscal year determining the beginning and ending balances for the fiscal year and the fees, interest, and other income and the amount of expenditure on each public facility. The Finance Director is further directed to make this information available to the public and report to the City Council not less than fifteen (15) days after making said information available to the public. The Finance Director shall monitor these funds so that, if required, the City Council may make written findings that all or a portion of the fee remaining unexpended or uncommitted in the fund for five (5) or more years are still necessary for the purpose to which the fees is to be expended and demonstrate a reasonable relationship between that fee and the cost of the improvements.
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. The City Council of the City of Carlsbad approves the "City of Carlsbad Traffic Impact Fee Update, March 2006".

2. That pursuant to Chapter 18.42 of the Carlsbad Municipal Code the circulation improvements as shown on Exhibit 1 attached hereto and made a part hereof shall be funded with the fees collected under said chapter.

3. The fee collected pursuant to Chapter 18.42 shall be placed in a general fund account designated for use for the improvements designated by this resolution or any subsequent amendments hereto. Funds shall be allocated for specific projects during the annual Capital Improvement Program budgeting process.

4. The City Council of the City of Carlsbad may advance money from any available source or fund for the construction of the improvements listed in this resolution or any amendment hereto and repay the source or fund from the account established pursuant to this resolution.

5. The list of projects contained in Exhibit A, attached to Resolution No. 91-326 adopted by the City Council of the City of Carlsbad on October 1, 1991, is hereby superseded by the list attached hereto as Exhibit 1.
PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the _____ day of ___________________________, 2008, by the following vote, to wit:

AYES:
NOES:
ABSENT:

CLAUDE A. LEWIS, Mayor

ATTEST:

LORRAINE M. WOOD, City Clerk (SEAL)
## 2008 TRAFFIC IMPACT FEE UPDATE - PROJECT LIST

<table>
<thead>
<tr>
<th>#</th>
<th>RTCIP ELIGIBLE</th>
<th>IMPROVEMENT</th>
<th>DESCRIPTION</th>
<th>ESTIMATED COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No</td>
<td>Avenida Encinas</td>
<td>Widen south of Palomar Airport Road</td>
<td>$5,045,000</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>Carlsbad Boulevard</td>
<td>Widen from Manzano Drive to 600 feet north of Cannon Road</td>
<td>$5,360,000</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>El Camino Real</td>
<td>Widen from Tamarack Avenue to Chestnut Avenue</td>
<td>$8,078,000</td>
</tr>
<tr>
<td>4</td>
<td>No</td>
<td>Carlsbad Village Drive</td>
<td>Widen from Pontiac to Victoria</td>
<td>$4,841,000</td>
</tr>
<tr>
<td>5</td>
<td>Yes</td>
<td>El Camino Real</td>
<td>Widen from La Costa Avenue to Arenal Road</td>
<td>$2,305,000</td>
</tr>
<tr>
<td>6</td>
<td>Yes</td>
<td>Cannon Road Reach 4</td>
<td>Canion Road from 1200' east of College to the eastern city limits</td>
<td>$5,400,000</td>
</tr>
<tr>
<td>7</td>
<td>Yes</td>
<td>Carlsbad Boulevard</td>
<td>State Street north to the city limits</td>
<td>$2,541,200</td>
</tr>
<tr>
<td>8</td>
<td>Yes</td>
<td>Palomar Airport Road / Carlsbad Boulevard</td>
<td>Palomar Airport Road realignment and construction from Avenida Encinas to Carlsbad Boulevard Drive</td>
<td>$3,527,400</td>
</tr>
<tr>
<td>9</td>
<td>Yes</td>
<td>Poinsettia Lane</td>
<td>Widen from Paseo Del Norte to Eastipios Lane</td>
<td>$2,290,000</td>
</tr>
<tr>
<td>10</td>
<td>No</td>
<td>La Costa Avenue</td>
<td>Widen from I-5 to El Camino Real</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>11</td>
<td>No</td>
<td>Olivenhain Road and Rancho Santa Fe Road</td>
<td>Widen/Realignment of Rancho Santa Fe Road/Olivenhain Road</td>
<td>$1,400,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>#</th>
<th>RTCIP ELIGIBLE</th>
<th>IMPROVEMENT</th>
<th>DESCRIPTION</th>
<th>ESTIMATED COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>Palomar Airport Road - Paseo Del Norte</td>
<td>Road widening for a right-turn lane along PAR from Amada to Paseo Del Norte</td>
<td>$1,244,000</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>Palomar Airport Road - College Boulevard</td>
<td>Road widening for a right-turn lane from S/B College to W/B PAR</td>
<td>$587,000</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>Palomar Airport Road- El Camino Real</td>
<td>Add right-turn lane from E/B PAR to S/B ECR</td>
<td>$568,000</td>
</tr>
<tr>
<td>4</td>
<td>Yes</td>
<td>Palomar Airport Road - El Fuerte Street</td>
<td>Road widening for a right-turn lane from W/B PAR to N/B El Fuerte</td>
<td>$916,000</td>
</tr>
<tr>
<td>5</td>
<td>Yes</td>
<td>Palomar Airport Road -- Merrose Drive</td>
<td>Add right-turn lane from E/B PAR to S/B Merrose Drive</td>
<td>$88,600</td>
</tr>
<tr>
<td>6</td>
<td>Yes</td>
<td>Melrose Drive - Palomar Airport Road</td>
<td>Road widening for a right-turn lane from S/B Melrose Drive to W/B PAR</td>
<td>$410,000</td>
</tr>
<tr>
<td>7</td>
<td>Yes</td>
<td>Melrose Drive -- Alga Road</td>
<td>Add dual left-turns on all approaches</td>
<td>$946,000</td>
</tr>
<tr>
<td>8</td>
<td>Yes</td>
<td>El Camino Real -- Carlsbad Village Drive</td>
<td>Add dual left-turns in N/B and S/B directions along ECR</td>
<td>$865,000</td>
</tr>
<tr>
<td>9</td>
<td>Yes</td>
<td>El Camino Real -- Cannon Road</td>
<td>Add N/B to E/B right-turn lane. Add N/B bridge structure. Add second N/B and S/B turn lanes</td>
<td>$2,205,000</td>
</tr>
<tr>
<td>10</td>
<td>Yes</td>
<td>El Camino Real -- Alga Road</td>
<td>Modify right-turn from N/B ECR to E/B Alga Road</td>
<td>$335,000</td>
</tr>
<tr>
<td>11</td>
<td>Yes</td>
<td>El Camino Real -- Tamarack</td>
<td>Add second N/B to W/B left-turn lane</td>
<td>$253,000</td>
</tr>
</tbody>
</table>

### Sidewalk Program
- Complete sidewalks at various locations throughout the City | $2,440,000

### Transportation Management and Monitoring Program
- Program to facilitate Transportation Demand Management (TDM) strategies, to annually review effectiveness of TIF improvement program and to facilitate annual programming of TIF funding | $1,440,000

* - The estimated cost for this project represents 20% of the total project estimated costs to reflect the prorated share to be funded by future development.

** - The estimated cost for this project represents the remaining portion of the total project costs which were fronted by the CFD #1 program fund and which are to be reimbursed by the TIF program fund.
RESOLUTION NO. __________________


WHEREAS, the Chapter 18.42 of the Carlsbad Municipal Code establishes the Traffic Impact Fee for the City of Carlsbad; and

WHEREAS, the City Council of the City of Carlsbad has created Community Facilities District No. 1 to provide a funding source for the purpose of financing public improvements, some of which are funded from the Traffic Impact Fee established under Chapter 18.42 of the Carlsbad Municipal Code; and

WHEREAS, it is appropriate for properties within the boundaries of and subject to taxation by the Community Facilities District No. 1 to receive a credit against the Traffic Impact Fee to the extent that the projects funded through the Traffic Impact Fee are also funded through the Community Facilities District No. 1; and

WHEREAS, Section 18.42.050 of the Carlsbad Municipal Code establishes a credit against the Traffic Impact Fee for properties within the boundaries of a subject to taxation by Community Facilities District No. 1; and

WHEREAS, on June 25, 1991, the City Council of the City of Carlsbad adopted Resolution No. 91-196 establishing the amount of the credit against the Traffic Impact Fee imposed by Chapter 18.42 of the Carlsbad Municipal Code for properties with the boundaries of and subject to taxation by the Community Facilities District No. 1; and

WHEREAS, the Traffic Impact Fee Program has been updated and therefore to retain the same credit value the methodology for establishing the amount of the credit against the Traffic Impact Fee must be revised.

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

1. That the above recitals are all true and correct.
2. The properties included within the boundaries of Community Facilities District No. 1 that are subject to taxation by the District shall receive a credit against the Traffic Impact Fee established under Chapter 18.42 of the Carlsbad Municipal Code to the extent projects funded through the Traffic Impact Fee are funded through the Community Facilities District No. 1.

3. The amount of the credit against the Traffic Impact Fee shall be equal to $40 per average daily trip for residential units and $16 per average daily trip for commercial and industrial development. The amount of the credit shall be adjusted annually as part of the City's Capital Improvement Program budget process, by two percent or the annual percentage change in the Caltrans Construction Costs Index, (12-Month Index), whichever is higher." The amount of the Traffic Impact Fee due and payable for properties included within the boundaries of Community Facilities District No. 1 that are subject to taxation by the District shall be equal to the fee as computed under Chapter 18.42 of the Carlsbad Municipal Code minus the credit as described above.

4. The amount of the credit against the Traffic Impact Fee as adopted by Resolution No. 91-196 is hereby superseded by the amount of credit established herein.
PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the _____ day of __________________________, 2008, by the following vote, to wit:

AYES:
NOES:
ABSENT:

CLAUDE A. LEWIS, Mayor

ATTEST:

LORRAINE M. WOOD, City Clerk
(SEAL)
# 2008 Traffic Impact Fee Update - Project List

<table>
<thead>
<tr>
<th>RAS/RTCIP</th>
<th>Improvement</th>
<th>Description</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Segments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>No</td>
<td>Avenida Encinas</td>
<td>$ 5,045,000</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>Carlsbad Boulevard</td>
<td>$ 5,360,000</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>El Camino Real</td>
<td>$ 8,078,000</td>
</tr>
<tr>
<td>4</td>
<td>No</td>
<td>Carlsbad Village Drive</td>
<td>$ 4,841,000</td>
</tr>
<tr>
<td>5</td>
<td>Yes</td>
<td>El Camino Real</td>
<td>$ 2,305,000</td>
</tr>
<tr>
<td>6</td>
<td>Yes</td>
<td>Cannon Road Reach 4</td>
<td>$ 5,400,000*</td>
</tr>
<tr>
<td>7</td>
<td>Yes</td>
<td>Carlsbad Boulevard</td>
<td>$ 2,541,200*</td>
</tr>
<tr>
<td>8</td>
<td>Yes</td>
<td>Palomar Airport Road / Carlsbad Boulevard</td>
<td>$ 3,527,400*</td>
</tr>
<tr>
<td>9</td>
<td>Yes</td>
<td>Poinsettia Lane</td>
<td>$ 2,287,000</td>
</tr>
<tr>
<td>10</td>
<td>Yes</td>
<td>La Costa Avenue</td>
<td>$ 1,500,000**</td>
</tr>
<tr>
<td>11</td>
<td>Yes</td>
<td>Olivenhain and Rancho Santa Fe Roads</td>
<td>$ 1,400,000**</td>
</tr>
<tr>
<td></td>
<td><strong>Intersections</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Yes</td>
<td>Palomar Airport Road – Paseo Del Norte</td>
<td>$ 1,244,000</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>Palomar Airport Road – College Boulevard</td>
<td>$ 587,000</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>Palomar Airport Road – El Camino Real</td>
<td>$ 568,000</td>
</tr>
<tr>
<td>4</td>
<td>Yes</td>
<td>Palomar Airport Road – El Fuerte Street</td>
<td>$ 916,000</td>
</tr>
<tr>
<td>5</td>
<td>Yes</td>
<td>Palomar Airport Road – Melrose Drive</td>
<td>$ 88,500</td>
</tr>
<tr>
<td>6</td>
<td>Yes</td>
<td>Melrose Drive - Palomar Airport Road</td>
<td>$ 410,000</td>
</tr>
<tr>
<td>7</td>
<td>Yes</td>
<td>Melrose Drive – Alga Road</td>
<td>$ 946,000</td>
</tr>
<tr>
<td>8</td>
<td>Yes</td>
<td>El Camino Real – Carlsbad Village Drive</td>
<td>$ 865,000</td>
</tr>
<tr>
<td>9</td>
<td>Yes</td>
<td>El Camino Real – Cannon Road</td>
<td>$ 2,205,000</td>
</tr>
<tr>
<td>10</td>
<td>Yes</td>
<td>El Camino Real – Alga Road</td>
<td>$ 335,000</td>
</tr>
<tr>
<td>11</td>
<td>Yes</td>
<td>El Camino Real – Tamarack</td>
<td>$ 253,000</td>
</tr>
<tr>
<td></td>
<td><strong>Programs - Citywide</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>No</td>
<td>Sidewalk Program</td>
<td>$ 2,440,000</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>Transportation Management and Monitoring Program</td>
<td>$ 1,440,000</td>
</tr>
</tbody>
</table>

* - The estimated cost for this project represents 20% of the total project estimated costs to reflect the prorated share funded by future development.

** - The estimated cost for this project represents the remaining portion of the total project costs which were fronted by the CFD #1 fund and are to be reimbursed by the TIF program fund.
Chapter 18.42 TRAFFIC IMPACT FEE

18.42.010 Purpose and intent.

18.42.020 Definitions.

18.42.030 Prohibition on development.

18.42.040 Requirement for permit issuance.

18.42.050 Fee.

18.42.060 Exemption.

18.42.070 Use of fees.

18.42.080 Assessment district.

18.42.090 Advance of funds by city.

18.42.100 Expiration of chapter.

18.42.010 Purpose and intent.

(a) This chapter imposes a fee to pay for various traffic circulation improvements within the city. The amount of the fee is based on a traffic engineering analysis and has been calculated to be equal to or less than the cost of the circulation improvements. The circulation improvements funded by this fee shall be designated by city council resolution. The city council may modify the designation by amendment to the resolution at any time. It is the city council's intention to review the designation of circulation improvements and the amount of the fee on an annual basis. In reviewing the improvements and amount of the fee, the city council shall consider, among other things, any changes to the land use designations or intensity of development, changes in the amount of traffic generated or anticipated, inflation and increases in cost of materials and labor. 

(b) This chapter is necessary to ensure that adequate circulation facilities are available to serve the city in a manner which is consistent with the city's general plan. Without the circulation improvements which will be funded by this fee the circulation system of the city will be inadequate to serve any further development in the city. (Ord. NS-177 § 1, 1991; Ord. 8107 § 1 (part), 1986)

18.42.020 Definitions.

For the purposes of this chapter, the following words or phrases shall be construed as defined in this section.

(a) "Building permit" means a permit required by and issued pursuant to Chapter 18.04 of this code. "Occupancy permit" means a permit required by and issued pursuant to Chapter 21.60 of this code.

(b) "Circulation improvements" means any street improvement identified by city council resolution, including but not limited to, right-of-way, traffic signals, overcrossings, underpasses, curbs, gutters, sidewalks, pavement, drainage facilities incidental to street improvements, necessary to provide traffic circulation consistent with the city's general plan. For the purpose of this definition, "street" includes highway or road.
(c) "Project" means on any property subject to this chapter, any new or additional building, structure, or any land use change which increases the number of trips generated by the use of the lot or parcel.

(d) "Property subject to this chapter" means any lot or parcel of land in the city.

(e) "Trip" means an arrival at or a departure from a project by any motor vehicle averaged over a one-day period (12:01 a.m. to 11:59 p.m.) as determined according to Table 18.42.020(e). In using this table, the square footage of the building, structure or use shall include all interior floor area of a building or structure, and all usable ground area of a use without a structure, except any designated open space area. Where the table establishes traffic generation for a project on the basis of square footage, acreage, or some other unit, the unit establishing the greatest number of trips shall be utilized. When a project has more than one use the number of trips shall be calculated by adding together all the trips generated by each use. For uses not listed in the table the trips shall be calculated by the City Engineer.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Estimated Weekday Vehicle Trip Generation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural (Open space)</td>
<td>2/acre</td>
</tr>
<tr>
<td>Airports</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>12/acre, 100/flight, 70/1000 sq. ft.</td>
</tr>
<tr>
<td>General aviation</td>
<td>4/acre, 2/flight, 6/based aircraft</td>
</tr>
<tr>
<td>Heliports</td>
<td>100/acre</td>
</tr>
<tr>
<td>Automobile</td>
<td></td>
</tr>
<tr>
<td>Car wash</td>
<td>900/site, 600/acre</td>
</tr>
<tr>
<td>Gasoline</td>
<td>750/station, 130/pump</td>
</tr>
<tr>
<td>Sales (Dealer and repair)</td>
<td>40/1000 sq. ft., 300/acre, 60/service stall</td>
</tr>
<tr>
<td>Auto repair center</td>
<td>20/1000 sq. ft., 400/acre, 20/service stall</td>
</tr>
<tr>
<td>Banking</td>
<td></td>
</tr>
<tr>
<td>Bank (Walk-in only)</td>
<td>150/1000 sq. ft., 1000/acre</td>
</tr>
<tr>
<td>Bank (with drive-through)</td>
<td>200/1000 sq. ft., 1500/acre</td>
</tr>
<tr>
<td>Drive-through only</td>
<td>300 (150 one-way)/lane</td>
</tr>
<tr>
<td>Savings and Loans</td>
<td>60/1000 sq. ft., 600/acre</td>
</tr>
<tr>
<td>Drive-through only</td>
<td>100 (50 one-way)/lane</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>5/acre</td>
</tr>
<tr>
<td>Church (or Synagogue)</td>
<td>15/1000 sq. ft., 40/acre (triple rates for Sunday, or days of assembly)</td>
</tr>
<tr>
<td>Commercial/retail centers</td>
<td></td>
</tr>
<tr>
<td>Super regional shopping center (more than 60 acres, more than 600,000 sq. ft., with usually 3+ major stores)</td>
<td>40/1000 sq. ft., 400/acre</td>
</tr>
</tbody>
</table>
| Use                                      | Impacted Area
|------------------------------------------|----------------
| Regional shopping center (30–60 acres, 300,000–600,000 sq. ft., with usually 2+ major stores) | 50/1000 sq. ft., 500/acre
| Community shopping center (less than 10–30 acres, 100,000–300,000 sq. ft., with usually 1 major store and detached restaurant) | 70/1000 sq. ft., 700/acre
| Neighborhood shopping center (less than 10 acres, less than 100,000 sq. ft., with usually a grocery store and drug store) | 120/1000 sq. ft., 1200/acre
| Commercial shops (also strip-commercial) | 40/1000 sq. ft., 400/acre
| Grocery store                           | 150/1000 sq. ft., 2000/acre
| Convenience market                      | 500/1000 sq. ft.
| Discount                                 | 70/1000 sq. ft., 700/acre
| Furniture store                          | 6/1000 sq. ft., 100/acre
| Lumber store                             | 30/1000 sq. ft., 150 acre
| Hardware/paint store                     | 60/1000 sq. ft., 800/acre
| Garden nursery                           | 40/1000 sq. ft., 90/acre
| Education                                | 2.5/student, 100/acre
| University (4 years)                     | 1.6 student, 80/acre
| Junior college (2 years)                 | 1.4 student, 60/acre
| High school                              | 1.0 student, 40/acre
| Middle/Junior High                      | 1.4 student, 60/acre
| Elementary                               | 3/child, 70/1000 sq. ft.
| Day care                                 | 3/bed
| Hospitals                                | 20/bed, 20/1000 sq. ft., 200/acre
| Convalescent/Nursing                     | 3/bed
| Industrial                               | 16/1000 sq. ft., 200/acre
| Industrial/Business park (commercial included) | 8/1000 sq. ft., 90/acre
| Industrial park (no commercial)          | 10/1000 sq. ft., 120/acre
| Manufacturing/Assembly                   | 4/1000 sq. ft., 60/acre
| Warehousing                              | 5/1000 sq. ft., 60/acre
| Storage                                  | 2/1000 sq. ft., 0.2/vault, 30/acre
| Science, research and development        | 8/1000 sq. ft., 60/acre
| Library                                  | 40/1000 sq. ft., 400/acre

http://www.bpcnet.com/codes/carlsbad/_DATA/TITLE18/Chapter_18_42_TRAFFIC_IM... 03/31/2008
<table>
<thead>
<tr>
<th>Category</th>
<th>Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td></td>
</tr>
<tr>
<td>Hotel (with convention facilities/restaurants)</td>
<td>10/room, 300/acre</td>
</tr>
<tr>
<td>Motel</td>
<td>9/room, 200/acre</td>
</tr>
<tr>
<td>Resort hotel</td>
<td>8/room, 100/acre</td>
</tr>
<tr>
<td>Military</td>
<td>2.5 military and civilian personnel</td>
</tr>
<tr>
<td>Offices</td>
<td></td>
</tr>
<tr>
<td>Standard commercial office (less than 100,000 sq. ft.)</td>
<td>20/1000 sq. ft., 300/acre</td>
</tr>
<tr>
<td>Large (high-rise) commercial office (more than 100,000 sq. ft.)</td>
<td>17/1000 sq. ft., 600/acre</td>
</tr>
<tr>
<td>Standard commercial office (less than 100,000 sq. ft.)</td>
<td>20/1000 sq. ft., 300/acre</td>
</tr>
<tr>
<td>Corporate office (single user)</td>
<td>10/1000 sq. ft., 140/acre</td>
</tr>
<tr>
<td>Government office (single user)</td>
<td>30/1000 sq. ft.</td>
</tr>
<tr>
<td>Post office</td>
<td>150/1000 sq. ft.</td>
</tr>
<tr>
<td>Department of motor vehicles</td>
<td>180/1000 sq. ft., 900/acre</td>
</tr>
<tr>
<td>Medical</td>
<td>50/1000 sq. ft., 500/acre</td>
</tr>
<tr>
<td>Parks</td>
<td></td>
</tr>
<tr>
<td>City (developed)</td>
<td>50/acre</td>
</tr>
<tr>
<td>Regional (undeveloped)</td>
<td>5/acre</td>
</tr>
<tr>
<td>Neighborhood</td>
<td>5/acre</td>
</tr>
<tr>
<td>Amusement (theme)</td>
<td>80/acre, 130/acre (summer only)</td>
</tr>
<tr>
<td>San Diego Zoo</td>
<td>115/acre</td>
</tr>
<tr>
<td>Sea World</td>
<td>80/acre</td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
</tr>
<tr>
<td>Beach, ocean or bay</td>
<td>600/1000 ft. shoreline, 60/acre</td>
</tr>
<tr>
<td>Beach, lake (fresh water)</td>
<td>50/1000 ft. shoreline, 5/acre</td>
</tr>
<tr>
<td>Bowling center</td>
<td>30/lane, 300/acre</td>
</tr>
<tr>
<td>Campground</td>
<td>4/campsite</td>
</tr>
<tr>
<td>Golf course</td>
<td>6/acre, 600/course</td>
</tr>
<tr>
<td>Marinas</td>
<td>4/berth, 20/acre</td>
</tr>
<tr>
<td>Racquetball/health club</td>
<td>40/1000 sq. ft., 300/acre, 40/court</td>
</tr>
<tr>
<td>Tennis courts</td>
<td>30/1000 sq. ft., 30/court</td>
</tr>
<tr>
<td>Sports facilities</td>
<td></td>
</tr>
<tr>
<td>Outdoor stadium</td>
<td>50/acre, 0.2/seat</td>
</tr>
</tbody>
</table>

http://www.bpcnet.com/codes/carlsbad/_DATA/TITLE18/Chapter_18_42_TRAFFIC_IM... 03/31/2008
<table>
<thead>
<tr>
<th>Use</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indoor arena</td>
<td>30/acre, 0.1/seat</td>
</tr>
<tr>
<td>Racetrack</td>
<td>40/acre, 0.6/seat</td>
</tr>
<tr>
<td>Theaters (multiplex)</td>
<td>80/1000 sq. ft., 1.8/seat</td>
</tr>
<tr>
<td>Residential</td>
<td></td>
</tr>
<tr>
<td>Single-family detached (average 4 DU/acre)</td>
<td>10/dwelling unit</td>
</tr>
<tr>
<td>Condominium (or any multifamily less than 20 DU/acre)</td>
<td>8/dwelling unit</td>
</tr>
<tr>
<td>Apartments (or any multifamily units more than 20 DU/acre)</td>
<td>6/dwelling unit</td>
</tr>
<tr>
<td>Mobile home</td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>5/dwelling unit, 40/acre</td>
</tr>
<tr>
<td>Adults only</td>
<td>3/dwelling unit, 20/acre</td>
</tr>
<tr>
<td>Retirement community</td>
<td>4/dwelling unit</td>
</tr>
<tr>
<td>Rural estate</td>
<td>12/dwelling unit</td>
</tr>
<tr>
<td>Congregate care facility</td>
<td>2/dwelling unit</td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>100/1000 sq. ft., 500/acre</td>
</tr>
<tr>
<td>Sit-down, high turnover</td>
<td>300/1000 sq. ft., 1200/acre</td>
</tr>
<tr>
<td>Fast food (with drive-through)</td>
<td>700/1000 sq. ft., 3000/acre</td>
</tr>
<tr>
<td>Transportation facilities</td>
<td></td>
</tr>
<tr>
<td>Bus depot</td>
<td>25/1000 sq. ft.</td>
</tr>
<tr>
<td>Truck terminal</td>
<td>10/1000 sq. ft., 60/acre</td>
</tr>
<tr>
<td>Waterport</td>
<td>170/berth, 12/acre</td>
</tr>
<tr>
<td>Transit station (rail)</td>
<td>300/acre</td>
</tr>
</tbody>
</table>

Note: In using this table, the square footage of the building, structure or use shall include all interior floor area of a building or structure, and all usable ground area of a use without a structure, except any designated open space area. Where a table establishes traffic generation for a project on the basis of square footage, acreage, or some other unit, the unit establishing the greatest number of trips shall be utilized. When a project has more than one use the number of trips shall be calculated by adding together all the trips generated by each use. For uses not listed in the table the trips shall be calculated by the city engineer.

(Ord. NS-177 §§ 2, 3, 1991; Ord. 8107 § 1 (part), 1986)

18.42.030 Prohibition on development.

For any property subject to this chapter, notwithstanding any provision of this code to the contrary, no building permit or occupancy permit for any project shall be issued and no person shall build, use or occupy any project, without first paying the fee established by, or otherwise complying with, this chapter. (Ord. 8107 § 1 (part), 1986)
18.42.040 Requirement for permit issuance.

Prior to the issuance of a building permit or occupancy permit for a project the project owner or developer shall:
(a) Provide the city engineer with detailed information regarding the size, siting, types of uses and trips to be generated by the project;
(b) Pay the fee established by Section 18.42.050 of this code. (Ord. 8107 § 1 (part), 1986)

18.42.050 Fee.

(a) A traffic impact fee of seventy-seven dollars for each average daily trip generated by a residential project and a traffic impact fee of thirty-one dollars for each average daily trip generated by a commercial or industrial project, pursuant to Section 18.42.020(e), shall be paid by the owner or developer prior to the issuance of any building permit or occupancy permit for a project. Traffic impact fees shall be adjusted annually as part of the city’s capital improvement program budget process, effective July 1, 1991, according to the Engineering News Record Los Angeles Construction Cost Index with a base year index of 5930.
(b) In lieu of payment of all or part of the fee the project owner or developer may offer to construct or fund circulation improvements to the satisfaction of the city council, other than circulation improvements required by any other law, approval or city action. If such offer is accepted by the city council, any amount expended by the project owner or developer shall be credited against the fee. If the offer is rejected the fee shall be paid. The offer shall be made at the time of consideration of any discretionary planning or subdivision permit or approval, or if no such permit or approval is required then before building permit application is filed.
(c) The city council shall give a credit toward the fee imposed by this chapter for properties within the boundaries of and subject to taxation by community facilities district number one. The amount of such credit shall be determined by the city council and established by resolution. (Ord. NS-177 § 4, 1991; Ord. NS-158 § 2, 1991; Ord. 8107 § 1 (part), 1986)

18.42.060 Exemption.

Projects by public agencies or entities shall be exempt from the provisions of this chapter. (Ord. 8107 § 1 (part), 1986)

18.42.070 Use of fees.

All of the fees collected shall be allocated to a circulation improvement account and shall be expended only to build or finance circulation improvements serving the city. (Ord. NS-177 § 5, 1991; Ord. 8107 § 1 (part), 1986)

18.42.080 Assessment district.

If an assessment district or special taxing district is established for all or any part of the area subject to this chapter to fund circulation improvements which are or will be funded in whole or in part by the fee established by this chapter, the owner or developer of a project may apply to the city council for a credit against the fee in an amount equal to the assessments or taxes paid. (Ord. 8107 § 1 (part), 1986)

18.42.090 Advance of funds by city.

The city may advance money from any available source or fund for the construction of improvements which would otherwise be paid for from the fees collected pursuant to this chapter and reimburse itself from future fees. (Ord. 8107 § 1 (part), 1986)
18.42.100 Expiration of chapter.

This chapter shall be of no further force and effect when the city council determines the amount of fees which have been collected reaches an amount equal to the cost of the circulation improvements. (Ord. 8107 § 1 (part), 1986)
CITY COUNCIL
AGENDA STATEMENT

ITEM TITLE: PUBLIC HEARING TO CONSIDER THE ADOPTION OF ORDINANCES ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE.

A. ORDINANCE OF THE CITY OF CHULA VISTA ACCEPTING THE WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE REPORT (TF-358) PREPARED BY STAFF AND ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM TO MITIGATE TRANSPORTATION IMPACTS WITHIN WESTERN CHULA VISTA EXCLUDING PROJECTS - I-5-17, STM-361, RAS-15, BP-5, I-805-2, RAS-17, BP-4, BP-2, AND OR-4

B. ORDINANCE OF THE CITY OF CHULA VISTA ACCEPTING THE WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE REPORT (TF-358) PREPARED BY STAFF AND ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM TO MITIGATE TRANSPORTATION IMPACTS WITHIN WESTERN CHULA VISTA INCLUDING PROJECTS - I-5-17, STM-361, RAS-15, BP-5

C. ORDINANCE OF THE CITY OF CHULA VISTA ACCEPTING THE WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE REPORT (TF-358) PREPARED BY STAFF AND ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM TO MITIGATE TRANSPORTATION IMPACTS WITHIN WESTERN CHULA VISTA INCLUDING PROJECTS - I-805-2, RAS-17, BP-4

D. ORDINANCE OF THE CITY OF CHULA VISTA ACCEPTING THE WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE REPORT (TF-358) PREPARED BY STAFF AND ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM TO MITIGATE TRANSPORTATION IMPACTS WITHIN WESTERN CHULA VISTA INCLUDING PROJECT BP-2

E. ORDINANCE OF THE CITY OF CHULA VISTA ACCEPTING THE WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE REPORT (TF-358) PREPARED BY STAFF AND ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM TO MITIGATE TRANSPORTATION IMPACTS WITHIN WESTERN CHULA VISTA INCLUDING PROJECT OR-4

SUBMITTED BY: DIRECTOR OF ENGINEERING AND GENERAL SERVICES
REVIEWED BY: CITY MANAGER
ASSISTANT CITY MANAGER

4/5THS VOTE: YES ☐ NO ☒
SUMMARY

City of Chula Vista staff have prepared a Western Transportation Development Impact Fee Report (Report) to analyze potential traffic impacts of proposed new development on the westside of the City's transportation system and to calculate development impact fees based on that analysis. The City's Eastern Transportation Development Impact Fee (TDIF) Program was established on January 12, 1988 by Ordinance 2251. That program is responsible for the equitable funding of transportation facilities east of I-805. The proposed Western Transportation Development Impact Fee (WTDFI) is a similar program proposed for Western Chula Vista.

ENVIRONMENTAL REVIEW

The Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(e)(3) of the State CEQA Guidelines the activity is not subject to CEQA review. Although environmental review is not necessary at this time, environmental review will be required prior to the approval of final design plans and the awarding of construction contracts for facilities funded through Western Transportation Development Impact Fees.

RECOMMENDATION

1. Council conduct the public hearing.
2. Council approve the ordinances establishing the WTDIF Program (first reading).

BOARDS/COMMISSIONS RECOMMENDATION

Not applicable.

DISCUSSION

New development places demands on the existing transportation infrastructure which can be mitigated by upgrading existing and/or constructing new transportation facilities. The proposed WTDIF program will provide for future transportation facilities needs due to westside development through the Year 2030. The proposed future development will result in the need for transportation infrastructure improvements to accommodate growth-related traffic, including but not limited to traffic signals, curb, gutter and sidewalk, public transportation infrastructure and pedestrian and bicycle facilities. A well planned fee program can generate sufficient funds to allow the city to adequately mitigate impacts created by new development. The ancillary reason for adopting a Western TDIF is because in November 2004 county-wide voters passed the Transnet Ordinance prepared for the San Diego Association of Governments (SANDAG). This Ordinance states in part, "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". The Ordinance is further described below.

The impact fees are calculated for an Area of Benefit that encompasses the entire westside of the city, see Attachment 1, "Western Transportation Development Impact Fee Report" (Report). The WTDIF program will distribute the cost of infrastructure equitably among new development in Western Chula Vista. The fee will be used to construct new transportation improvements or
expand existing facilities and shall not exceed the estimated reasonable cost of providing the new transportation improvements in accordance with California Government Code Section 66000 et seq.

California Government Code Section 66001 requires that an agency establishing, increasing or imposing impact fees meet the following requirements:

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 the fee is imposed;
   b. The need for the public facility and the type of development project on which the fee is imposed and;
   c. The amount of the fee and the facility cost attributable to the development project on which the fee is imposed.

Each of these requirements were followed in the development of the fee program.

Methodology for Fee Determination

Government Code section 66000 et seq. requires, among other things, that the City establish a reasonable relationship between the projects to be funded and the amount of the fee. As more thoroughly discussed below, the WTDF program uses Average Daily Traffic (ADT), which is converted to Equivalent Dwelling Units (EDU's), as the tool to equate impact fees among the different land uses. ADT generation rates published by SANDAG are used to determine the trip generating characteristics of the different land use categories on the transportation system.

The process for determining WTDF fees included two phases. The first phase involved performing a deficiency analysis to determine what future growth-related traffic impacts were placed on the existing regional and local transportation network. To accomplish this, a variety of recently approved documents were analyzed. The process included gathering a voluminous amount of land use data detailing the amount of new development proposed for the west side of Chula Vista as depicted in the City's General Plan and Urban Core Specific Plan (UCSP). Existing, approved traffic studies performed for the General Plan and the UCSP were used to define and locate traffic impacts and their mitigations. Other approved reports were also used in determining impacts; these include the UCSP report entitled, "Chula Vista Urban Core Specific Plan Facilities Implementation Analysis", the city's Infrastructure Deficiency Plan, the "Final City of Chula Vista, Midbayfront LCP Resubmittal No. 8 Amendment, Environmental Impact Report, February, 1991" and project listings from the City's Capital Improvement Program. Attachment 1 lists the infrastructure improvements from all sources. The project list includes local as well as Regional Arterial System (RAS) segments, intersection improvements including traffic signals, interchange improvements, bicycle and pedestrian projects and Light Rail facilities.

The locations where traffic impacts occurred, as shown in Attachment 1, were gathered and assembled together in one list. The final list designates the transportation facilities on the west
side of Chula Vista that will require transportation improvements due to projected westside growth.

The next phase in the process involved calculating an impact fee to address the traffic impacts identified in the deficiency analysis above. The program looked at associated costs for all eligible projects in Year 2007 dollars, the current number of Average Daily Trips (ADT) and the existing, corresponding Level of Service (LOS) for each affected street segment and intersection proposed for improvement. Anticipated traffic volumes for year 2030 were retrieved from the Traffic Impact Reports listed above and their impacts on existing infrastructure were analyzed to determine the impacts attributable solely to future development. This information establishes the nexus between future development and the need for future improvements. Street segments and intersections that are currently operating at unacceptable levels of service were removed from the list of projects to be funded by future development as these conditions are not attributable to future development and therefore are not eligible for inclusion in the funding program.

The WTDIF fee is based on estimated trips for residential, commercial and industrial development. The City of Chula Vista, like other cities in San Diego County, uses the SANDAG Vehicular Traffic Generation Rates for the San Diego Region as the resource for specific land use trip generation. Trips were then converted to EDU’s which are units of measure that standardize all land use types (housing, retail, office, industrial, etc.) to the level of demand created by one single-family dwelling unit (SFDU). For example, in the case of traffic volume, one EDU is equivalent to the amount of trips per day, in both directions, for a SFDU. According to SANDAG, this SFDU generates 10 trips per day. A small business that generates 30 trips per day would therefore be equivalent to three EDU’s in terms of traffic demand. The City historically has refined the SANDAG approach and has identified three residential land use categories used in this report. The report aggregates residential land uses to utilize four categories and recommends the following: 10 ADTs generated from a residential project with densities ranging on average from 1 to 6 dwelling units per gross acre; 8 ADTs from a residential project with densities between 6 and 20 dwelling units per gross acre; 6 ADTs from a residential project with densities greater than 20 dwelling units per gross acre; and 4 ADTs from a mobile home residential project. These city aggregated categories comport with the SANDAG Vehicular Traffic Generation Rates for the San Diego Region.

Applicable costs for all eligible projects as described above were summed up and divided by the number of remaining EDU’s on the west side of the city. From this process, the report estimated the portion of total project costs that can be directly attributed to new development on the westside of Chula Vista. The baseline costs per EDU were determined to be $3,148.11. To this sub-total, the following administrative costs were added: a 2% WTDIF Administration cost, $62.96/EDU, and an additional 1% SANDAG Administrative cost, $31.48/EDU. The final fee was calculated at $3,243 per EDU. This $3,243 per EDU fee will be collected and monitored separately for Regional facilities and local roadways. Regional arterials will comprise 78.92% or $2,559 of the total fee, while 21.08% or $684 of the total fee will remain for local roadways.

Of note is how the Report calculated the trip generation rate for Commercial land uses. Commercial land use trip generation rates have been reduced by 62.6%. This reduced rate is based on the final edition of the study entitled, “RTCIP Impact Fee Nexus Study – Final Report”
dated November 26, 2007 prepared for SANDAG by MuniFinancial and attached with Attachment 1. This study was prepared "to provide a single nexus analysis that all local agencies in San Diego County could use to adopt an impact fee and fulfill their contribution to the Regional Transportation Congestion Improvement Plan (RTCIP). The report documents the required statutory findings under California’s Mitigation Fee Act." The report identifies commercial trip origins, distributions, and generation rates. The RTCIP study found that approximately 62.6 percent of regional commercial trips are generated from within San Diego County and more specifically from residential units within the county, which leads to the observation that 37.4 percent of commercial trips are generated from outside of the region. The RTCIP study concluded that residential development directly causes 62.6 percent of commercial development. Consequently, the travel demand associated with that share of commercial development is covered by residential development. These conclusions are in alignment with the previously approved Eastern TDIF analysis. Consequently, the commercial trip rates were adjusted accordingly by reducing them by 62.6 percent. The reduced trip generation rates for commercial land uses are then similar to those rates used in the Eastern TDIF program for citywide consistency.

Development Projects Exempt from the Fee

Development projects by public agencies shall be exempt from the provisions of the fee if those projects are designed to provide the public service for which the agency is charged ("public purpose").

Exempt development uses with the following characteristics or activities as a principal use of land, generally described as "community purpose facility":

"Community purpose facility" means a facility which serves one of the following purposes:

1. Social service activities, including such services as Boy Scouts and Girl Scouts, Boys and Girls Club, Alcoholics Anonymous and services for the homeless;
2. Public schools;
3. Private schools;
4. Day care;
5. Senior care and recreation;
6. Worship, spiritual growth and development.
Table 1 below presents the WTDIF rates for the different land uses.

**PROPOSED WESTERN TDIF FEE PER LAND USE CLASSIFICATION**

<table>
<thead>
<tr>
<th>Proposed Western TDIF Fee per EDU:</th>
<th>$3,243</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Land Use Classification</th>
<th>Fee Rate per EDU/Acre/KSF</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESIDENTIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential (LOW)</td>
<td>1 per EDU $3,243 per DU per acre</td>
<td>1-6 dwelling units per acre</td>
</tr>
<tr>
<td>Residential (MED)</td>
<td>.8 per EDU $2,594 per DU per acre</td>
<td>7 to 20 dwelling units per acre</td>
</tr>
<tr>
<td>Residential (HIGH)</td>
<td>.6 per EDU $1,946 per DU per acre</td>
<td>Over 20 dwelling units per acre</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>.5 per EDU $1,622 per DU</td>
<td></td>
</tr>
<tr>
<td><strong>COMMERCIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Commercial</td>
<td>19 EDU/Acre $61,617/Acre</td>
<td></td>
</tr>
<tr>
<td>Community Commercial</td>
<td>26 EDU/Acre $84,318/Acre</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Commercial</td>
<td>45 EDU/Acre $145,935/Acre</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Commercial</td>
<td>50 EDU/KSF $16,215/KSF</td>
<td></td>
</tr>
<tr>
<td>Street Front Commercial</td>
<td>15 EDU/Acre $48,645/Acre</td>
<td></td>
</tr>
<tr>
<td>Retail Commercial</td>
<td>15 EDU/KSF $48,645/Acre</td>
<td></td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>22 EDU/Acre $71,346/Acre</td>
<td></td>
</tr>
<tr>
<td><strong>OFFICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Rise Office</td>
<td>60 EDU/Acre $194,580/Acre</td>
<td>More than 100,000 S.F. and 6+ Stories</td>
</tr>
<tr>
<td>Low Rise Office (in Acre)</td>
<td>&lt; 6 Stories</td>
<td>30 EDU/Acre $97,290/Acre</td>
</tr>
<tr>
<td>Low Rise Office (in Square Footage)</td>
<td>&lt; 6 Stories</td>
<td>2 EDU/KSF $6,486/KSF</td>
</tr>
<tr>
<td>Medical Office</td>
<td>50 EDU/ACRE $162,150/Acre</td>
<td>Medical and Dental Facilities</td>
</tr>
<tr>
<td><strong>LODGING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Rise Hotel/Motel (in Acre)</td>
<td>&lt; 4 Stories</td>
<td>20 EDU/Acre $64,860/Acre</td>
</tr>
<tr>
<td>Low Rise Hotel or Motel (in number of rooms)</td>
<td>&lt; 4 Stories</td>
<td>1.0 EDU/Room $3,243/RM</td>
</tr>
<tr>
<td>High Rise Hotel</td>
<td>&gt;4 Stories</td>
<td>30 EDU/Acre $97,290/Acre</td>
</tr>
<tr>
<td><strong>INDUSTRY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heavy Industry</td>
<td>12 EDU/Acre $38,916/Acre</td>
<td></td>
</tr>
<tr>
<td>Warehouse /Storage</td>
<td>6 EDU/Acre $19,458/Acre</td>
<td></td>
</tr>
<tr>
<td>Industrial Park</td>
<td>9 EDU/Acre $29,187/Acre</td>
<td></td>
</tr>
<tr>
<td>Light Industrial</td>
<td>20 EDU/Acre $64,860/Acre</td>
<td></td>
</tr>
</tbody>
</table>

KSF = Thousands of Square Feet
Area of Benefit

The area of benefit for the proposed fee is that area within the City of Chula Vista west of I-805. The absence of contiguity to the proposed street improvement is not essential to conferring a benefit to properties. The circulation system on the westside of the city must be viewed as a whole. Each of the proposed street improvements listed in Attachment 1 will mitigate the adverse traffic impacts generated by new development in total. Individual projects are not reviewed because every development will create systemic traffic, and ultimately utilize the entire system of streets to access work, commerce, schools, residences and the many other land uses throughout the City. A failure in any part of the system will have a negative impact on other parts and traffic from the development closest to an impacted segment of street will be just as affected as traffic from a more distant development. The analogy of a water system is sometimes used where constrictions or breaks in any part of the system will have significant impacts on the whole system. In addition, the street improvements are required by the City’s Growth Management Ordinance as a condition to all development within the area of benefit in order to maintain acceptable levels of service on the major roadways. The proposed area of benefit contains a total of 19,914 future EDU’s.

Western Transportation Development Impact Fee Credits

The WTDIF program allows for the construction of eligible transportation projects by developers in lieu of paying the WTDIF at building permit issuance similar to the existing Eastern TDIF program. Any projects constructed by a developer would be audited and credits issued incrementally as the facility is constructed.

Program Monitoring

Monitoring the change in land use inventory will be important to maintain the integrity of the fee program. In practice, the fee shall only apply to a proposed project that generates more trips than what is presently being generated today. In other words, the fee is based solely on the change in trip generating potential of proposed projects. For example, if the city receives a new project application and this proposed project’s trip generating potential is equal to that of the present land use that it is replacing, then the developer need not pay any WTDIF fee. However, through a simple calculation, if the proposed development generates an increased amount of trips, for example, one hundred more trips, then this project shall pay the WTDIF fee in an amount equal only to the increase or change in trip generating potential, or in this case, 10 EDUs.

TRANSNET Ordinance and the Regional Transportation Congestion Improvement Program

In November 2004, San Diego County voters approved local Proposition A extending the Transnet ½ cent sales tax for transportation programs through 2048. Included in Proposition A and the Transnet Extension Ordinance was the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP is to ensure that new development directly invests in the region’s transportation system to offset the negative impacts of growth on congestion and mobility. The ordinance states, “Revenue collected through the Funding Programs shall be used to construct transportation improvements on the Regional Arterial System such as new arterial
roadway lanes, turning lanes, reconfigured freeway-arterial interchanges, railroad grade separations and new regional express bus services, or similar types of improvements, 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. A reasonable portion of the program revenue, up to a maximum of three percent, may be used for fund administration."

As discussed above, city staff followed the procedures and intent of two documents in preparing the WTIDF Program. The Transnet Ordinance prepared for SANDAG and approved by the voters in November 2004 and the subsequent report, entitled "RTCP Impact Fee Nexus Study – Final Report" dated November 26, 2007 prepared for SANDAG by MuniFinancial. The RTCP is identified as Section 9 of the Transnet ordinance and states in part; "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."

City staff envisions a subsequent report to be done shortly after approval of this program that reviews the feasibility of combining the city’s two TDIF programs, this proposed program on the westside and the existing program on the eastside, into one comprehensive TDIF program. The main inducement for developing a single program is to track improvements citywide on Regional Arterial System (RAS) facilities, as shown in the updated Regional Transportation Plan. This is important because the RTCIP states, "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."

RAS roadways are listed in SANDAG’s Regional Transportation Plan (RTP), Mobility 2030 (November 2007) and are generally described as those roads that act as a critical link in providing direct connections between communities ensuring system continuity and congestion relief in high volume corridors.

The Regional Transportation Congestion Improvement Program portion of the Transnet ordinance states that "Each jurisdiction’s Funding Program shall be submitted for review by the Independent Taxpayers Oversight Committee (ITOC) referred to in Section 11 of the Transnet Ordinance prior to April 1, 2008, approved by Regional Transportation Commission by June 1, 2008 and shall become operative on July 1, 2008. Failure to submit a Funding Program for review by ITOC by April 1 of any year beginning April 1, 2008 shall result in that jurisdiction losing eligibility to receive funding for local streets and roads under Section 4(D) (1) of the Ordinance until July 1 of the following year."

Each jurisdiction shall have up to but no more than seven fiscal years to expend Funding Program revenues on the Regional Arterial Systems projects. The seven year term shall commence on the first day of July following the jurisdiction’s receipt of the revenue. At the time
of the review and audit by the Independent Taxpayer Oversight Committee, each jurisdiction collecting a development impact fee to meet the requirements of its Funding Program shall provide the Committee with written findings for any expended, unexpended and uncommitted fees in their Program Fund and demonstrate a reasonable relationship between the fee and the purpose for which it was charged, consistent with the requirements of Government Code Section 65000.

Failure to adopt the WTDIF ordinance puts the City at risk of losing approximately five million dollars annually in each of the next five years in TransNet revenues. These TransNet revenues are used nearly entirely on pavement rehabilitation throughout the City.

Staff has worked with and met numerous times with the Building Industry Association of San Diego County (BIASD). Attachment 2 contains a letter from the BIASD with their concerns, questions and suggestions to the City Manager dated February 12, 2008 as well as the City Manager’s response letter.

Fee Adjustments and Program Administration

The Transnet Ordinance provides for an annual inflation adjustment to the fee on July 1 of each year beginning in 2009. The annual inflation adjustment will be 2 per cent or based on the Caltrans highway construction cost index, whichever is higher. The program collects an additional 2% of the total improvement cost estimate for staff administration and an additional 1% for SANDAG administrative costs.

As discussed above, the RTCIP and Transnet ordinance provided guidance for the creation of the WTDIF program including the following:

1. Provides for the collection of a fee for each new dwelling unit. As of July 1, 2008, the City will need to collect an average fee of $2,000 per dwelling unit constructed, to be used on regional projects, and arterial street projects within the City of Chula Vista.

2. The program includes an annual escalator to the fee.

3. Fee revenues collected and any accrued interest shall be held in a separate account by the city.

4. The City must submit their Funding Program for review to the Independent Taxpayers Oversight Committee (ITOC) by April 1, 2008 and subsequently every year after.

5. The RTCIP allows up to 3 percent of program revenues to be used for program administration. SANDAG anticipates adding a 1 percent administrative charge to the RTCIP fee to fund costs related to the ITOC. Local agencies may add up to 2 percent for their program administration costs.
Findings

Staff recommends that the City Council adopt the WTDIF Program Ordinance based on the following findings:

A. The purpose of the Fees hereby enacted prevents new development from reducing the quality and availability of public transportation infrastructure facilities provided to residents of the city by requiring new development to contribute to the cost of additional capital transportation infrastructure improvements needed to meet the growth generated by such development; and

B. The revenue from the 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 February 2008; and

C. Based on analysis presented in the Western Transportation Development Impact Fee Report, Attachment 1, there is a reasonable relationship between

1. The use of the fees and the types of development projects on which they are imposed and
2. The need for facilities and the types of development projects on which the fees are imposed.
3. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Proposed Ordinance

By adopting the proposed ordinance, Council will establish a new WTDIF rate of $3,243 per EDU. This ordinance will become effective 60 days after the second reading.

DECISION-MAKER CONFLICTS

Staff has reviewed the property holdings of the City Council Members and has found that conflicts exist in that Council Members Rindone, McCann, Castaneda and Ramirez have property holdings within 500 feet of the boundaries of the projects which are the subject of this action. These Council Members will only vote on the implementing ordinances that exclude conflicting projects.

FISCAL IMPACT

The Western Transportation Development Impact Fee, as do all of the City’s Development Impact Fees, will require the creation of a separate fund from the general fund. There will be no negative impact to the General Fund. Tonight’s action aids the General Fund by minimizing city infrastructure costs due to future development. The program accounts for staff costs in the amount of 2% of the program estimate for administration and monitoring.
As previously discussed, failure to adopt this ordinance puts the City at risk of losing approximately five million dollars annually in each of the next five years in TransNet revenues. These TransNet revenues are used nearly entirely on pavement rehabilitation throughout the City.

**ATTACHMENTS**

1) Engineer’s Report for the Western Transportation Development Impact Fee
2) Comment letter from BIASD and Response Letter from City Manager

*Prepared by: Dave Kaplan, Transportation Engineer, Engineering and General Services Department*
ORDINANCE NO. 3106

ORDINANCE OF THE CITY OF CHULA VISTA ACCEPTING THE WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE REPORT (TF-358) PREPARED BY STAFF AND ESTABLISHING A WESTERN TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM TO MITIGATE TRANSPORTATION IMPACTS WITHIN WESTERN CHULA VISTA EXCLUDING PROJECTS - 1-5-17, STM-361, RAS-15, BP-5, I-805-2, RAS-17, BP-4, BP-2, AND OR-4

WHEREAS, the adoption of the City's General plan indicated that future growth was going to occur in the City west of I-805; and

WHEREAS, the traffic studies for the City's General Plan and the Urban Core Specific Plan show the City's transportation network will be impacted by new development within the western portion of the City unless new transportation facilities are added to accommodate the new development; and

WHEREAS, since January 1988, the City has had a program in place for the collection of a transportation development impact fee for the financing of street improvements in the area east of I-805; and

WHEREAS, the Engineer's Report establishes that the transportation facilities necessitated by development within the western portion of the City comprise an integrated network; and

WHEREAS, the Western Transportation Development Impact Fee is solely based upon that portion of the project costs which are attributable to new development; and

WHEREAS, on March 4, 2008, the City Council of the City of Chula Vista held a duly noticed public hearing at which oral or written presentations regarding the Western Transportation Development Impact Fee could be made; and

WHEREAS, pursuant to the Municipal Code and California Government Code Sections 66000, et. seq., the City Council has accepted a report entitled "Engineer's Report for the Western Transportation Development Impact Fee" (Engineer's Report) dated February 2008 that analyzed the Western Transportation Development Impact Fee necessary to fund transportation facilities needed to serve future development within the western portion of the City; and

WHEREAS, the City's Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA; and
ORDINANCE 3106

WHEREAS, the City Council of the City of Chula Vista is placing this ordinance on its first reading which will establish a development impact fee per equivalent dwelling unit (EDU) to finance transportation facilities within the western portion of the City of Chula Vista; and

WHEREAS, pursuant to Government Code Section 66017(a), the fees proposed by this ordinance will not become effective until sixty (60) days after its second reading.

NOW, THEREFORE, BE IT ORDAINED, that the City Council of the City of Chula Vista does hereby adopt Chapter 3.55 of the Chula Vista Municipal Code relating to transportation development impact fees to pay for various transportation facilities located on the west side of the City as follows:

SECTION 1: Findings

The City Council finds, after consideration of the evidence presented to it including the "Engineer's Report for the Western Transportation Development Impact Fee" dated February 2008, that the creation of a transportation development impact fee is necessary in order to assure that there are sufficient funds available to finance the transportation facilities necessary to serve development west of I-805; and

The City Council finds that new development within the western portion of the City of Chula Vista should be required to mitigate the burden created by development through the construction of transportation facilities; and

The City Council finds, based on the evidence presented at the public hearing, and consistent with the City's General Plan, and the various reports and information received by the City Council in the ordinary course of its business, that the imposition of traffic impact fees on all development within the western portion of the City of Chula Vista for which building permits have not been issued is necessary in order to protect the public health, safety and welfare by providing for the public transportation facilities to assure effective implementation of the City's General Plan; and

The City Council finds that the amount of the proposed fees levied by this ordinance does not exceed the estimated cost of providing the transportation facilities.

SECTION 2: Chapter 3.55 of the Chula Vista Municipal Code is hereby adopted and shall read as follows:

3.55.010 General intent.
The City's General Plan Land Use and Transportation Element requires that adequate public facilities be available to accommodate increased population created by new development within the City of Chula Vista.

The City Council has determined that new development will create adverse impacts on the City's existing public transportation facilities which must be mitigated by the financing and construction of certain public transportation facilities which are the subject of this chapter.
New development contributes to the cumulative burden on these public transportation facilities in direct relationship to the amount of vehicular traffic and population generated by the development or the gross acreage of the commercial or industrial land in the development.

The City Council has determined that a reasonable means of financing the public transportation facilities is to charge a fee on all developments within the western portion of the City. Imposition of the Western Transportation Development Impact Fee on all new development for which building permits have not yet been issued is necessary in order to protect the public health, safety and welfare, thereby ensuring effective implementation of the City’s General Plan.

3.55.020 Definitions.
For the purposes of this chapter, the following words or phrases shall be construed as defined herein, unless from the context it appears that a different meaning is intended.

A. “Building permit” means a permit required by and issued pursuant to the Uniform Building Code.

B. “City Engineer” means the City Engineer, the City Engineer’s designee or the City Manager’s designee.

C. “Density” means dwelling units per gross acre identified for each planning area shown on the approved tentative map or approved tentative parcel map or as determined by the City Manager’s designee.

D. “Developer” means the owner or developer of a development.

E. “Development permit” means any discretionary permit, entitlement or approval for a development project issued under any zoning or subdivision ordinance of the City.

F. “Development project” or “development” means any activity described as the following:

1. Any new residential dwelling unit developed on vacant land;
2. Any new commercial/office or industrial development constructed on vacant land;
3. Any expansions to established developments or new developments on non-vacant land in those land use categories listed in subsections (F)(1) and (2) of this section, if the result is a net increase in dwelling units. The fee shall be based solely on this net dwelling unit increase;
4. Any new or expanding special land use project;
5. Any special purpose project developed on vacant land or non-vacant land, or expanded within a pre-existing site, if the result is a net increase in dwelling units. The fee shall be based solely on this net dwelling unit increase;
6. Any other development project not listed above but described in Section 65927 and 65928 of the State Government Code.

“Community purpose facility” means a facility which serves one of the following purposes:

1. Social service activities, including such services as Boy Scouts and Girl Scouts, Boys and Girls Club, Alcoholics Anonymous and services for the homeless;
2. Public schools;
3. Private schools;
4. Day care;
Ordinance 3106
Page 4

5. Senior care and recreation;
6. Worship, spiritual growth and development.

G. “Western portion of the City of Chula Vista” generally means that area of the City located between the City boundary on the west, Interstate 805 on the east, the City boundary on the north and the City’s boundary on the south, as shown on the map entitled “Figure 1” of the Engineering study.

H. “Engineering study” and “Engineer’s Report” means the Engineer’s Report for the Western Transportation Development Impact Fee dated February, 2008 and prepared by City staff on file in the Office of the City Clerk.

I. “Regional Arterial System” (RAS) RAS roadways are generally described as those facilities that act as a critical link in providing direct connections between communities ensuring system continuity and congestion relief in high volume corridors. They are roadways that are listed in the most recent edition of SANDAG’s Regional Transportation Plan.

J. “Special land use” means any nonresidential, non-commercial/office or non-industrial development project (e.g., Olympic Training Center, hospitals, utilities), or non-special purpose project.

K. “Special purpose project” means any for-profit community purpose facility (e.g., day care).

3.55.030 Public transportation facilities to be financed by the fee.

A. The public transportation facilities (facilities) which are the subject matter of the fee, are listed below as detailed in subsection C of this section and in the Engineer’s Report on file in the Office of the City Clerk.

B. The City Council may modify or amend the list of projects in order to maintain compliance with the circulation element of the City’s General Plan.

C. The facilities are as follows:

1. (I-5-1) I-5/E Street NB off-ramp re-striping add lane
2. (I-5-2) I-5/E Street/Bay Blvd SB off-ramp re-striping add lane
3. (I-5-3) I-5/NB ramp widening at E, H, J, Ind., Palomar & Main Sts
4. (I-5-4) E Street bridge widening over I-5
5. (I-5-5) F Street bridge widening over I-5
6. (I-5-6) I-5/H Street NB off-ramp re-striping add lane
7. (I-5-7) I-5/H Street SB off-ramp re-striping add lane
8. (I-5-8) H Street bridge widening over I-5
9. (I-5-9) I-5/J Street NB off-ramp re-striping add lane
10. (I-5-10) I-5/J Street under-crossing widening add EB-NB
11. (I-5-11) L Street bridge widening over I-5 (S/W for peds)
12. (I-5-12) I-5/Bay Blvd (south of L St.) SB on/off ramps traffic signal
13. (I-5-13) I-5/Industrial Blvd NB on/off ramps traffic signal
14. (I-5-14) I-5/Palomar Street bridge widening
15. (I-5-15) I-5/Main Street NB on/off ramps traffic signal
16. (I-5-16) I-5/Main Street bridge widening

**Interstate-805 Improvements**

17. (I-805-1) NB on-ramp widening & metering at Bonita, East H St (EB-NB), Telegraph Canyon Road (Project I-805-1 is 100% funded in 2006 RTIP with State funds.)

**State Route 54 Improvements**

18. (SR-54-1) SR-54 WB off-ramp re-stripe at Broadway
19. (SR-54-2) SR-54 EB off-ramp at N. Fourth Avenue - add ramp lane

**Regional Arterial System (RAS) Projects**

20. (RAS-1) Bonita Road from First Avenue to I-805
21. (RAS-2) Broadway from C Street to south of Main Street (City Limits)
22. (RAS-3) E Street improvements - First Ave to Bonita Road/E. Flower St
23. (RAS-4) E Street improvements, I-5 to 300' east of NB ramp
24. (RAS-5) E Street LRT grade separation (underpass LRT option)
25. (RAS-6) H Street LRT grade separation (underpass LRT option)
26. (RAS-7) H Street at Broadway EB queue jumper lane & traffic signal modifications
27. (RAS-8) H Street 14' -wide median & street light improvements
28. (RAS-9) H Street widening to 6-lanes from Interstate-5 to Broadway
29. (RAS-10) H Street improvements from Second Ave to Hilltop Drive
30. (RAS-11) East H St. north side improvements from Hilltop Dr. to I-805
31. (RAS-12) L Street/Bay Blvd traffic signal & add turn lanes
32. (RAS-13) L Street improvements south side west of Industrial Blvd
33. (RAS-14) Telegraph Canyon Road at I-805 south side sidewalk
34. (RAS-16) Palomar Street improvements from I-5 to I-805
35. (RAS-18) H St/4th Ave add WB-NB & EB-SB right turn lanes
36. (RAS-19) H St/4th Ave add WB-NB & EB-SB right turn lanes

**General Plan Impacts and Mitigations**

37. (GP-1) E. St. from Marina Parkway to I-5
38. (GP-2) Marina Parkway from E St. to J St.
39. (GP-3) L St. from Hilltop Drive to I-805
40. Parkway (GP-4) Main St. from I-5 to Broadway
41. (GP-5) Main St. from Broadway to Hilltop Dr.
42. (GP-6) Third Avenue from L St. to Palomar St.
43. (GP-7) H St. from Marina Parkway to I-5
44. (GP-8) J St. from Marina Parkway to I-5

**Bicycle & Pedestrian Facilities Improvements (21% WTDIF share per GPU)**

45. (BP-1) Bayshore Bikeway (bike path) between E Street & F Streets
46. (BP-3) Industrial Blvd improvements & bike lanes from L St. to Main Street
47. (BP-6) Develop bicycle paths & pedestrian access to Third Avenue

**Midbayfront Local Coastal Program Roadways**

48. (Mid-1) E Street re-stripe to add EB-NB dual left turn to NB I-5 on-ramp.
49. (Mid-2) I-5/E St. SB off-ramp widening to add fourth lane
50. (Mid-3) Bay Blvd 15' widening along Westerly Curb Line at E St. approach for 1SB/3NB
51. (Mid-4) I-5/E St. NB widen off-ramp to add 3rd lane for Right Turn only lane

52. (Mid-5) E St revisions to median and North Curb Line east of I-5 to add 3rd WB lane.

53. (Mid-6) Marina Parkway 4-lane from E St. to J St.

54. (Mid-7) E St./Woodlawn Ave EB-SB RT lane plus a Traffic Signal

55. (Mid-8) E St. at Broadway add WB & EB LT lane + WB & EB RT only lane plus a Traffic Signal & No R/W costs.

56. (Mid-9) F St/Broadway re-striping to provide EB-SB & WB-NB RT lane

57. (Mid-10) H Street widening at Broadway for WB Thru & EB Thru & RT only.

Other Roadways

58. (OR-1) N. 4th Avenue/Brisbane Ave traffic signal modifications

59. (OR-2) Second Avenue/D Street all-way stop installation

3.55.040 Territory to which fee applicable.
The area of the City of Chula Vista to which the fee herein established shall be applicable is the territorial limits of the western portion of the City of Chula Vista (territory) as defined above, as they may from time to time be amended.

3.55.050 Establishment of a fee.
A development impact fee (fee) is hereby established to pay for the facilities within the territory. The fee shall be paid upon the issuance of building permits for each development project within the western portion of the City of Chula Vista. The WTDIF fee in the amounts set forth in CVMC 3.55.030 is hereby established to pay for transportation improvements and facilities within the western portion of the City of Chula Vista.

3.55.060 Determination of fees by land use category.
A. For purposes of this fee, single-family dwelling units shall include single-family detached homes and detached condominiums; multifamily dwelling units shall include attached condominiums, townhouses, duplexes, triplexes, and apartments. The density of the development type shall be based on the number of dwelling units per gross acre for single-family or multifamily residential and shall be based upon the densities identified on the approved tentative map or approved tentative parcel map entitling the development unless otherwise approved in writing by the City Manager’s designee.

B. Commercial/office and industrial development projects shall be charged on a per acre or per square footage basis. For purposes of
this fee, gross acreage and/or square footage as it applies to the commercial, industrial and office development types, means all land area that the City Manager’s designee deems necessary within the boundary of the parcel or parcels of the development project for which building permits are being requested. The fee multiplied by the total number of dwelling units, square footage or acres within a given development project represents a developer’s fair share (“fair share”) for that development project.

3.55.070 Time to determine amount due.
The fee for each development shall be calculated at the time of building permit issuance and shall be the amount as indicated at that time, and not when the tentative map or final map were granted or applied for, or when the building permit plan check was conducted, or when application was made for the building permit. No building permit shall be issued unless the development impact fee is paid. The fees shall be deposited into a WTDIF fund, which is hereby created, and shall be expended only for the purposes set forth in this chapter. The Director of Finance is authorized to establish various accounts within the fund for the various improvements and facilities identified in this chapter and to periodically make expenditures from the fund for the purposes set forth herein in accordance with the facilities phasing plan or capital improvement plan adopted by the City Council. The City Council finds that collection of the fees established by this chapter at the time of the building permit is necessary to ensure that funds will be available for the construction of facilities concurrent with the need for those facilities and to ensure certainty in the capital facilities budgeting for the western part of the City.

3.55.080 Purpose and use of fee.
The fees collected shall be used by the City for the following purposes as determined by the City Council:

1. To pay for the construction of facilities by the City, or to reimburse the City for facilities installed by the City with funds from other sources.
2. To reimburse developers who have been required by CVMC 3.55.150 A to install improvements that are major streets and are listed in CVMC 3.55.030.
3. To reimburse developers who have been permitted to install improvements pursuant to CVMC 3.55.150 B.

3.55.090 Amount of fee.
A. The fee shall be the amounts as set forth below in Table 1. The fee shall be adjusted on July 1 of each year beginning in 2009. The annual inflation adjustment will be 2% or based on Caltrans highway construction cost index, whichever is higher. The program collects 2% of the total improvement cost estimate for staff administration and an additional 1% for SANDAG Administrative costs.
B. Adjustments of the fee based upon the annual inflation adjustment or the Caltrans Highway Construction Cost Index shall be automatic and shall not require further action by the City Council. The WTDIF may also be reviewed and amended by the City Council as necessary based on changes in the type, size, location or cost of the facilities to be financed by the fee; changes in land use designation in the City’s General Plan; and upon other sound engineering, financing and planning information.

| Table 1 |
# Proposed WDIF Fee Per Land Use Classification

<table>
<thead>
<tr>
<th>Land Use Classification</th>
<th>EDUs</th>
<th>TDIF Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESIDENTIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential (LOW)</td>
<td>1 per EDU</td>
<td>$3,243 / DU</td>
</tr>
<tr>
<td>Residential (MED)</td>
<td>.8 per EDU</td>
<td>$2,594 / DU</td>
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<tr>
<td>Residential (HIGH)</td>
<td>.6 per EDU</td>
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<tr>
<td>Mobile Home</td>
<td>.5 per EDU</td>
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<tr>
<td><strong>COMMERCIAL</strong></td>
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<td></td>
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<tr>
<td>Regional Commercial</td>
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<td>$64,860 /Acre</td>
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<tr>
<td>Community Commercial</td>
<td>28 EDU/Acre</td>
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<tr>
<td>Neighborhood Commercial</td>
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<td>Street Front Commercial</td>
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<tr>
<td>Retail Commercial</td>
<td>16 EDU/Acre</td>
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<tr>
<td>Wholesale Trade</td>
<td>24 EDU/Acre</td>
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<tr>
<td><strong>OFFICE</strong></td>
<td></td>
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</tr>
<tr>
<td>High Rise Office</td>
<td>60 EDU/Acre</td>
<td>$194,580/Acre</td>
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<tr>
<td>Low Rise Office</td>
<td>30 EDU/Acre</td>
<td>$97,290/Acre</td>
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<tr>
<td>Low Rise Office (in thousands of square feet)</td>
<td>2 EDU/KSF</td>
<td>$6,486/KSF</td>
</tr>
<tr>
<td>Medical Office</td>
<td>50 EDU/Acre</td>
<td>$162,150/Acre</td>
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<tr>
<td><strong>LODGING</strong></td>
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<td></td>
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<tr>
<td>Low Rise Hotel/Motel</td>
<td>20 EDU/Acre</td>
<td>$64,860/Acre</td>
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<tr>
<td>Low Rise Hotel Or Motel</td>
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<tr>
<td>High Rise Hotel</td>
<td>30 EDU/Acre</td>
<td>$97,290/Acre</td>
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<tr>
<td><strong>INDUSTRY</strong></td>
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<tr>
<td>Heavy Industry</td>
<td>12 EDU/Acre</td>
<td>$38,916/Acre</td>
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<tr>
<td>Warehouse /Storage</td>
<td>6 EDU/Acre</td>
<td>$19,458/Acre</td>
</tr>
<tr>
<td>Industrial Park</td>
<td>9 EDU/Acre</td>
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<tr>
<td>Light Industrial</td>
<td>20 EDU/Acre</td>
<td>$64,860/Acre</td>
</tr>
</tbody>
</table>
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3.55.100 Development projects exempt from the fee.
A. Development projects by public agencies shall be exempt from the provisions of the fee if those projects are designed to provide the public service for which the agency is charged (public purpose).
B. Community purpose facilities which are not operated for profit (nonprofit community purpose facilities) are also exempt inasmuch as these institutions provide benefit to the community as a whole, including all land use categories which are the subject matter of the fee. The City Council hereby determines that it is appropriate to spread any impact such nonprofit community purpose facilities might have to the other land use categories subject to the fee. In the event that a court determines that the exemption herein extended to community purpose facilities shall for any reason be invalid, the City Council hereby allocates the nonprofit community purpose facilities' fair share to the City of Chula Vista and not to any of the land use categories which are the subject matter of the development impact land use categories.
C. Development projects which are additions or expansions to existing dwelling units or businesses, except special land use projects, shall be exempt if the addition or expansion does not result in a net increase in dwelling units or commercial/industrial acreage.

3.55.110 Authority for accounting and expenditures.
A. The fees collected shall be deposited into a Western Transportation Development Impact Fee financing fund (WTDF fee fund, or fund), which is hereby created and shall be expended only for the purposes set forth in this chapter.
B. The director of finance is authorized to establish a single fund for the various facilities identified in this chapter and to periodically make expenditures from the fund for the purposes set forth herein.

3.55.120 Findings.
The City Council finds that:
A. Collection of the fee established by this chapter at the time of the building permit issuance is necessary to provide funds for the transportation facilities identified in CVMC 3.55.030 and to ensure certainty in the capital facilities budgeting for growth impacted public transportation facilities; and
B. The purpose of the Fees hereby enacted prevents new development from reducing the quality and availability of public transportation infrastructure facilities provided to residents of the City by requiring new development to contribute to the cost of additional capital transportation infrastructure improvements needed to meet the growth generated by such development; and
C. The revenue from the 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 Engineer’s Report dated February, 2008; and
D. Based on analysis presented in the Engineer’s Report there is a reasonable relationship between
   1. The use of the fees and the types of development projects on which they are imposed and
   2. The need for facilities and the types of development projects on which the fees are imposed.
3. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

3.55.130 Fee additional to other fees and charges.
This fee is in addition to the requirements imposed by other City laws, policies or regulations relating to the construction or the financing of the construction of public improvements within subdivisions or developments.

3.55.150 Developer construction of transportation facilities.

A. Whenever a developer of a development project would be required by application of City law or policy, as a condition of approval of a development permit to construct or finance the construction of a portion of a transportation facility identified in Section 3.55.030 the City Council may impose an additional requirement that the developer install the improvements with supplemental size, length or capacity in order to ensure efficient and timely construction of the transportation facilities network. If such a requirement is imposed, the City Council shall, in its discretion, enter into a reimbursement agreement with the developer, or give a credit against the fee otherwise levied by this chapter on the development project, or some combination thereof.

B. Whenever a developer requests reimbursement, or a credit against fees, for work to be done or paid for by the developer under subsection (A) of this section, the request shall be submitted in writing to the City Manager’s designee.
   1. The request shall contain a description of the project with a detailed cost estimate which itemizes those costs of the construction attributable to the transportation facility project and excludes any work attributable to a specific subdivision project. The estimate is preliminary and the amount of reimbursement or credit against fees is subject to final determination by the City Manager’s designee. Additional information shall be provided to the City by the developer upon request of the City.
   2. Such reimbursement or credit against fees shall be subject to the following conditions:
      a. Requirements of Developer.
         i. Preparation of plans and specifications for approval by the City;
         ii. Secure and dedicate any right-of-way required for the transportation facility project;
         iii. Secure all required permits and environmental clearances necessary for the transportation facility project;
         iv. Provision of performance bonds (where the developer intends to utilize provisions for immediate credit, the performance bond shall be for 100 percent of the value of the transportation facility project);
         v. Payment of all City fees and costs.
      b. The City will not be responsible for any of the costs of constructing the transportation facility project. The developer shall advance all necessary funds to construct the transportation facility project.
      c. The developer shall secure at least three qualified bids for work to be done and shall award the construction contract to the lowest qualified bidder. The developer may combine the construction of the transportation facility project with other development-
related work and award one construction contract for the combined work based on a clearly identified process for determining the low bidder, all as approved by the City Manager’s designee. Should the construction contract be awarded to a qualified bidder who did not submit the lowest bid for the transportation facility project portion of the contract, the developer will only receive transportation development impact fee credit based on the lowest bid for the transportation facility portion of the contract. Any claims for additional payment for extra work or charges shall be justified, shall be documented to the satisfaction of the City Manager’s designee and shall only be reimbursed at the prices for similar work included in the lowest bid for the transportation facility portion of the contract.

d. Upon complying with the conditions set forth in subsections (B)(1) and (B)(2)(a) of this section as determined by the City and upon approval of the estimated cost by the City Manager’s designee, the developer shall be entitled to immediate credit for 50 percent of the estimated cost of the construction attributable to the transportation facility project. Once the developer has received valid bids for the project which comply with subsection (B)(2)(c) of this section, entered into binding contracts for the construction of the project, and met the conditions set forth in subsections (B)(1) and (B)(2)(a) of this section as determined by the City, all of which have been approved by the City Manager’s designee, the amount of the immediate credit shall be increased to 75 percent of the bid amount attributable to the transportation facility project. The immediate credits shall be applied to the developer’s obligation to pay transportation development impact fees for building permits issued after the establishment of the credit. The developer shall specify these building permits to which the credit is to be applied at the time the developer submits the building permit applications.

e. If the developer uses all of the immediate credit before final completion of the transportation facility project, then the developer may defer payment of development impact fees for other building permits by providing to the City liquid security such as cash or an irrevocable letter of credit, but not bonds or set-aside letters, in an amount equal to the remaining amount of the estimated cost of the transportation facility project.

f. When all work has been completed to the satisfaction of the City, the developer shall submit verification of payments made for the construction of the transportation facility project to the City. The City Manager’s designee shall make the final determination on expenditures which are eligible for credit or cash reimbursement.

g. After final determination of eligible expenditures has been made by the City Manager’s designee and the developer has complied with the conditions set forth in subsection (B) of this section, the final amount of transportation development impact fee credits shall be determined by the City Manager’s designee. The developer shall receive credit against the deferred fee obligation in an amount equal to the difference between the final expenditure determination and the amount of the 75 percent immediate credit used, if any. The City shall notify the developer of the final deferred fee obligation, and of the amount of the applicable credit. If the amount of the applicable credit is less than the deferred fee obligation, then the developer shall have 30 days to pay the deferred fee. If the deferred fees are not paid within the 30-day period, the City may make a demand against the liquid security and apply the proceeds to the fee obligation.

h. At the time building permits are issued for the developer’s project, the City will incrementally apply credit which the developer has accrued in lieu of collecting the
required transportation development impact fees. The amount of the credit to be applied to each building permit shall be based upon the fee schedule in effect at the time of the building permit issuance. The City Manager's designee shall convert such credit to an EDU basis for residential development and/or a gross acre basis for commercial or industrial development for purposes of determining the amount of credit to be applied to each building permit.

i. If the total eligible construction cost for the transportation facility project is more than the total transportation development impact fees which will be required for the developer's project, then the amount in excess of development impact fees will be paid in cash when funds are available as determined by the City Manager; a reimbursement agreement will be executed; or the developer may waive reimbursement and use the excess as credit against future transportation development impact fee obligations. The City may, in its discretion, enter into an agreement with the developer to convert excess credit into EDU and/or gross acre credits for use against future development impact fee obligations at the fee rate in effect on the date of the agreement.

j. The requirements of this subsection (B) of this section may, in the City's discretion, be modified through an agreement between the developer and the City and approved by City Council.

C. Whenever a transportation development impact fee credit is generated by constructing a transportation facility using assessment district or community facilities district financing, the credit shall only be applied to the transportation development impact fee obligations within that district.

3.55.160 Procedure for fee waiver or reduction.

A. Any developer who, because of the nature or type of uses proposed for a development project, contends that application of the fee imposed by this chapter is unconstitutional, or unrelated to mitigation of the traffic needs or burdens of the development, may apply to the City Council for a waiver, reduction, or deferral of the fee. A development which is designed and intended as a temporary use (10 years or less) and which is conducted in facilities which are, by their nature, short-term interim facilities such as a portable or modular building (including mobile homes, trailers, etc.) may qualify for a waiver, reduction, or deferral. In addition, a deferral may be granted on the basis of demonstrated economic hardship on the condition that: (1) the use offers a significant public benefit; (2) the amount deferred bears interest at a fair market rate so as to constitute an approximate value equivalent to a cash payment; and (3) the amount deferred is adequately secured by agreement with the applicant. Unless the requirement for timely filing is waived by the City, the application shall be made in writing and filed with the City Clerk not later than 10 days after notice of the public hearing on the development permit application or the project is given, or if no development permit is required, at the time of the filing of the
building permit application. The application shall state in detail the factual basis for the claim of waiver or reduction. The City Council shall consider the application at a public hearing on same, notice of which need not be published other than by description on the agenda of the meeting at which the public hearing is held. Said public hearing should be held within 60 days after its filing. The decision of the City Council shall be final. If a deferral, reduction or waiver is granted, it should be granted pursuant to an agreement with the applicant, and the property owner, if different from the applicant, providing that any change in use within the project shall subject the development to payment of the full fee. The procedure provided by this section is additional to any other procedure authorized by law for protesting or challenging the fee imposed by this chapter.

3.55.170 Assessment districts.
If any assessment or special taxing district is established for any or all of the facilities listed in Section 3.55.030 the owner or developer of a project may apply to the City Council for a credit against the fee in an amount equal to the development’s attributable portion of the cost of the authorized improvements as determined by the City Manager’s designee, plus incidental costs normally occurring with a construction project, but excluding costs associated with assessment district proceedings or financing.

3.55.180 Economic incentive credit.
The City Council may authorize the City to participate in the financing of transportation facility projects or portions of transportation facility projects as defined in Section 3.55.030 at the time of the appropriation of funds by City Council for the construction of an eligible transportation facility, the City shall be eligible to receive a credit known hereafter as an economic incentive credit. Such economic incentive credit may be applied to development impact fee obligations for those projects which the City Council determines, in its sole discretion, to be beneficial to the City. The use of the economic incentive credit may be subject to conditions which shall be set forth in a written agreement between the developer of the project and the City and approved by City Council.

The City may receive economic incentive credit only for those eligible projects identified in Section 3.55.030 for amounts of funding not identified in the financial and engineering study “Western Transportation Development Impact Fee” report dated February 2008.

3.55.190 Fund loans.
A. Loans by the City. The City may loan funds to the fund to pay for facilities should the fund have insufficient funds to cover the cost of said facility. Said loans, if granted, shall be approved upon the adoption of the annual City budget or upon resolution of the City Council and shall carry interest rates as set by the City Council.
for each fiscal year. A schedule for repayment of said loans shall be established at the time they are made and approved by the Council, with a maximum term not to exceed the life of the fund. Developer Loans. A developer may loan funds to the City as outlined in CVMC 3.55.150. The City may repay said developer loans with interest, under the terms listed in subsection (A) of this section.

3.55.200 Effective date.

This chapter shall become effective May 17, 2008.

SECTION 3: Effective Date

This Ordinance shall become effective 60 days after its second reading and adoption.

Presented by

Approved as to form by

Jack Griffin
Engineering and General Services Director

Ann Moore
City Attorney
PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 18th day of March 2008, by the following vote:

AYES: Councilmembers: Castaneda, Ramirez, Rindone, and Cox

NAYS: Councilmembers: McCann

ABSENT: Councilmembers: None

Cheryl Cox, Mayor

ATTEST:

Donna R. Norris, CMC, Interim City Clerk

STATE OF CALIFORNIA  )
COUNTY OF SAN DIEGO  )
CITY OF CHULA VISTA  )

I, Donna R. Norris, Interim City Clerk of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 3106 had its first reading at a regular meeting held on the 4th day of March 2008 and its second reading and adoption at a regular meeting of said City Council held on the 18th day of March 2008; and was duly published in summary form in accordance with the requirements of state law and the City Charter.

Executed this 18th day of March 2008.

Donna R. Norris, CMC, Interim City Clerk
COUNCIL AGENDA STATEMENT

Item 18
Meeting Date 5/10/05

ITEM TITLE:
Public Hearing to consider the adoption of an ordinance modifying the existing Transportation Development Impact Fee and amending Chapter 3.54 of the Municipal Code

Resolution
Accepting a report prepared by staff recommending an updated Transportation Development Impact Fee to mitigate transportation impacts within the City’s Eastern Territories

Ordinance
Amending the Transportation Development Impact Fee Program, Chapter 3.54 of the Municipal Code

Resolution
Approving a $7 million loan repayment, plus interest, from the Transportation Development Impact Fee fund to the Interim SR-125 Development Impact Fee fund

Resolution
Transferring the fund balance of the Interim SR-125 Development Impact Fee fund to the Transportation Development Impact Fee Fund and forgiving the $3.3 million, plus interest, loan between these funds

SUBMITTED BY: City Engineer

REVIEWED BY: City Manager (4/5ths Vote: Yes X No _)

The City’s Transportation Development Impact Fee (TDIF) Program was established on January 12, 1988 by Ordinance 2251. Since its inception, the program has been updated several times to reflect new land use approvals, proposed changes to the General Plan, and updated project cost estimates. The last TDIF update was approved on August 13, 2002. Tonight, Council will consider the approval of the 2005 TDIF update recommending an increase from the current fee of $8,825 to $10,050 per Equivalent Dwelling Unit (EDU). The public hearing has been duly noticed.

RECOMMENDATION:
That Council:
1. Conduct the Public Hearing.
2. Approve the Resolution accepting the report prepared by staff.
3. Approve the Ordinance amending Chapter 3.54 of the Municipal Code (first reading).
4. Approve the Resolution repaying the $7 million outstanding loan from the TDIF to the Interim SR-125 DIF.
5. Approve the Resolution transferring the balance of the Interim SR-125 fund to the Transportation Development Impact Fee fund.
6. Approve the concept of toll reduction.

BOARDS/COMMISSIONS RECOMMENDATION: None.
DISCUSSION:
2005 TDIF Update
New developments place demands on the existing transportation infrastructure, which can be mitigated by upgrading existing and/or constructing new transportation facilities. Chula Vista's TDIF program functions as a system to distribute the cost of constructing infrastructure facilities in an equitable manner among new development in Eastern Chula Vista. The proceeds from the fee are used to construct new transportation improvements or expand existing facilities.

The 2005 update recommends a TDIF of $10,050 per EDU. Table 1 below presents the rates for the different land uses.

**Table 1. Proposed Fee**

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Proposed Rate</th>
<th>EDU Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (LOW)</td>
<td>$8,825.00 per DU</td>
<td>$10,050.00 per DU</td>
</tr>
<tr>
<td>Residential (MED)</td>
<td>$7,060.00 per DU</td>
<td>$8,040.00 per DU</td>
</tr>
<tr>
<td>Residential (HIGH)</td>
<td>$5,295.00 per DU</td>
<td>$6,030.00 per DU</td>
</tr>
<tr>
<td>Senior Housing</td>
<td>$3,530.00 per DU</td>
<td>$4,020.00 per DU</td>
</tr>
<tr>
<td>Residential Mixed Use*</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Commercial Mixed Use*</td>
<td>N/A</td>
<td>$4,020.00 per DU</td>
</tr>
<tr>
<td>General Commercial (Acre)</td>
<td>$185,325.00 per Acre</td>
<td>$160,800.00 per 20,000 Sq ft</td>
</tr>
<tr>
<td>Regional Commercial (Acre)*</td>
<td>N/A</td>
<td>$110,550.00 per Acre</td>
</tr>
<tr>
<td>High Rise Commercial (Acre)</td>
<td>$300,050.00 per Acre</td>
<td>$281,400.00 per Acre</td>
</tr>
<tr>
<td>Office (Acre)*</td>
<td>N/A</td>
<td>$90,450.00 per Acre</td>
</tr>
<tr>
<td>Industrial RTP (Acre)</td>
<td>$70,600.00 per Acre</td>
<td>$80,400.00 per Acre</td>
</tr>
<tr>
<td>Golf Course (per golf course)</td>
<td>$617,750.00 per Course</td>
<td>$703,500.00 per Course</td>
</tr>
<tr>
<td>Medical Center (Acre)</td>
<td>$573,625.00 per Acre</td>
<td>$653,250.00 per Acre</td>
</tr>
</tbody>
</table>

*New land use classification proposed to be created via this update

Basis and Methodology
The basis and methodology used in calculating the fee in this update is consistent with the basis and methodology used in the "Interim Eastern Area Development Impact Fee For Streets" adopted in January 1988 and also the "Eastern Area Development Impact Fees For Streets" adopted in January 1990. One of the primary assumptions in the formulation of the previous fees is that the need for additional public facilities is generated by new development and the cost of the facilities should be paid by that new development.

The first step in this update was to determine which road improvements are required to be constructed in order to maintain an acceptable level of service on the City's circulation system east of I-805. The improvements that are to be constructed will serve the entire benefit area by either providing roads for residents, employees, or customers to use, or by providing new streets for existing traffic, thus freeing up capacity on existing streets that can be used by new development.

The next step was to determine the method upon which the costs for the improvements would be
spread. One of the most common tools used to equate benefit impact fees among the different land uses and densities is the "Equivalent Dwelling Unit" or "EDU". There is a clear relationship between the use of transportation facilities and the generation of traffic trips based on the land use and density of a specific parcel. As in previous methodologies, this update relies on the report "San Diego Traffic Generators", published by SANDAG. This report details the traffic trips generated by various classes of land use.

This update has relied on traffic modeling techniques and technical studies to determine the percentage of industrial and commercial trips that originate from within the TDIF benefit area that are already counted as part of other land uses in the TDIF program. Only those trips which originate outside of the TDIF benefit area are recommended for determining the fee for the commercial and industrial land uses. The analysis recommends revision to the commercial EDU rates based on a tiered system similar to residential use.

The proposed street improvements are based on an analysis of the circulation system for various levels of development within the entire area of benefit, which is discussed below. All of proposed street projects included are consistent with the Preferred Plan of the proposed General Plan Update and Specific Plans that have been adopted by the City Council. In addition, the street projects are required by the City's Growth Management Ordinance as a condition to all development within the area of benefit in order to maintain acceptable levels of service on the major Roadways.

The absence of contiguity to the proposed street projects is not essential to conferring a benefit to properties. The area of benefit is based on an analysis of impacts on the total circulation system east of I-805 for various stages or increments of cumulative development within the total area of benefit. The circulation system must be viewed as a whole. Each of the proposed street projects will mitigate the adverse traffic impacts generated by new development; because every development will create traffic; which will utilize the entire system to access work, commerce, schools, residences and the many other land uses throughout the City. A failure in any part of the system will have a negative impact in other parts of the system and traffic from the development closest to an impacted segment of street will be just as affected as traffic from a more distant development. The analogy of a water system is sometimes used where constrictions or breaks in any part of the system will have significant impacts on the whole system.

Area of Benefit
The TDIF program encompasses most properties within the City's jurisdiction located south of Bonita Road and east of I-805 (see Exhibit 1). The proposed area of benefit contains a total of 20,542 EDUs.

Transportation Facilities
There are 40 remaining projects within the proposed TDIF program (See Exhibit 2). The cost estimate for constructing these roads is $229.8 million, including soft costs. This update includes most roads in the proposed Circulation Element of the General Plan in addition to capacity enhancement projects. These additional projects include:

1. Otay Lakes Road from Canyon Drive to East H Street
2. Hunte Parkway from SR-125 to Eastlake Parkway
3. Traffic Management Center
4. Transportation Demand Management
5. Rock Mountain Road Overpass of SR-125
6. Otay Valley Road Overpass of SR-125

The TDIF program does not include those streets within the area of the Proposed University Site (Villages 9 and 10 of the Otay Ranch). It is anticipated that the University, once approved, would be responsible for constructing suitable transportation facilities. This report also excludes the traffic EDUs contained within the proposed University site.

Interim SR-125 DIF Funds
In addition to updating the TDIF program to reflect current land uses, projected development, and future program facilities, staff also recommends folding the Interim SR-125 DIF funds into the TDIF program.

Since its inception in 1988, the TDIF program has identified the need for an interim SR-125 facility, and has included such facilities as projects numbers 1 and 2. In 1994, a separate Interim Pre-SR-125 Development Impact Fee (SR-125 DIF) was established to ensure that sufficient funds would be available to construct a north-south transportation corridor should the SR-125 freeway not be constructed in time to serve impending development. With financing now secured, environmental constraints addressed and construction underway for SR-125, Council tolled the fee in April of 2004.

At that time, Council also amended the Ordinance to allow transportation capacity enhancement improvements to be funded from fees already collected for the SR-125 DIF. Staff now recommends that the remaining Interim SR-125 DIF funds be transferred to the TDIF fund for several capacity enhancing improvements, including overpasses of the SR-125 at Rock Mountain Road and Otay Valley Road.

Staff is recommending the addition of project number 66 to the program to improve traffic circulation and to relieve peak-hour congestion in Eastern Chula Vista. The underlying premise is that widening roadways is **not** the sole option available to relieve congestion. Transportation Demand Management (TDM) is one strategy that promotes efficient use of our transportation resources. The following internet site: [http://www.vtpi.org/tdm/](http://www.vtpi.org/tdm/) has extensive, pertinent information regarding TDM.

The proposed project consists of funding allocations for two specific TDM programs to alleviate congestion by encouraging alternative modes of travel during the peak commuting hours as follows:

a) $200,000 to supplement the existing TDM program as approved by the City Council on July 24, 2001. Attached is Exhibit #4 with background on the subject program.

b) $1.8 Million for "toll reduction" targeted for SR-125. Staff is only recommending the approval of the "toll reduction" concept at this time. Staff will work with California Transportation Ventures (CTV) to develop specific implementation strategy for Council consideration by the end of this year. Staff will be recommending an implementation strategy that is fair and equitable to residents whose homes have paid the interim SR125 fees. Additionally, staff will ensure that the resultant benefit of the "toll reduction" is maximized by securing substantial "volume discount" from CTV for Chula Vista residents.
In December of 2003, Council approved a loan of $3.3 million from the Interim SR-125 DIF to the TDIF to fund a capacity enhancement project widening the westbound East H Street to northbound Interstate 805 on-ramps (STM-356). Tonight’s action will effectively forgive this loan, as the two funds will combined into a single fund. It is staff’s recommendation that the $3.3 million continue to be dedicated to the East H Street project.

In addition, Council approved a loan of $7 million from the Interim SR-125 DIF to the TDIF to fund interchange improvements at Interstate 805 and Olympic Parkway (STM-328) in 2002. Alternative funding has been secured through a federal grant, therefore Council is being asked to approve the repayment of the loan to the Interim SR-125 fund with interest. It is staff’s recommendation that this $7 million be used to fund a portion of the project costs for the aforementioned SR-125 overpasses at Rock Mountain Road and Otay Valley Road. Staff will return to Council with a request for budget amendments reflecting the allocation of the $7 million to these projects.

**TDIF Credits**

There are a number of developers who have constructed TDIF roads in the past and maintain a credit against future TDIF fees in the estimated total amount of $20 million. The credits are summarized in Exhibit 3.

**EDU Rates**

Government Code 66000 requires, among other things, that the City establish a reasonable relationship between the projects to be funded and the amount of the fee. The TDIF program uses the Average Daily Trip (ADT), which is converted to the Equivalent Dwelling Unit (EDU) as the tool to equate impact fees among the different land uses. As indicated above, ADT generation rates published by SANDAG are primarily used to determine the impacts of the different land use categories on the transportation system. Each land use category is assigned a specific EDU rate. A single family, detached residential unit is equal to 10 ADT or 1 EDU. Table 2 presents a comparison between the current and proposed rates.

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Current EDU Rate</th>
<th>Proposed EDU Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (LOW)</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Residential (MED)</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Residential (HIGH)</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Senior Housing</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Residential Mixed Use*</td>
<td>N/A</td>
<td>0.4</td>
</tr>
<tr>
<td>Commercial Mixed Use*</td>
<td>N/A</td>
<td>16.0</td>
</tr>
<tr>
<td>General Commercial (Acre)</td>
<td>21.0</td>
<td>16.0</td>
</tr>
<tr>
<td>Regional Commercial (Acre)*</td>
<td>N/A</td>
<td>11.0</td>
</tr>
<tr>
<td>High Rise Commercial (Acre)</td>
<td>34.0</td>
<td>28.0</td>
</tr>
<tr>
<td>Office (Acre)*</td>
<td>N/A</td>
<td>9.0</td>
</tr>
<tr>
<td>Industrial RTP (Acre)</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Golf Course (per golf course)</td>
<td>70.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Medical Center (Acre)</td>
<td>65.0</td>
<td>65.0</td>
</tr>
</tbody>
</table>

*New land use classification proposed to be created via this update*
Following is a brief discussion on the EDU rate schedule:

- The SANDAG Report ("San Diego Traffic Generators") identifies several categories of residential land use generating average daily trips (ADTs) ranging from 12 to 4 ADTs. The City historically had refined the SANDAG approach, identifying four categories based on the type of residential structure whether attached, detached, multifamily or senior housing, which also related to the density of the residential development according to the SANDAG Report. Via the 2002 update, this product-type basis was replaced with system based upon the density of the residential development, as a more accurate reflection of housing development within the Area of Benefit. Following this methodology, this TDIF update is also based on the density of the residential development. Staff, therefore, recommends the following: 10 ADTs generated from a residential unit with densities ranging on average from 0 to 6 dwelling units per gross acre; 8 ADTs from a residential unit with densities ranging from greater than 6 to 18 dwelling units per gross acre; 6 ADTs from a residential unit with greater than 18 dwelling units per gross acre; and 4 trips from a unit in a senior housing complex or mixed use residential with commercial.

- As part of this TDIF Update, the City hired a traffic consultant, Katz, Okitsu, & Associates (KOA), to conduct an area specific traffic study. The study, identifying commercial trips origin, distribution, and generation rates, was performed for eastern Chula Vista. The consultant’s analysis found that approximately 72 percent of the commercial trips are generated from within the City of Chula Vista TDIF area and 28 percent are generated from outside the TDIF area. Thus, the commercial trip rates for the purpose of the TDIF program were adjusted to reflect the study’s conclusions.

Environmental Review
The Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Although environmental review is not necessary at this time, environmental review will be required prior to the approval of final design plans and the awarding of construction contracts for facilities funded through Transportation Development Impact Fees. It should also be mentioned that the TDIF program includes funding for habitat mitigation that may be triggered by the construction of the facilities.

Proposed Ordinance
By amending Chapter 3.54 of the Municipal Code, Council will establish a new TDIF rate of $10,050 per EDU, will modify the number of EDUs for various land uses, and will amend the existing TDIF program to include all the properties and transportation facilities identified in the report.

This ordinance will become effective 60 days after the second reading which will occur following Council adoption of the proposed General Plan Update.

FISCAL IMPACT:
The TDIF fee calculation, including the combination of the Interim SR-125 DIF fund and the TDIF fund, is summarized in the following table (in millions):

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SR-125 Fund Balance</td>
<td>$15.3</td>
</tr>
<tr>
<td>TDIF Fund Balance</td>
<td>$4.0</td>
</tr>
<tr>
<td>Combined Fund Balance</td>
<td>$19.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Cost</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TDIF Program Cost</td>
<td>$255.5</td>
</tr>
<tr>
<td>Less Total Program Assets</td>
<td>$48.7</td>
</tr>
<tr>
<td>Future Program Cost</td>
<td>$206.8</td>
</tr>
</tbody>
</table>

This future program cost, when spread over the remaining 20,542 EDUs generates the proposed TDIF rate of $10,050 per EDU.

The available fund balance of the Interim SR-125 fund after the $7 million loan repayment will be approximately $12 million. Staff is proposing to designate $11.9 million for SR-125 related CIP projects, including SR-125 overpasses at Rock Mountain Road and Otay Valley Road, and Transportation Demand Management.

The positive fiscal impact to the TDIF fund is approximately $100,000, plus the $3.3 million related to the forgiving of the loan, which has already been expended on project costs.

The transfer of the Interim SR-125 DIF fund to the TDIF fund, the forgiveness of the $3.3 million loan, and the repayment of the $7 million loan will all be effective June 30, 2005.

Exhibits: 1. Area of Benefit  
2. Transportation Facilities  
3. TDIF credits  
4. TDM

Attachment: Engineer’s Report

J:\Engineer\AGENDA\CAS2005\5-10-05\2005TDIFUpdate.doc
<table>
<thead>
<tr>
<th>RN</th>
<th>Street Segment</th>
<th>From</th>
<th>To</th>
<th>A005 Update/Procurement Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3b</td>
<td>Telegraph Canyon Rd</td>
<td>I-805 Interchange</td>
<td>200' east of TC Shopping Ctr</td>
<td>$5,228,842</td>
</tr>
<tr>
<td>7c</td>
<td>East H St</td>
<td>I-805 Interchange Phase II</td>
<td>Central</td>
<td>$3,373,829</td>
</tr>
<tr>
<td>11</td>
<td>Bonita Rd</td>
<td>Otay Lakes Rd</td>
<td>Subdivision boundary</td>
<td>$1,304,121</td>
</tr>
<tr>
<td>17b</td>
<td>East Palomar St</td>
<td>Paseo Ladera</td>
<td>Subdivision boundary</td>
<td>$1,231,542</td>
</tr>
<tr>
<td>24a</td>
<td>Olympic Pkwy</td>
<td>Heritage Rd</td>
<td>SR-125</td>
<td>$1,162,375</td>
</tr>
<tr>
<td>25a</td>
<td>Olympic Pkwy</td>
<td>I-805 Interchange</td>
<td></td>
<td>$3,510,807</td>
</tr>
<tr>
<td>26</td>
<td>East Palomar St</td>
<td>Heritage Rd</td>
<td>Subdivision boundary</td>
<td>$3,146,039</td>
</tr>
<tr>
<td>28b</td>
<td>Otay Lakes Rd</td>
<td>Lake Crest</td>
<td>Wueste Rd</td>
<td>$2,472,334</td>
</tr>
<tr>
<td>37</td>
<td>Eastlake Pkwy</td>
<td>CWA Easement</td>
<td>Olympic Pkwy</td>
<td>$5,121,613</td>
</tr>
<tr>
<td>42</td>
<td>Birch Rd</td>
<td>La Media Rd</td>
<td>SR-125</td>
<td>$8,937,276</td>
</tr>
<tr>
<td>43</td>
<td>Birch Rd</td>
<td>SR-125</td>
<td>Eastlake Pkwy</td>
<td>$3,469,782</td>
</tr>
<tr>
<td>45</td>
<td>Eastlake Pkwy</td>
<td>Olympic Pkwy</td>
<td>Birch Rd</td>
<td>$4,839,645</td>
</tr>
<tr>
<td>46</td>
<td>Eastlake Pkwy</td>
<td>Birch Rd</td>
<td>Hunte/Rock Mountain Rd</td>
<td>$8,728,976</td>
</tr>
<tr>
<td>47a</td>
<td>San Miguel Ranch Rd</td>
<td>Proctor Valley Rd (N)</td>
<td>SR-125</td>
<td>$18,369,525</td>
</tr>
<tr>
<td>48</td>
<td>Hunte Pkwy</td>
<td>Olympic Pkwy</td>
<td>Eastlake Pkwy</td>
<td>$2,858,732</td>
</tr>
<tr>
<td>51a</td>
<td>La Media Rd</td>
<td>Olympic Pkwy</td>
<td>Santa Venetia</td>
<td>$3,235,669</td>
</tr>
<tr>
<td>52a</td>
<td>La Media Rd</td>
<td>La Media Rd</td>
<td>Birch Rd</td>
<td>$14,974,125</td>
</tr>
<tr>
<td>53</td>
<td>La Media Rd</td>
<td>Birch Rd</td>
<td>Rock Mountain Rd</td>
<td>$8,875,075</td>
</tr>
<tr>
<td>55a</td>
<td>Otay Lakes Rd</td>
<td>East H St</td>
<td>Telegraph Canyon Rd</td>
<td>$4,921,696</td>
</tr>
<tr>
<td>55b</td>
<td>Otay Lakes Rd</td>
<td>Canyon</td>
<td>East H St</td>
<td>$1,576,248</td>
</tr>
<tr>
<td>56a</td>
<td>Main St</td>
<td>Nirvana Ave</td>
<td>1600' West of Heritage/Rock Mtn Rd</td>
<td>$2,451,931</td>
</tr>
<tr>
<td>56c</td>
<td>Otay Valley Rd</td>
<td>La Media Rd</td>
<td>SR-125</td>
<td>$3,400,442</td>
</tr>
<tr>
<td>56d</td>
<td>Main St</td>
<td>I-805 underpass</td>
<td>Heritage/Rock Mtn Rd</td>
<td>$1,777,750</td>
</tr>
<tr>
<td>56e</td>
<td>Main St</td>
<td>1600' West of Heritage/Rock Mtn Rd</td>
<td>Heritage/Rock Mtn Rd</td>
<td>$3,247,813</td>
</tr>
<tr>
<td>57</td>
<td>Heritage Rd</td>
<td>Olympic Pkwy</td>
<td>Main St</td>
<td>$20,649,250</td>
</tr>
<tr>
<td>58a</td>
<td>Heritage Rd</td>
<td>Main St</td>
<td>City boundary</td>
<td>$5,564,000</td>
</tr>
<tr>
<td>58b</td>
<td>Heritage Rd</td>
<td>Otay River Bridge</td>
<td></td>
<td>$5,222,125</td>
</tr>
<tr>
<td>59b</td>
<td>Proctor Valley Rd</td>
<td>RHR Neigh 9 West Entrance</td>
<td>RHR Neigh 9 East Entrance</td>
<td>$1,234,897</td>
</tr>
<tr>
<td>59c</td>
<td>Proctor Valley Rd</td>
<td>RHR Neigh 9 East Entrance</td>
<td>City boundary</td>
<td>$4,176,485</td>
</tr>
<tr>
<td>60a</td>
<td>Rock Mountain Rd</td>
<td>Main/Heritage Rd</td>
<td>La Media</td>
<td>$26,238,875</td>
</tr>
<tr>
<td>60b</td>
<td>Rock Mountain Rd</td>
<td>La Media Rd</td>
<td>SR-125</td>
<td>$9,333,188</td>
</tr>
<tr>
<td>61</td>
<td>Willow St</td>
<td>Bonita Rd</td>
<td>Sweetwater Rd</td>
<td>$2,026,616</td>
</tr>
<tr>
<td>62</td>
<td>East H St</td>
<td>Buena Vista</td>
<td>Otay Lakes Rd</td>
<td>$2,001,758</td>
</tr>
<tr>
<td>63</td>
<td>Traffic signalization</td>
<td>System-wide</td>
<td></td>
<td>$4,923,000</td>
</tr>
<tr>
<td>64</td>
<td>Hunte Pkwy</td>
<td>SR-125</td>
<td>Eastlake Pkwy</td>
<td>$3,779,070</td>
</tr>
<tr>
<td>65</td>
<td>Traffic Management Center</td>
<td>System-wide</td>
<td></td>
<td>$3,080,406</td>
</tr>
<tr>
<td>66</td>
<td>Transportation Demand Mgmt</td>
<td>System-wide</td>
<td></td>
<td>$2,000,000</td>
</tr>
<tr>
<td>67</td>
<td>Rock Mountain Rd</td>
<td>SR-125</td>
<td></td>
<td>$6,460,000</td>
</tr>
<tr>
<td>68</td>
<td>Otay Valley Rd</td>
<td>SR-125</td>
<td></td>
<td>$8,424,000</td>
</tr>
</tbody>
</table>
### REMAINING TDIF CASH CREDITS

*Estimated*

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunbow</td>
<td>$148,053.97</td>
</tr>
<tr>
<td>Brookfield Shea Otay</td>
<td>$1,915,674.86</td>
</tr>
<tr>
<td>Eastlake</td>
<td>$12,126,753.57</td>
</tr>
<tr>
<td>McMillin</td>
<td>$3,392,203.04</td>
</tr>
<tr>
<td>Otay Ranch</td>
<td>$2,137,977.80</td>
</tr>
<tr>
<td>San Miguel Ranch</td>
<td>$947,006.06</td>
</tr>
</tbody>
</table>

*Total Credits: $20,667,059.34*
Transportation Demand Management

The Eastern Chula Vista Traffic Enhancement Program was initially presented to Council on May 31, 2001 at the joint City Council/GMOC/Planning Commission Workshop. The implementation plan was then presented to Council on July 24, 2001. Development of the TDM program was funded through $98,000 in developer contributions and included a 400 household random sample survey conducted of eastern Chula Vista residents that had at least 1 peak hour commuter. The objective of the investigation was to identify potential Transportation Demand Management (TDM) techniques that would be appropriate for eastern Chula Vista and to approximate the number of users. That survey was carried out in February 2002.

Based upon the findings of the survey and with additional allied data, 3 TDM programs were recommended, that were identified as having the greatest chance for success. These include:

1. Financial Incentives, Marketing and Promotions, and Establishing an Implementing Organization
2. Express Bus from eastern Chula Vista to Downtown San Diego.
3. Express shuttle from eastern Chula Vista to the trolley.

In July of 2002 the City applied for three separate grants from the County of San Diego, Air Pollution Control District (APCD). The request was for matching funds to implement these three TDM programs, over a two year period. All three grants were approved by the APCD on March 12, 2003.

The TDM two year program is budgeted for $754,485 comprised of a grant of $414,325 and a $340,160 match, for a 55% and 45% percent split. The 45% match to be paid for by the eastern Chula Vista development community. The first years match of $157,183 was then gathered from equal contributions from the Otay Ranch Co., Eastlake Co., Corky McMillin Co., Brookfield Shea Otay, and Tri-Mark Pacific and placed in a City managed deposit account.

On April 20 of 2004 the City Council formally accepted the grants, authorized the City Manager to sign an agreement with SANDAG to assist the City in implementing the program and allocated $414,325 to provide bridge funding for later reimbursement under the APCD grant.

**BUDGET SUMMARY TWO YEAR APCD TDM GRANT**

<table>
<thead>
<tr>
<th>Project</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 1 and 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Local Match</td>
<td>Local Match</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yr 2</td>
<td></td>
</tr>
<tr>
<td>Financial Incentive</td>
<td>$200,600</td>
<td>$80,240</td>
<td>$170,230</td>
</tr>
<tr>
<td>Express Bus To Downtown</td>
<td>$103,285</td>
<td>$51,643</td>
<td>$166,570</td>
</tr>
<tr>
<td>Express Shuttle To Trolley</td>
<td>$50,600</td>
<td>$25,300</td>
<td>$63,200</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$354,486</td>
<td>$157,183</td>
<td>$400,002</td>
</tr>
</tbody>
</table>
ORDINANCE NO. 3029

ORDINANCE OF THE CITY OF CHULA VISTA, AMENDING
CHULA VISTA MUNICIPAL CODE CHAPTER 3.54,
RELATING TO DEVELOPMENT IMPACT FEE TO PAY FOR
THE TRANSPORTATION FACILITIES IN THE CITY'S
EASTERN TERRITORIES

WHEREAS, in January 1988, the City Council of the City of Chula Vista adopted
Ordinance No. 2251 establishing a development impact fee for transportation facilities in the
City's eastern territories; and

WHEREAS, pursuant to Ordinance No. 2251, the City has commenced the collection of
development impact fees to be used to construct transportation facilities to accommodate
increased traffic generated by new development within the City's eastern territories; and

WHEREAS, Ordinance No. 2251 as amended by Ordinance Nos. 2289, 2348, 2349,
2431, 2580, 2604, and 2671 were repealed by Ordinance No. 2802 in January 1999; and

WHEREAS, by Ordinance 2802, the Transportation Development Impact Fee was placed
in Municipal Code Chapter 3.54; and

WHEREAS, Municipal Code Chapter 3.54 was amended by Ordinance 2866; and

WHEREAS, the City Council of the City of Chula Vista is placing this ordinance on its
first reading which will increase the development impact fee (per equivalent dwelling unit) to
finance transportation facilities within the City of Chula Vista; and

WHEREAS, pursuant to Government Code Section 66017(a), the fees increased by this
ordinance will not become effective until sixty (60) days after its second reading; and

WHEREAS, pursuant to the Municipal Code and California Government Code Sections
66000, et. seq., the City Council has caused a study to be conducted to reanalyze and reevaluate
the impacts of development on the transportation system for the City's eastern territories and,
further re-analyze and evaluate the development impact fee necessary to pay for the
transportation facilities which financial and engineering study prepared by city staff, is entitled
"Eastern Area Transportation Development Impact Fee" dated March 2005; and

WHEREAS, the financial and engineering studies and the City's General Plan show the
transportation network will be adversely impacted by new development within the eastern
territories unless new transportation facilities are added to accommodate the new development; and
Ordinance No. 3029
Page 2

WHEREAS, the financial and engineering studies and the City's General Plan establish that the transportation facilities necessitated by development in the eastern territories comprise and integrated network; and

WHEREAS, the City's Municipal Code authorizes the City Council to amend or modify the list of projects to be financed by the fee; and

WHEREAS, on May 10, 2005, the City Council of the City of Chula Vista held a duly noticed hearing at which oral or written presentations regarding the development impact fee for the City's eastern territories could be made; and

WHEREAS, the City's Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA, and

NOW, THEREFORE, the City Council of the City of Chula Vista does ordain as follows:

SECTION 1: Findings

The City Council finds that developers of land within the Eastern Territory should be required to mitigate the burden created by development through the construction of transportation facilities within the boundaries of the development, the construction of those transportation facilities outside the boundaries of the development which are needed to provide service to the development in accordance with City standards and the payment of a development impact fee to finance the development's portion of costs of the transportation network; and

The City Council finds that the legislative findings and determinations set forth in Ordinance No.2802 continue to be true and correct; and

The City Council finds, after consideration of the evidence presented to it including the "Eastern Area Transportation Development Impact Fee" dated March 2005, that certain amendments to Chapter 3.54 of the Chula Vista Municipal Code are necessary in order to assure that there are sufficient funds available to finance the transportation facilities necessary to serve the eastern territories by the development impact fee; and

The City Council finds, based on the evidence presented at the meeting, the City's General Plan, and the various reports and information received by the City Council in the ordinary course of its business, that the imposition of traffic impact fees on all development in the eastern territories for which building permits have not been issued is necessary in order to protect the public health, safety and welfare and in order to assure effective implementation of the City's General Plan; and

The City Council finds that the amount of the amended fees levied by this ordinance does not exceed the estimated cost of providing the transportation facilities; and
Ordinance No. 3029
Page 3

The City Council finds that it is appropriate to refine the fees for office and commercial land uses, including high rise commercial, to reflect the findings of the analyses of the commercial trip origination and destination whereby only estimated trips generated from outside the Transportation Development Impact Fee boundary shall be used in determining the fee for commercial land uses; and

The City Council finds it is necessary to ensure the timely payment of the "DIF program monitoring" cost item, included in Table H "Program Funding Requirements" of the financial and engineering study, "Eastern Area Development Impact Fees for Streets" dated March, 2005, to adequately fund ongoing and future administration activities and studies.

SECTION 2:

That the Development Impact Fee Schedule set forth in Section 3.54.010(C) of the Municipal Code, and as adjusted annually by the Los Angeles Construction Cost Index as published monthly in the Engineering News Record, shall be amended to read as follows:

C. The amount of the fee for each development shall be calculated at the time of building permit issuance based upon the following schedule:

<table>
<thead>
<tr>
<th>Land Use Classification</th>
<th>TDIFF Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (LOW)</td>
<td>0-6 dwelling units per gross acre $10,050.00 per DU</td>
</tr>
<tr>
<td>Residential (MED)</td>
<td>6.1-18 dwelling units per gross acre $8,040.00 per DU</td>
</tr>
<tr>
<td>Residential (HIGH)</td>
<td>&gt;18.1 dwelling units per gross acre $6,030.00 per DU</td>
</tr>
<tr>
<td>Senior Housing</td>
<td></td>
</tr>
<tr>
<td>Residential Mixed Use</td>
<td>&gt;18 dwelling units per gross acre $4,020.00 per DU</td>
</tr>
<tr>
<td>Commercial Mixed Use</td>
<td></td>
</tr>
<tr>
<td>General Commercial (Acre)</td>
<td>&lt; five (5) stories in height $160,800.00 per 20,000 Sq ft</td>
</tr>
<tr>
<td>Regional Commercial (Acre)</td>
<td>&gt; 50 acres or 800,000 sq ft $110,550.00 per Acre</td>
</tr>
<tr>
<td>High Rise Commercial (Acre)</td>
<td>&gt; five (5) stories in height $281,400.00 per Acre</td>
</tr>
<tr>
<td>Office (Acre)</td>
<td>&lt; five (5) stories in height $90,450.00 per Acre</td>
</tr>
<tr>
<td>Industrial RTP (Acre)</td>
<td></td>
</tr>
<tr>
<td>18-Hole Golf Course</td>
<td></td>
</tr>
<tr>
<td>Medical Center</td>
<td></td>
</tr>
</tbody>
</table>

The density of the development type shall be based on the number of dwelling units per gross acre for single-family or multi-family residential and shall be based upon the densities identified on the approved tentative map or approved tentative parcel map entitling the development unless otherwise approved in writing by the city manager’s designee. Gross acreage as it applies to the commercial, high rise commercial, industrial and office development types, means all land area that the city manager’s designee deems necessary within the boundary of the parcel or parcels of the development project for which building permits are being requested.

The amount of the fee shall be adjusted, starting on October 1, 2005, and on each October 1st thereafter, based on the one-year change (from July to July) in the Los Angeles Construction Cost Index as published monthly in the Engineering News Record. For reference purposes, this update is based on the July 2004, Los Angeles Construction Cost Index of 7845.85. Adjustments to the above fees based upon the Construction Cost Index shall be automatic and shall not require further action of the city council.
Ordinance No. 3029
Page 4

The city council may adjust the amount of the fee as necessary to reflect changes in the type, size, location or cost of the transportation facilities to be financed by the fee, changes in land use designations in the city's general plan, and upon other sound engineering, financing and planning information. Adjustments to the above fees resulting from the above reviews may be made by resolution amending the master fee schedule.

SECTION 3:

That the Definitions as set forth in Section 3.54.020 of the Municipal Code, shall be amended to read as follows:

3.54.020 Definitions.

For the purposes of this chapter, the following words or phrases shall be construed as defined herein, unless from the context it appears that a different meaning is intended.

A. "Building permit" means a permit required by and issued pursuant to the Uniform Building Code.

B. "City Engineer" means the city engineer, the city engineer's designee or the city manager's designee.

C. "Density" means dwelling units per gross acre identified for each planning area shown on the approved tentative map or approved tentative parcel map or as determined by the city manager's designee.

D. "Developer" means the owner or developer of a development.

E. "Development permit" means any discretionary permit, entitlement or approval for a development project issued under any zoning or subdivision ordinance of the city.

F. "Development project" or "development" means any activity described in Section 66000 of the State Government Code.

G. "Eastern Territories" generally means that area of the city located between Interstate 805 on the west, the city sphere of influence boundary on the east and northeast, the city boundary on the north and the city's southern boundary on the south, excepting Villages 9 and 10 of the Otay Ranch (the University Site) as shown on the map entitled "Figure 7" of the update of the financial and engineering studies.

H. "Financial and engineering studies" means the "Interim Eastern Area Development Impact Fee for Streets" study prepared by George T. Simpson and Willdan Associates dated November 1987; the "Eastern Area Development Fee for Streets" study prepared by Willdan Associates dated November 19, 1990; the Eastern Development Impact Fee for Streets - 1993 Revision" study prepared by city staff dated July 13, 1993; and the study prepared by Project Design Consultants ("Eastern Area Development Impact Fees for Streets, 1999 Update") dated October 25 1999; and the study prepared by Willdan ("Eastern Area Development Impact Fees for Streets" dated July 2002); and the study prepared by city staff ("Eastern Area Transportation Development Impact Fees" dated March 2005) which are on file in the office of the city clerk.
I. "High rise commercial" means commercial office usage five or more stories in height.

J. "Transportation facility project" means that project or portion of project, which involves the specified improvements authorized by Section 3.54.030.

K. "Regional commercial" means any large commercial shopping center, larger than 60 acres, and containing more than 800,000 square feet of commercial space.

L. "Mixed use residential" means residential units constructed above a commercial space.

M. "Mixed use commercial" means a commercial project with residential units located on second floor, or higher, above the commercial space.

SECTION 4:

That the transportation facilities to be financed by the fee as set forth in Section 3.54.030(A) shall be amended as follows:

3.54.30 Transportation facilities to be financed by the fee.

A. The transportation facilities and programs to be financed by the fee established by this chapter are:

1. SR-125 from San Miguel Road to Telegraph Canyon Road.
2. SR-125 from Telegraph Canyon Road to Olympic Parkway.
3. ** Telegraph Canyon Road from Paseo Del Rey to east of Paseo Ladera north side
3a. ** Telegraph Canyon Road / 1-805 interchange, Phase II.
3b. ** Telegraph Canyon Road from 1-805 interchange to 200’ east of Telegraph Canyon Shopping Center
4. ** Telegraph Canyon Road, Phase I: Rutgers Avenue to Eastlake Boundary.
5. ** Telegraph Canyon Road, Phase II: Paseo Ladera to Apache Drive.
6. ** Telegraph Canyon Road, Phase III: Apache Drive to Rutgers Avenue.
7a. ** East H Street through Rancho Del Rey
7b. ** East H Street / 1-805 interchange modifications, Phase I
7c. ** East H Street / 1-805 interchange modifications, Phase II
8. ** East H Street from Eastlake Drive to SR-125.
9a. ** Otay Lakes Rd intersection with East H Street
9b. ** Otay Lakes Road from Camino del Cerro Grande to Ridgeback Road.
10. ** Central Avenue from Bonita Road to Corral Canyon Road
10a. ** La Media Road from Telegraph Canyon Road to East Palomar Street.
10b. ** La Media Road from East Palomar Street to Olympic Parkway.
11. ** Bonita Road from Otay Lakes Road to Willow Street.
12. ** Bonita Road from Central Avenue to San Miguel Road.
13. ** San Miguel Road from Bonita Road to SR-125.
14. ** East H Street from SR 125 to San Miguel Road.
15.** Proctor Valley Road (East H Street) from San Miguel Road (Mt. Miguel Road) to Hunte Parkway.
16.** Olympic Parkway from Brandywine Avenue to Paseo Ranchero.
17.** East Palomar Street from Oleander Avenue to Medical Center Drive.
17a.** East Palomar Street from Medical Center Drive to Paseo Ladera.
17b. **East Palomar Street from Paseo Ladera to Sunbow eastern boundary.
18.** Telegraph Canyon Road, Phase IV: from eastern boundary of Eastlake to Hunte Parkway.
19.** Eastlake Parkway from Otay Lakes Road to Eastlake High School southern boundary.
20.** Hunte Parkway from Proctor Valley Road to Telegraph Canyon Road.
21.** Hunte Parkway from Telegraph Canyon Road to Club House Drive.
21a.** Hunte Parkway from Club House Drive to Olympic Parkway.
22a.** Olympic Parkway, Phase IV: from SDG&E easement to Hunte Parkway.
22b.** Olympic Parkway, Phase V: from SR 125 to SDG&E easement.
23a.** Paseo Ranchero from Telegraph Canyon Road to East Palomar Street.
23b.** Paseo Ranchero from East Palomar Street to Olympic Parkway.
24a.** Olympic Parkway, Phase I: from Paseo Ranchero to La Media Road.
24b.** Olympic Parkway, Phase II: from La Media Drive to East Palomar Street.
24c.** Olympic Parkway, Phase III: from East Palomar Street to SR 125.
24d. Olympic Parkway from SR 125 to Eastlake Parkway.
24e. Olympic Parkway, Phase VI: from Heritage Road to SR 125
25b.** Olympic Parkway from Oleander to Brandywine.
26. **East Palomar Street from Heritage Road to the Sunbow eastern boundary.
27.——East Palomar Street / I-805 interchange.
28a.** Otay Lakes Road from Hunte Parkway to Lake Crest Drive.
28b. **Otay Lakes Road from Lake Crest Drive to Wueste Road
29.** Olympic Parkway from Hunte Parkway to Wueste Road.
30.** Otay Lakes Road from SR 125 to Eastlake Parkway.
31.** Eastlake Parkway from Fenton Street to Otay Lakes Road.
32a.** East "H" Street (westbound) from I-805 to Hidden Vista Drive.
32b.** East "H" Street (eastbound) from I-805 to Terra Nova Shopping Center.
33a.** Bonita Road at Otay Lakes Road intersection.
33b.** Telegraph Canyon Road / I-805 interchange modifications, Phase I
34.——Otay Lakes Road at Elmhurst Drive intersection.
35.** East "H" Street at Otay Lakes Road intersection.
36.——Traffic Signal Interconnection / Eastern Territories.
37. **Eastlake Parkway from CWA Easement to Olympic Parkway.
38.** East "H" Street from Paseo Del Rey to Tierra del Rey.
39.** Bonita Road from 1-805 to Plaza Bonita Road.
40.——Alta Road from SR 125 to Eastlake Parkway.
41.** Brandywine/Medical Center Drive from Medical Center Court to Olympic Parkway.
42. **Birch Road from La Media Road to SR 125.
43. **Birch Road from SR 125 to Eastlake Parkway.
44.——Birch Road from Eastlake Parkway to Hunte Parkway.
45. Eastlake Parkway from Olympic Parkway to Birch Road.
46. Eastlake Parkway from Birch Road to Hunte Parkway / Rock Mountain Road.
47a. San Miguel Ranch Road (formerly Mt. Miguel Road) from Proctor Valley Road North to SR 125.
47b.** Mt. Miguel Road from SR 125 to Proctor Valley Road (South), previously named East "H" Street.
48. Hunte Parkway from Olympic Parkway to Eastlake Parkway.
50. La Media Road bridge crossing the Otay River (one half the cost)
51a. La Media Road from Olympic Parkway to Santa Venetia
51b. La Media Road from Santa Venetia to Birch Road.
52. La Media Road from Birch Road to Rock Mountain Road.
53. La Media Road from Rock Mountain Road to Otay Valley Road.
54. La Media Road from Main Street to southern city boundary.
55a. Otay Lakes Road from East H Street to Telegraph Canyon Road.
55b. Otay Lakes Road from Canyon Drive to East H Street.
56a. Main Street from Nirvana Avenue to 1600' West of Heritage Road / Rock Mountain Road.
56b. Main Street from Rock Mountain Road to La Media Road.
56c. Otay Valley Road (formerly Main Street) from La Media Road to SR 125.
56d. Main Street at 1-805 Underpass widening
56e. Main Street from 1600' west of Heritage Road / Rock Mountain Road to Heritage Road / Rock Mountain Road.
57. Heritage Road (formerly Paseo Ranchero) from Olympic Parkway to Main Street.
58a. Heritage Road (formerly Paseo Ranchero) from Main Street to southern City boundary (excludes bridge crossing the Otay River).
58b. Paseo Ranchero bridge crossing the Otay River.
59a.** Proctor Valley Road from Hunte Parkway to Rolling Hills Ranch Neighborhood 9 west entrance.
59b. Proctor Valley Road from Rolling Hills Ranch Neighborhood 9 west entrance to Rolling Hills Ranch Neighborhood 9 east entrance.
59c. Proctor Valley Road from Rolling Hills Ranch Neighborhood 9 east entrance to easterly city boundary.
60a. Rock Mountain Road from Main Street / Heritage Road to La Media Road.
60b. Rock Mountain Road from La Media Road to SR 125.
61. Willow Street from Bonita Road to Sweetwater Road (including bridge over Sweetwater River).
62. East H Street from Buena Vista Way to Otay Lakes Road.
63. Intersection signalization area wide within the Eastern Territories.
64. Hunte Parkway from SR 125 to Eastlake Parkway
65. Traffic Management Center
66. Transportation Demand Management
67. Rock Mountain Road / SR 125 overpass bridge
68. Otay Valley Road / SR 125 overpass bridge

** Project has been completed.
Current projects are listed in bold
Deleted projects are in strikethrough text
Ordinance No. 3029
Page 8

SECTION 5: Expiration of this ordinance

This ordinance shall be of no further force when the City Council determines that the amount of fees which have been collected reaches an amount equal to the cost of the transportation facilities or reimbursements.

SECTION 6: Time limit for protest and judicial action

Any judicial action or proceeding to attack, review, set aside, void or annul this ordinance shall be brought within the time period as established by Government Code Section 66020 after the effective date of this ordinance.

In accordance with Government Code Section 66020(d)(1), the ninety-day approval period in which parties may protest begins upon the effective date of this ordinance.

SECTION 7: Effective Date

This ordinance shall become effective 60 days after its adoption. In the event that the City Council does not approve the second reading of this ordinance by December 31, 2005 the first reading of this ordinance shall no longer be effective.

Presented by

Sohaib Al-Agha
City Engineer

Approved as to form by

Ann Moore
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 13th day of December, 2005, by the following vote:

AYES: Councilmembers: Castaneda, McCann, Rindone and Padilla

NAYS: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:

Susan Bigelow, MMC, City Clerk
Ordinance No. 3029
Page 9

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO  
CITY OF CHULA VISTA  

I, Susan Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 3029 had its first reading at a regular meeting held on the 10th day of May, 2005 and its second reading and adoption at a regular meeting of said City Council held on the 13th day of December 2005.

Executed this 13th day of December 2005.

[Signature]
Susan Bigelow, MMC, City Clerk
RESOLUTION NO. 2005-154

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING A REPORT PREPARED BY STAFF RECOMMENDING AN UPDATED TRANSPORTATION DEVELOPMENT IMPACT FEE TO MITIGATE TRANSPORTATION IMPACTS WITHIN THE CITY'S EASTERN TERRITORIES

WHEREAS, the amount of the Transportation Development Impact Fee (TDIF) has not been comprehensively updated since 2002, however during this time infrastructure and land uses have been modified; and

WHEREAS, pursuant to the Municipal Code and California Government Code section 66000 et seq., the City has caused a study to be conducted by staff entitled “Eastern Area Transportation Development Impact Fee” (the Report) dated March 2005; and

WHEREAS, the Report reanalyzes and reevaluates the impacts of development on the transportation system for the City’s eastern territories and further reanalyzes and reassess the development impact fee necessary to pay for the transportation facilities; and

WHEREAS, the 2005 update incorporates the following major changes:

- Addition of 6 new projects:
  1. Otay Lakes Road from Canyon Drive to East H Street
  2. Hunt Parkway from SR-125 to Eastlake Parkway
  3. Traffic Management Center
  4. Transportation Demand Management
  5. Rock Mountain Road overpass of SR-125
  6. Otay Valley Road overpass of SR-125

- Creation of new land use classifications:
  1. Mixed use residential
  2. Mixed use commercial
  3. Office
  4. Commercial High Rise
  5. Regional Commercial

- Cost estimates updated to reflect 2005 industry prices

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chula Vista does hereby accept the report prepared by staff, recommending an updated Transportation Development Impact Fee to mitigate transportation impacts within the City’s eastern territories.

Presented by

Sohaib Aj-Agha
City Engineer

Approved as to form by

Ann Moore
City Attorney
Resolution 2005-154
Page 2

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 10th day of May, 2005, by the following vote:

AYES: Councilmembers: Castaneda, McCann, Rindone and Padilla

NAYS: Councilmembers: None

ABSENT: Councilmembers: Davis

ATTEST:

[Signature]
Stephen C. Padilla, Mayor

Susan Bigelow, MMC, City Clerk

STATE OF CALIFORNIA )
COUNTY OF SAN DIEGO )
CITY OF CHULA VISTA )

I, Susan Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2005-154 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 10th day of May, 2005.

Executed this 10th day of May, 2005.

[Signature]
Susan Bigelow, MMC, City Clerk
ORDINANCE NO. 1991

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORONADO
ADDING CHAPTER 82.34 OF THE CORONADO MUNICIPAL CODE
ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
FOR THE PURPOSE OF DEFRAISING ACTUAL OR ESTIMATED COSTS
OF CONSTRUCTING PLANNED REGIONAL
TRANSPORTATION FACILITIES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use
their police powers to protect the public health, safety and welfare by, among other things,
enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by
local ordinance a requirement for the payment of fees as a condition of approval of a final map or
as a condition of issuing a building permit for purposes of defraying the actual or estimated cost
of constructing bridges over waterways, railways, freeways, and canyons, or constructing major
thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under
which cities must adopt development impact fees or increase those fees as a condition of
approval of a development project; and

WHEREAS, the City of Coronado has not heretofore established development impact
fees for those purposes described herein, reflecting an appropriate fee taking into consideration
construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and
procedures, for the imposition of development impact fees to share in the costs of the design and
construction of local and regional transportation facilities, to insure that that fees permitted by
the police power and California Government Code sections 66483 and 66484 are appropriate.

THE CITY COUNCIL OF THE CITY OF CORONADO DOES ORDAIN AS
FOLLOWS:

SECTION 1. The City of Coronado finds that the adoption of this Ordinance is exempt
from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA
Guidelines Section 15061 (b) (3), General Rule, as follows: “The activity is covered by the
General Rule that CEQA applies only to projects, which have the potential for causing a
significant effect on the environment. Where it can be seen with certainty that there is no
possibility that the activity in question may have an effect on the environment, the activity is not
subject to CEQA.”

SECTION 2. Chapter 82.34 of Title 82 of the Coronado Municipal Code, consisting of
sections 82.34.010 through 82.34.070, inclusive, is hereby added to read as follows:

03/18/08
82.34.010 Title.

This chapter shall be known as the “Coronado Regional Transportation Congestion Improvement Program (RTCIP) Ordinance.”

82.34.020 Findings.

In adopting this chapter, the City Council of the City of Coronado finds and determines that:

A. The City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the County of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG, acting in their capacity as the San Diego County Regional Transportation Commission, developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated November 26, 2007 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional arterial system as it presently exists.

D. The City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030.

E. The City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation congestion improvement plan (“RTCIP”) fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional arterial system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City.

F. The City Council has reviewed the Nexus Study, and finds that future development within the County and City will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving the regional arterial system, the regional arterial system will operate at unacceptable levels of service.

G. The City Council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

H. The City Council further finds and determines that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on 03/18/08
which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

I. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

J. The City Council further finds and determines that the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

K. The City Council further finds that the cost estimates set forth in the Nexus Study are reasonable cost estimates for the facilities that comprise the regional arterial system, and that RTCIP fee program revenues to be generated by new development will not exceed the total fair share of these costs.

L. The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional arterial system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements.

M. The City Council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional arterial system.

N. The City Council adopts the Nexus Study and incorporates it in this chapter as though set forth in full.

82.34.030 Definitions.

For the purpose of this chapter, the following words, terms and phrases shall have the following meanings:

“Commission” means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

“Development project” or “project” means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as “mixed use” development, including the issuance of a permit for construction.

“Low income residential housing” means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

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“Multifamily residential property” means property, which, under the current City land use plan or any specific plan, is designated as R-3, R-4, or R-5, with or without any overlay, or equivalent.

“Nexus Study” means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 et seq., which Nexus Study is on file in the City Clerk’s office.

“Residential dwelling unit” means a building or portion thereof used by one family and containing but one kitchen, which is designed primarily for residential occupancy including single-family and multifamily dwellings. “Residential dwelling unit” shall not include hotels or motels.

“RTCIP administrative plan” means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City Clerk’s office.

“SANDAG” means the San Diego Association of Governments, a joint powers agency consisting of the City of Coronado, the County of San Diego, and the seventeen other cities situated in San Diego County.

“Single-family residential unit” means each residential dwelling unit in a development on property, which, under the current City land use plan or any specific plan, is designated as H-M, R-1A, R-A(BF), R-1B, R-PCD, or PCD, with or without any overlay, or equivalent.

82.34.040 Establishment of the transportation uniform mitigation fee.

A. Adoption. The schedule of fees shall be adopted by resolution approved by the City Council (“resolution”).

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional arterial system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009.

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study. The Nexus Study is applicable to specific residential construction impacts on State Route 75 and 282 within the boundaries of the City. Nothing herein prevents the City from collecting fees pursuant to Chapter 82.30 or any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for bridges or other infrastructure within the City. The

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amount of fees adopted under this Ordinance may also exceed the amount of the Nexus Study based on further studies prepared by the City or SANDAG that justifies an increased amount.

E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the RTCIP fee:

1. Low income residential housing;

2. Government/public buildings, public schools and public facilities;

3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;

4. All new, rehabilitated, and/or reconstructed non-residential structures;

5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;

6. Guest dwellings, as defined in Title 86 of the Coronado Municipal Code;

7. Additional residential units located on the same parcel pursuant to the provisions of any agricultural zoning classifications set forth in Title 86 of the Coronado Municipal Code;

8. Kennels and catteries established in connection with an existing residential unit and as defined in Title 86 of the Coronado Municipal Code;

9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;

10. Residential units that have been issued a building permit prior to July 1, 2008; and

11. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.

a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s

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Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.

b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.

c. The amount of the development fee credit shall not exceed the revenue requirements of the City’s most current funding program (determined by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.

a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district has been established.

b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

82.34.050 Reimbursements.

Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three-party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

82.34.060 Procedures for the levy, collection, and disposition of fees.

A. Authority of the Engineering and Project Development Department. The Director of Engineering and Project Development, or his/her designee, is authorized to levy and collect the RTCIP fee and make all determinations required by this chapter.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a certificate of occupancy is issued for the development project or upon final inspection, whichever comes first (the “payment date”). However, this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the time application is made for a building permit and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her RTCIP fee obligation. If the developer makes only a partial payment prior to the payment date, the amount of the fee due shall be based on the RTCIP fee schedule in place on the payment date. The fees shall be calculated according to the fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

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2. The fees required to be paid shall be the fee amounts in effect at the time payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the RTCIP fee.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee; accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of Chapter 1.12 of the Coronado Municipal Code. Appealable issues shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay, and application of exemption.

E. Reports to SANDAG. The Director of Engineering and Project Development, or his/her designee, shall prepare and deliver to the Executive Director of SANDAG, periodic reports as will be established under section 82.34.070 of this chapter.

82.34.070 RTCIP Fee Administrator.

A. The Director of Engineering and Project Development is appointed as the administrator of the Transportation Uniform Mitigation Fee Program. He or she is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan developed by the RTCIP administrator. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer's RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. The City shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed the annual net amount of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3. The City Council of the City of Coronado hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared

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for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this ordinance to be published pursuant to the provisions of Government Code section 36933.

PASSED AND ADOPTED this 18th day of March, 2008 by the following vote, to wit:

AYES:    DOWNEY, MONROE, OVROM, TANAKA AND SMISEK
NAYS:    NONE
ABSENT:  NONE
ABSTAIN: NONE

[Signature]
Tom Smisek, Mayor

ATTEST:

[Signature]
Linda K. Hascup, City Clerk

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE RESOLUTION NO. 1991, consisting of 8 papers passed and adopted by the City Council, City of Coronado on March 18, 2008.

[Signature]
City Clerk/Deputy City Clerk
City of Coronado

03/18/08
RESOLUTION NO. 8276

RESOLUTION ADOPTING A SCHEDULE OF A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FEE TO MITIGATE THE IMPACTS OF DEVELOPMENT OF RESIDENTIAL UNITS ON THE SAN DIEGO REGIONAL TRANSPORTATION ARTERIAL SYSTEM

WHEREAS, the City of Coronado is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the County of San Diego, and the seventeen other cities situated in San Diego County; and

WHEREAS, SANDAG, acting in concert with the member agencies of SANDAG, in their capacity as the San Diego County Regional Transportation Commission, developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development; and

WHEREAS, as a member agency of SANDAG, the City of Coronado participated in the preparation of that certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act; and

WHEREAS, the City Council finds that funding of construction of the regional arterial system affecting the City of Coronado with proceeds of the county-wide one-half cent ($0.005) transactions and use tax imposed by the Ordinance No. 04-01 of the San Diego County Regional Transportation Commission approved by San Diego County voters through Proposition A in 2004 (the "TransNet Ordinance"), will be inadequate even with those fees adopted pursuant to the Nexus Study; and

WHEREAS, in order to receive funds collected by SANDAG through the TransNet Ordinance, the City Council must impose and collect not less than $2,000 for each newly constructed residential housing unit beginning July 1, 2008, to mitigate the impact each unit has on the regional arterial system; and

WHEREAS, the City Council has added Chapter 82.34 to the Coronado Municipal Code, adopting the San Diego County Transportation Uniform Mitigation Fee Program Ordinance of 2008 (the "Ordinance"), which approves the implementation of a monetary exaction for each newly constructed residential housing unit in the City of Coronado; and

WHEREAS, the Ordinance provides that the City Council shall adopt a schedule of fees calculated according to the calculation methodology set forth in Table 11 of the Nexus Study.
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF CORONADO AS FOLLOWS:

Section 1. Findings. The City Council hereby refers to and incorporates herein by
this reference those findings set forth in section 2 of the Ordinance (section 82.34.020 of the
Coronado Municipal Code) as if set forth in full herein.

Section 2. Calculation of Fees. The methodology set forth in Table 11 of the Nexus
Study has been used to establish the schedule of fees set forth in this resolution.

Section 3. Schedule of Fees. For the purpose of funding those certain improvements
to the regional arterial system identified in the Nexus Study, and in accordance with the
Ordinance, the following schedule of fees shall be applicable to each and every non-exempt and
newly constructed residential unit in the City of Coronado:

Regional Transportation Improvement Program fee -- $2,000.00.

Section 4. Effective Date. This resolution shall become effective on the sixtieth
(60th) day following its adoption (the “Effective Date”). Upon the Effective Date the fees
identified and approved by this resolution shall be levied, collected and disposed of in
accordance with the California Mitigation Fee Act (California Government Code section 66000
et seq.) and section 82.34.040 of the Coronado Municipal Code in effect as of the Effective Date.

PASSED AND ADOPTED by the City Council of the City of Coronado, California, this
18th day of March, 2008 by the following vote, to wit

AYES: DOWNEY, MONROE, OVROM, TANAKA AND SMISEK
NAYS: NONE
ABSENT: NONE
ABSTAIN: NONE

Tom Smisek, Mayor
City of Coronado

Attest:

Linda K. Hascup
City Clerk

I HEREBY CERTIFY that the above and foregoing is a full, true
and correct copy of ORDINANCE/RESOLUTION NO. 8276
Consisting of 2 papers passed and adopted by
the City Council, City of Coronado on
March 18, 2008
Linda K. Hascup
City Clerk/Deputy City Clerk
City of Coronado
TO: Honorable Mayor and City Council

FROM: Carmen Kasner, City Engineer
David Scherer, Public Works Director
Linda Niles, Community Development Director
Via Karen Brust, City Manager

DATE: April 7, 2008

SUBJECT: First Reading of an Ordinance Adding Chapter 24.42 of the Del Mar Municipal Code Adopting a Transportation Uniform Mitigation Fee Program and a Resolution Adopting a Schedule for a Regional Transportation Congestion Improvement Plan Fee.

ISSUE:

Whether the City Council should introduce an Ordinance adding Chapter 24.42 of the Del Mar Municipal Code adopting a Transportation Uniform Mitigation Fee Program for the purpose of defraying costs of constructing planned regional transportation facilities and adopt a Resolution establishing a Regional Transportation Congestion Improvement Program (RTCIP) Fee Schedule to mitigate the impacts of residential development on the San Diego Regional Transportation Arterial System. The current fee schedule requires the collection of $2,000 for each newly constructed residential housing unit beginning July 1, 2008.

FISCAL IMPACT

The City is allocated approximately $180,000 annually in TransNet II funds from a voter approved ½ cent sales tax for improvements to our local roads. The City must adopt the Transportation Uniform Mitigation Fee Program and associated fee schedule in order to continue to receive this funding.

ENVIRONMENTAL REVIEW

In accordance with CEQA standards, adoption of the ordinance is also exempt pursuant to CEQA Guidelines Section 15061(b)(3), since the adoption of the RTCIP fee will not have a significant effect on the environment, and in fact, the fee will be used to mitigate potential impacts caused to the environment by residential development.
RECOMMENDATION:

Conduct a public hearing and approve the First Reading to adopt an Ordinance adding Chapter 24.42 of the Del Mar Municipal Code establishing a Transportation Uniform Mitigation Fee Program for the purpose of defraying costs of constructing planned regional transportation facilities; and 2) approve the Resolution adopting a Regional Transportation Improvement Plan Fee Schedule to mitigate the impacts of residential development on the San Diego Regional Transportation Arterial System.

BACKGROUND:

In 2004 voters in San Diego County approved a 40-year extension to TransNet, a program designed to fund improvements to the region's transportation system first initiated in 1987. The prime component of this program is a half-cent sales tax increase that is projected to raise over $10 billion for improvements through 2030. Expenditure of the TransNet II funds is implemented through the Regional Transportation Plan (RTP), prepared by the San Diego Association of Governments (SANDAG). The City of Del Mar’s annual TransNet II allocation is roughly $180,000 annually, based on projected sales tax revenues.

In addition to the sales tax extension approved in 2004, the TransNet II program requires implementation of a new local funding source for the 2007 RTP, which is the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP is to ensure that new development directly invests in the region’s transportation system to offset the negative impacts of growth on congestion and mobility.

A key component of the RTCIP requires each local agency to contribute a fee of not less than $2,000.00 from exactions imposed on the private sector for each new residence constructed in the County, beginning July 1, 2008. The fee is based on the RTCIP Nexus Study prepared by SANDAG. Revenue from the fee stays with the collecting city and must be used for projects that improve traffic movement on main circulation streets.

DISCUSSION:

Compliance with the RTCIP through payment of the mandated fees is a requirement for the ongoing receipt of TransNet II funding in accordance with the voter-approved TRANSNET initiative.
Although RTCIP does not specify a revenue source for this contribution, most local agencies are ensuring compliance with this requirement through the creation of a development impact fee imposed on new dwelling units at building permit issuance.

Cities have the authority to impose impact fees under the Mitigation Fee Act contained in California Government Code sections 66000 through 66025. In doing so, each local agency is required to make findings demonstrating a reasonable nexus between the collection of fees, the need for facilities created by new development, and the expenditure of fee revenues to benefit new development.

In November of 2007, SANDAG completed a single nexus analysis for use by all local agencies in San Diego County to adopt an impact fee and fulfill the required contributions to the RTCIP. This nexus analysis, which supports an impact fee of $2072 for each new residential unit, is incorporated by reference into both the proposed Ordinance establishing the impact fee and the Resolution adopting the regional fee schedule.

This fee is only for new residences and does not apply to redevelopment of existing developed lots, unless additional residences are created in the process, nor does it apply to commercial development.

**Attachment A:** Ordinance No. __________
**Attachment B:** Resolution No. __________
**Attachment C:** RTCIP Impact Fee Nexus Study – Final Report, November 2007
Ordinance No. ______

AN ORDINANCE ADDING CHAPTER 24.42 OF THE DEL MAR MUNICIPAL CODE ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAVING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by local ordinance a requirement for the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City of Del Mar has not heretofore established development impact fees for those purposes described herein, reflecting an appropriate fee taking into consideration construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and procedures, for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that that fees permitted by the police power and California Government Code sections 66483 and 66484 are appropriate.

THE CITY COUNCIL OF THE CITY OF DEL MAR DOES ORDAIN AS FOLLOWS:

SECTION 1: The City of Del Mar finds that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061 (b) (3), General Rule, as follows: “The activity is covered by the General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have an effect on the environment, the activity is not subject to CEQA.”

SECTION 2. Chapter 24.42 of Title 24 of the Del Mar Municipal Code, consisting of sections 24.42.010 through 24.42.070, inclusive, is hereby added to read as follows:
24.42.010 Title.

This chapter shall be known as the “Del Mar Regional Transportation Congestion Improvement Program (RTCIP) Ordinance.”

24.42.020 Findings.

In adopting this chapter, the City Council of the City of Del Mar finds and determines that:

A. The city is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the city, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG, acting in their capacity as the San Diego County Regional Transportation Commission, developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the city participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated November 27, 2007 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional arterial system as it presently exists.

D. The City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the city, with unacceptable levels of service throughout San Diego County by 2030.

E. The City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional arterial system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the city.

F. The City Council has reviewed the Nexus Study, and finds that future development within the county and city will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving the regional arterial system, the regional arterial system will operate at unacceptable levels of service.
G. The City Council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

H. The City Council further finds and determines that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

I. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

J. The City Council further finds and determines that the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

K. The City Council further finds that the cost estimates set forth in the Nexus Study are reasonable cost estimates for the facilities that comprise the regional arterial system, and that RTCIP fee program revenues to be generated by new development will not exceed the total fair share of these costs.

L. The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional arterial system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements.

M. The City Council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional arterial system.

N. The City Council adopts the Nexus Study and incorporates it in this chapter as though set forth in full.

24.42.030 Definitions.
For the purpose of this chapter, the following words, terms and phrases shall have the following meanings:

“Commission” means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

“Development project” or “project” means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as “mixed use” development, including the issuance of a permit for construction.

“Low income residential housing” means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

“Multifamily residential property” means property, which, under the current city land use plan or any specific plan, is designated as RM-South, with or without any overlay, or equivalent.

“Nexus Study” means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 et seq., which Nexus Study is on file in the City Clerk’s office.

“Residential dwelling unit” means a building or portion thereof used by one family and containing but one kitchen, which is designed primarily for residential occupancy including single-family and multifamily dwellings. “Residential dwelling unit” shall not include hotels or motels.

“RTCIP administrative plan” means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City Clerk’s office.

“SANDAG” means the San Diego Association of Governments, a joint powers agency consisting of the city, the county of San Diego, and the eighteen cities situated in San Diego County.

“Single-family residential unit” means each residential dwelling unit in a development on property, which, under the current city land use plan or any specific plan, is designated as R1-40, R1-14, R1-10, R1-10B, R1-5, R1-5B, R2, RM-East, RM-West, RM-Central, CVPP, RC, or PC, with or without any overlay, or equivalent.

24.42.040 Establishment of the transportation uniform mitigation fee.
A. Adoption. The schedule of fees shall be adopted by resolution approved by the City Council ("resolution").

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional arterial system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009.

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study. The Nexus Study is applicable to specific residential construction impacts on the designated Regional Arterials within the boundaries of the City. Nothing herein prevents the City from collecting fees pursuant to other provisions of Chapter 24 or any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for bridges or other infrastructure within the city. The amount of fees adopted under this Ordinance may also exceed the amount of the Nexus Study based on further studies prepared by the City or SANDAG that justifies an increased amount.

E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the RTCIP fee:

1. Low income residential housing;

2. Government/public buildings, public schools and public facilities;

3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;

4. All new, rehabilitated, and/or reconstructed non-residential structures.
5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;

6. Guest dwellings, as defined in Chapter 30 of the Del Mar Municipal Code;

7. Additional residential units located on the same parcel pursuant to the provisions of any agricultural zoning classifications set forth in Chapter 30 of the Del Mar Municipal Code;

8. Kennels and catteries established in connection with an existing residential unit and as defined in Chapter 30 of the Del Mar Municipal Code;

9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;

10. Residential units that have been issued a building permit prior to July 1, 2008; and

11. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.

   a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.

   b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.

   c. The amount of the development fee credit shall not exceed the revenue requirements of the city’s most current funding program (determined by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.
a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district has been established.

b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

24.42.050 Reimbursements.

Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

24.42.060 Procedures for the Levy, Collection, and Disposition of Fees.

A. Authority of the Community Development Department. The Director of Community Development, or his/her designee, is authorized to levy and collect the RTIP fee and make all determinations required by this chapter.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a certificate of occupancy is issued for the development project or upon final inspection, whichever come first (the “payment date”). However, this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the time application is made for a building permit and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her RTCIP fee obligation. If the developer makes only a partial payment prior to the payment date, the amount of the fee due shall be based on the RTCIP fee schedule in place on the payment date. The fees shall be calculated according to fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time of payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the RTCIP fee.
3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee, accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of the chapter 1.12 of the Del Mar Municipal Code. Appealable issues shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The Director of Community Development, or his/her designee, shall prepare and deliver to the executive director of SANDAG, periodic reports as will be established under section 24.42.070 of this chapter.

24.42.070 RTCIP Fee Administrator.

A. The Director of Community Development is appointed as the administrator of the transportation uniform mitigation fee program. He or she is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan developed by the RTCIP administrator. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer’s RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. The City shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed the annual net amount of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3:

This ordinance was introduced on April 7, 2008.
SECTION 4:

This ordinance shall be effective thirty (30) days after its adoption. The City Clerk is directed to prepare and have published a summary of this ordinance no less than five days prior to the consideration of its adoption and again within 15 days following adoption indicating votes cast.

AYES:
NOES:
ABSENT:
DISQUALIFIED:

______________________________
David Druker, Mayor of the City of Del Mar

ATTEST AND CERTIFICATION

I hereby certify that this is a true and correct copy of Ordinance No. __________, which has been published pursuant to law.

______________________________
MERCEDES MARTIN, City Clerk
City of Del Mar, California
RESOLUTION NO. 2008-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, ESTABLISHING A SCHEDULE OF A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN FEE TO MITIGATE THE IMPACTS OF DEVELOPMENT OF RESIDENTIAL UNITS ON THE SAN DIEGO REGIONAL TRANSPORTATION ARTERIAL SYSTEM

WHEREAS, the City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the County of San Diego, and the seventeen other cities situated in San Diego County; and

WHEREAS, SANDAG, acting in concert with the member agencies of SANDAG, in their capacity as the San Diego County Regional Transportation Commission, developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development; and

WHEREAS, as a member agency of SANDAG, the city participated in the preparation of that certain "RTCIP Impact Fee Nexus Study," dated November 2007 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act; and

WHEREAS, the City Council finds that funding of construction of the regional arterial system affecting the City of Del Mar with proceeds of the county-wide one-half cent ($0.05) transactions and use tax imposed by the Ordinance No. 04-01 of the San Diego County Regional Transportation Commission approved by San Diego County voters through Proposition A in 2004 (the "TransNet Ordinance"), will be inadequate even with those fees adopted pursuant to the Nexus Study; and

WHEREAS, in order to receive funds collected by SANDAG through the TransNet Ordinance the City Council must impose and collect not less than $2,000 for each newly constructed residential housing unit beginning July 1, 2008, to mitigate the impact each unit has on the regional arterial system; and

WHEREAS, the City Council has added Chapter 24.42 to the Del Mar Municipal Code, adopting the San Diego County Transportation Uniform Mitigation Fee Program Ordinance of 2008 (the "Ordinance"), which approves the implementation of a monetary exaction for each newly constructed residential housing unit in the City of Del Mar; and
Draft Resolution for
Adoption of Regional Transportation
Improvement Plan Fee Schedule
April 7, 2008

WHEREAS, the Ordinance provides that the City Council shall adopt a schedule of fees calculated according to the calculation methodology set forth in Table 11 of the Nexus Study.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Del Mar as follows:

1. **Findings.** The City Council hereby refers to and incorporates herein by this reference those findings set forth in section 2 of the Ordinance (Chapter 24 - 42 of the Del Mar Municipal Code) as if set forth in full herein.

2. **Calculation of Fees.** The methodology set forth in Table 11 of the Nexus Study has been used to establish the schedule of fees set forth in this resolution.

3. **Schedule of Fees.** For the purpose of funding those certain improvements to the regional arterial system identified in the Nexus Study, and in accordance with the Ordinance, the following schedule of fees shall be applicable to each and every non-exempt and newly constructed residential unit in the City of Del Mar:

   Regional Transportation Improvement Program fee - - $2,000.00.

4. **Effective Date.** This resolution shall become effective on the sixtieth (60th) day following its adoption (the “Effective Date”). Upon the Effective Date the fees identified and approved by this resolution shall be levied, collected and disposed of in accordance with the California Mitigation Fee Act (California Government Code section 66000 et seq.) and Chapter 24.42 of the Del Mar Municipal Code in effect as of the Effective Date.
PASSED AND ADOPTED this _____ day of ____________, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
David Druker, Mayor
City of Del Mar, California

ATTEST:

______________________________
Mercedes Martin, City Clerk
City of Del Mar, California
Ordinance No. 4912

AN ORDINANCE ADOPTING CHAPTER 15.13 OF THE EL CAJON MUNICIPAL CODE ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAying ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by local ordinance a requirement for the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City of El Cajon has not heretofore established development impact fees for those purposes described herein, reflecting an appropriate fee taking into consideration construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and procedures, for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that that fees permitted by the police power and California Government Code sections 66483 and 66484 are appropriate.

THE CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS FOLLOWS:

SECTION 1. The City of El Cajon finds that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061 (b) (3), General Rule, as follows: "The activity is covered by the General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have an effect on the environment, the activity is not subject to CEQA."
SECTION 2. Chapter 15.13 of Title 15 of the El Cajon Municipal Code, consisting of sections 15.13.010 through 15.13.070, inclusive, is hereby added to read as follows:

15.13.010 Title.

This chapter shall be known as the “San Diego County Transportation Uniform Mitigation Fee Program Ordinance of 2008.”

15.13.020 Findings.

In adopting this chapter, the city council of the city of El Cajon finds and determines that:

A. The city is a member agency of the San Diego Association of Governments (“SANDAG”), a joint powers agency consisting of the city, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG, acting in their capacity as the San Diego County Regional Transportation Commission, developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the “regional arterial system”) could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the city participated in the preparation of a certain “RTCIP Impact Fee Nexus Study,” dated September 5, 2006 (the “Nexus Study”) prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The city council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional arterial system as it presently exists.

C. The city council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the city, with unacceptable levels of service throughout San Diego County by 2030.

D. The city council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation improvement plan (“RTIP”) fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional arterial system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the city.
E. The city council has reviewed the Nexus Study, and finds that future development within the county and city will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving the regional arterial system, the regional arterial system will operate at unacceptable levels of service.

F. The city council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the city will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

G. The city council further finds and determines that there is a reasonable and rational relationship between the use of the RTIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTIP fee will be levied.

H. The city council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTIP fee.

I. The city council further finds and determines that the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

J. The city council further finds that the cost estimates set forth in the Nexus Study are reasonable cost estimates for the facilities that comprise the regional arterial system, and that RTIP fee program revenues to be generated by new development will not exceed the total fair share of these costs.

K. The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional arterial system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements.
L. The city council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional arterial system.

M. The city council adopts the Nexus Study and incorporates it in this chapter as though set forth in full.


For the purpose of this chapter, the following words, terms and phrases shall have the following meanings:

"Commission" means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

"Development project" or "project" means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as "mixed use" development, including the issuance of a permit for construction.

"Low income residential housing" means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

"Multifamily residential property" means property, which, under the current city land use plan or any specific plan, is designated as R-2, R-2-R, R-3, R-3-R, R-4, R-5, PRD Low, PRD Low-Medium, PRD Medium, or PRD High, with or without any overlay, or equivalent.

"Nexus Study" means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 56000 et seq., which Nexus Study is on file in the city clerk's office.

"Residential dwelling unit" means a building or portion thereof used by one family and containing but one kitchen, which is designed primarily for residential occupancy including single-family and multifamily dwellings. "Residential dwelling unit" shall not include hotels or motels.

"RTIP administrative plan" means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTIP program, as may be amended from time to time, a copy of which is on file in the city clerk's office.
"SANDAG" means the San Diego Association of Governments, a joint powers agency consisting of the city, the county of San Diego, and the eighteen cities situated in San Diego County.

"Single-family residential unit" means each residential dwelling unit in a development on property, which, under the current city land use plan or any specific plan, is designated as O-S, R-1-6, R-S-9, R-S-14, R-E-20, R-E-40, PRD Low-Low, or C-2 (mixed use), with or without any overlay, or equivalent.

15.13.040 Establishment of the transportation uniform mitigation fee.

A. Adoption. The schedule of fees shall be adopted by resolution approved by the city council ("resolution").

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional arterial system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTIP fee program no less than every ten years after July 1, 2009.

D. Purpose. The purpose of the RTIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study.

E. Applicability. The RTIP shall apply to all new development projects within the city, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the TUMF:

1. Low income residential housing;
2. Government/public buildings, public schools and public facilities;
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;
4. All new, rehabilitated, and/or reconstructed non-residential structures.

5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTIP fee shall be imposed;

6. Guest dwellings, as defined in Title 17 of the El Cajon Municipal Code;

7. Additional residential units located on the same parcel pursuant to the provisions of any agricultural zoning classifications set forth in Title 17 of the El Cajon Municipal Code;

8. Kennels and catteries established in connection with an existing residential unit and as defined in Title 17 of the El Cajon Municipal Code;

9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;

10. Residential units that have been issued a building permit prior to July 1, 2008; and

11. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the RTIP fee in accordance with the RTIP administrative plan and the following:

1. Regional Tier.

   a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTIP administrative plan.

   b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the city in consultation with the developer.

   c. The amount of the development fee credit shall not exceed the revenue requirements of the city’s most current funding program (determined
by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.

a. The city shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district has been established.

b. If there is a recognized financing district established, the city may credit that portion of the facility identified in both programs against the RTIP fee in accordance with the RTIP administrative plan.

15.13.050 Reimbursements.

Should a developer construct regional arterial system improvements in excess of the RTIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the city, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

15.13.060 Procedures for the levy, collection, and disposition of fees.

A. Authority of the Community Development Department. The director of community development, or his/her designee, is authorized to levy and collect the RTIP fee and make all determinations required by this chapter, except as otherwise provided in section 15.13.070.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a certificate of occupancy is issued for the development project or upon final inspection, whichever come first (the "payment date"). However, this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the time application is made for a building permit and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her RTIP fee obligation. If the developer makes only a partial payment prior to the payment date, the amount of the fee due shall be based on the RTIP fee schedule in place on the payment date. The fees shall be calculated according to fee schedule set forth in the
resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time of payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The city shall not enter into a development agreement, which freezes future adjustments of the RTIP fee.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee, accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the city for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act.

D. Appeals. Appeals shall be filed with the city council in accordance with chapter 1.36 of the El Cajon Municipal Code. Appealable issues shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The director of community development, or his/her designee, shall prepare and deliver to the executive director of SANDAG, periodic reports as will be established under section 15.13.070 of this chapter.

15.13.070 RTIP fee administrator.

A. The director of public works is appointed as the administrator of the transportation uniform mitigation fee program. He or she is authorized to receive all fees generated from the RTIP fee within the city, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTIP administrative plan developed by the RTIP administrator. Furthermore, the RTIP administrator shall use the Nexus Study for the purpose of calculating a developer’s RTIP fee obligation. In addition to detailing the methodology for calculating all RTIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. The city shall expend only that amount of the funds generated from the RTIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case
shall the funds expended for salaries and benefits exceed the annual net amount of revenue raised by the RTIP fee. The RTIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3. The City Council of the City of El Cajon hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this ordinance to be published pursuant to the provisions of Government Code section 36933.

PASSED AND ADOPTED by the City Council of the City of El Cajon, California at a Regular Joint City Council/Redevelopment Agency Meeting held this 11th day of March, 2008, by the following vote to wit:

AYES : Lewis, Hanson-Cox, Kendrick, McClellan, Ramos
NOES : None
ABSENT : None
DISQUALIFY: None

MARK LEWIS
Mayor of the City of El Cajon

ATTEST:

KATHIE RUTLEDGE, CMC
City Clerk

I hereby certify that the above and foregoing is a full and true copy of Ordinance No. 4912 of the Ordinances of the City of El Cajon, California, as adopted by the City Council at the Regular Joint Meeting of the City Council/Redevelopment Agency on the 11th day of March, 2008.

Kathie Rutledge, CMC City Clerk

3/11/08 (Item 4,2)
RESOLUTION NO. 24-08

RESOLUTION ADOPTING A SCHEDULE OF A REGIONAL TRANSPORTATION IMPROVEMENT PLAN FEE TO MITIGATE THE IMPACTS OF DEVELOPMENT OF RESIDENTIAL UNITS ON THE SAN DIEGO REGIONAL TRANSPORTATION ARTERIAL SYSTEM.

WHEREAS, the city is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the city, the county of San Diego, and the seventeen other cities situated in San Diego County; and

WHEREAS, SANDAG, acting in concert with the member agencies of SANDAG, in their capacity as the San Diego County Regional Transportation Commission, developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development; and

WHEREAS, as a member agency of SANDAG, the city participated in the preparation of that certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act; and

WHEREAS, the City Council finds that funding of construction of the regional arterial system affecting the City of El Cajon with proceeds of the county-wide one-half cent ($.005) transactions and use tax imposed by the Ordinance No. 04-01 of the San Diego County Regional Transportation Commission approved by San Diego County voters through Proposition A in 2004 (the "TransNet Ordinance"), will be inadequate even with those fees adopted pursuant to the Nexus Study; and

WHEREAS, in order to receive funds collected by SANDAG through the TransNet Ordinance the City Council must impose and collect not less than $2,000 for each newly constructed residential housing unit beginning July 1, 2008, to mitigate the impact each unit has on the regional arterial system; and

WHEREAS, the City Council has added Chapter 15.13 to Title 15 of the El Cajon Municipal Code, adopting the San Diego County Transportation Uniform Mitigation Fee Program Ordinance of 2008 (the "Ordinance"), which approves the implementation of a monetary exaction for each newly constructed residential housing unit in the City of El Cajon; and

WHEREAS, the Ordinance provides that the City Council shall adopt a schedule of fees calculated according to the calculation methodology set forth in Table 11 of the Nexus Study.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

Section 1. Findings. The City Council hereby refers to and incorporates herein by this reference those findings set forth in section 2 of the Ordinance (section 15.13.020 of the El Cajon Municipal Code) as if set forth in full herein.

(Continued on Page 2)
Page 2 of 2, Resolution No. 24-08

Section 2. Calculation of Fees. The methodology set forth in Table 11 of the Nexus Study has been used to establish the schedule of fees set forth in this resolution.

Section 3. Schedule of Fees. For the purpose of funding those certain improvements to the regional arterial system identified in the Nexus Study, and in accordance with the Ordinance, the following schedule of fees shall be applicable to each and every non-exempt and newly constructed residential unit in the City of El Cajon:

Regional Transportation Improvement Program fee - - $2,000.00.

Section 4. Effective Date. This resolution shall become effective on the sixtieth (60th) day following its adoption (the “Effective Date”). Upon the Effective Date the fees identified and approved by this resolution shall be levied, collected and disposed of in accordance with the California Mitigation Fee Act (California Government Code section 66000 et seq.) and section 15.13.020 of the El Cajon Municipal Code in effect as of the Effective Date.

PASSED AND ADOPTED by the City Council of the City of El Cajon, California at a Regular Joint City Council/Redevelopment Agency Meeting held this 11th day of March, 2008, by the following vote to wit:

AYES : Lewis, Hanson-Cox, Kendrick, McClellan, Ramos
NOES : None
ABSENT : None
DISQUALIFY : None

MARK LEWIS
Mayor of the City of El Cajon

ATTEST:

KATHIE RUTLEDGE, CMC
City Clerk

I hereby certify that the above and forgoing is a full and true copy of Resolution No. 24-08 of the Resolutions of the City of El Cajon, California, as adopted by the City Council at the Regular Joint Meeting of the City Council/Redevelopment Agency on the 11th day of March, 2008.

Kathie Rutledge, CMC, City Clerk

3/11/08 (Item No. 3.2)
TO: Mayor and City Council Members

VIA: Phil Cotton, City Manager

FROM: Jennifer Smith, Finance Director


BACKGROUND:
In November 2004, voters approved Proposition A to extend the TransNet half-cent sales tax for transportation projects through the year 2048. The TransNet program is administered by the regional planning agency, San Diego Association of Governments (SANDAG). The TransNet Extension is governed by SANDAG Commission Ordinance 04-01, TransNet Extension Ordinance and Expenditure Plan. Ordinance 04-01 establishes a Regional Transportation Congestion Improvement Program (RTCIP), which is intended to ensure that future development will contribute its share toward funding and mitigating new traffic impacts on the Regional Arterial System (See Attachment 1). Section 9 of TransNet Extension Ordinance requires that local jurisdictions establish a program or mechanism to exact $2,000 per new residential unit for the purpose of funding the RTCIP, to be referred to as the “RTCIP Funding Program.” Local jurisdictions must comply with this requirement in order to receive their fair share of TransNet funding, which is currently about $1.8 million annually for the City of Encinitas.

ANALYSIS:
Fees collected under the RTCIP Funding Program must be used exclusively to fund eligible improvements on the City’s Regional Arterial System as approved by SANDAG. Regional roadways in Encinitas include El Camino Real, portions of Encinitas Blvd., Coast Hwy. 101, La Costa Ave., Leucadia Blvd., portions of Manchester Ave., Olivenhain Rd., and Rancho Santa Fe Rd. Eligible improvements include congestion relief projects such as new arterial roadway lanes, turning lanes, traffic signal interconnect and other traffic improvements, reconfigured freeway-arterial interchanges, and railroad grade separations. The Regional Arterial System Improvements and estimated costs for the City of Encinitas are listed in Attachment 2.

SANDAG has completed a RTCIP Nexus Study to satisfy the legal requirements governing development impact fees in California. The purpose of the study was to provide a single nexus
analysis that all jurisdictions in the San Diego region could use as a basis for adopting an impact fee that could be used to fulfill their required contribution to the RTCIP. The nexus study conducted by SANDAG establishes the maximum fee threshold for those agencies relying on the study as the basis for their fee.

Local agencies that already collect a traffic mitigation fee and apply those funds to improvements on the Regional Arterial System, may receive a credit for the required exaction. The minimum required exaction under Section 9 of the TransNet Ordinance is $2,000 per new residential unit. The maximum fee allowed per the Nexus Study exceeds $2,000 per new residential unit in all cases.

The City of Encinitas currently has a Traffic Mitigation Impact Fee program that meets some of the requirements of Section 9 of the TransNet Ordinance as summarized below:

<table>
<thead>
<tr>
<th></th>
<th>SANDAG Requirement under Section 9 of the TransNet Ordinance</th>
<th>Maximum Fee Allowed per the RTCIP Impact Fee Nexus Study</th>
<th>City of Encinitas Current Traffic Mitigation Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Residential</td>
<td>$2,000</td>
<td>$3,552</td>
<td>$2,225</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>$2,000</td>
<td>$3,552</td>
<td>$2,670</td>
</tr>
<tr>
<td>Multi-Family &gt;20DU/acre*</td>
<td>$2,000</td>
<td>$2,842</td>
<td>$1,780</td>
</tr>
<tr>
<td>Multi-Family &lt;20DU/acre*</td>
<td>$2,000</td>
<td>$2,842</td>
<td>$1,202</td>
</tr>
<tr>
<td>Mobile Home*</td>
<td>$2,000</td>
<td>$2,842</td>
<td>$1,224/$668</td>
</tr>
<tr>
<td>Retirement Community*</td>
<td>$2,000</td>
<td>$2,842</td>
<td>$623</td>
</tr>
<tr>
<td>Congregate Care Facility*</td>
<td>$2,000</td>
<td>$2,842</td>
<td>$356</td>
</tr>
</tbody>
</table>

* Does NOT meet minimum SANDAG TransNet Extension Ordinance requirements.

The above table shows that the City meets the $2,000 exaction requirement for single-family residential and rural residential residences, but does not for multi-family, mobile home, and other residential units. Thus, to meet the mandates of RTCIP Funding Program, the City must increase the fees for multi-family, mobile home, retirement and congregate care residences to $2,000 per unit and may increase all categories to the maximum fee allowed per the RTCIP Impact Fee Nexus Study. The exaction required by the TransNet ordinance applies only to residential development and is paid by the developer; non-residential development is not affected by these new regulations.

Low income housing is exempt from the requirements of SANDAG Commission Ordinance 04-01 requirements and therefore may be charged at the previously established City rate. Current City rates for low-income housing are less than $2,000 per unit. Staff is recommending that traffic mitigation fees for low-income housing units developed remain consistent with the fees established prior to October 2004.
In addition, Section 9 of the TransNet Ordinance requires that each year, the amount of the Traffic Mitigation Fee be increased in an amount not to exceed the percentage increase set forth by the Caltrans Construction Cost Index. Each year, an annual update report and fee schedule will be presented to the City Council for adoption.

The fees currently collected under the City’s Traffic Mitigation Fee Program (for both residential and non-residential) are deposited into a special fund (“Traffic Mitigation Fee Fund”) to be used for eligible projects on the City’s Circulation Element Roadways. Under this new program, those fees collected on behalf of the RTCIP Funding Program would need to be segregated into yet another fund to be used specifically for Regional Arterial System projects, which are a subset of the City’s Circulation Element. The City must also collect a 1% administration fee ($20/unit) to be submitted to SANDAG for the cost of implementing the program. The administration fee, must be collected on all residential units, since all will contribute to the RTCIP Funding Program. With the exception of the administration fee, all fees collected would remain with the City to be spent on Regional Arterial System projects and audited by SANDAG each year.

All public meeting noticing requirements for these proposed actions have been satisfied.

**FISCAL AND STAFF IMPACTS:**

This new requirement will segregate the first $2,000 collected in traffic mitigation fees from each new residential unit into a separate fund called the “RTCIP Fund.” Thus, the traffic mitigation fee collected on a new single family residence would be allocated as follows:

<table>
<thead>
<tr>
<th>Fee Description</th>
<th>Amount</th>
<th>Fund Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Traffic Mitigation Fee (per unit)</td>
<td>$2,000</td>
<td>RTCIP Fund (new fund)</td>
</tr>
<tr>
<td>City Traffic Mitigation Fee (per unit)</td>
<td>$225</td>
<td>Traffic Fund (Fund 233)</td>
</tr>
<tr>
<td><strong>TOTAL TRAFFIC MIT FEE</strong></td>
<td><strong>$2,225</strong></td>
<td>(No change to total fee)</td>
</tr>
<tr>
<td>Administrative Fee due to SANDAG</td>
<td>$20</td>
<td>(pass-through)</td>
</tr>
</tbody>
</table>

The additional revenues generated by the proposed increase to certain residential units is anticipated to be minimal; however the total amount anticipated to be separated into the RTCIP Funding Program is approximately $120,000 annually, based on the assumption of 60 new residential units per year.

**RECOMMENDATION:**


**ATTACHMENTS:**

Attachment 1: SANDAG Ordinance 04-01, Transnet Extension Ordinance and Expenditure Plan, Chapter 9
Attachment 2: City of Encinitas Regional Arterial System Improvements
Attachment 3: RTCIP Impact Fee Nexus Study
Attachment 4: Ordinance 2008-08
Attachment 5: Resolution 2008-19

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## ENCINITAS' REGIONAL ARTERIAL SYSTEM IMPROVEMENTS

<table>
<thead>
<tr>
<th>STREET</th>
<th>IMPROVEMENT/LOCATION</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANCHESTER AVE.</td>
<td>WIDEN TO 6 LANES FROM I-5 TO EL CAMINO REAL</td>
<td>$3,800,000</td>
</tr>
<tr>
<td>ENCINITAS BLVD.</td>
<td>WIDEN TO 6 LANES VIA CANTEBRIA TO CALLE MAGDALENA</td>
<td>$8,100,000</td>
</tr>
<tr>
<td>LA COSTA AVE.</td>
<td>WIDEN TO 4 LANES FROM COAST HIGHWAY 101 TO I-5</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>ENCINITAS BLVD./I-5 INTERCHANGE</td>
<td>RECONSTRUCT INTERCHANGE</td>
<td>$75,400,000</td>
</tr>
<tr>
<td>MANCHESTER AVE./I-5 INTERCHANGE</td>
<td>RECONSTRUCT INTERCHANGE</td>
<td>$55,000,000</td>
</tr>
<tr>
<td>EL CAMINO REAL/ENCINITAS BLVD.</td>
<td>ADD NBR, SBR, EBR, &amp; WBR TURN LANES AT INTERSECTION</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>EL CAMINO REAL/MOUNTAIN VISTA DR.</td>
<td>ADD NBR TURN LANE AT INTERSECTION</td>
<td>$880,000</td>
</tr>
<tr>
<td>MANCHESTER AVE./EL CAMINO REAL</td>
<td>ADD WBL TURN LANE ON MANCHESTER AVE @ INTERSECTION</td>
<td>$530,000</td>
</tr>
<tr>
<td>COAST HWY. 101</td>
<td>ADD 2ND SBL TURN LANE AT ENCINITAS BLVD</td>
<td>$500,000</td>
</tr>
<tr>
<td>TRAFFIC SIGNALS</td>
<td>FIVE LOCATIONS NOT YET DETERMINED</td>
<td>$750,000</td>
</tr>
<tr>
<td>EL CAMINO REAL</td>
<td>WIDEN TO 6 LANES FROM SOUTH OF SANTA FE TO MANCHESTER</td>
<td>$5,410,000</td>
</tr>
<tr>
<td>LEUCADIA BLVD.-PHASE II</td>
<td>INSTALL SECOND PHASE OF ROUNDABOUTS ON LEUCADIA BLVD.</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>RAIL GRADE SEPARATIONS</td>
<td>GRADE SEPARATED VEHICULAR CROSSING AT LEUCADIA BLVD.</td>
<td>$160,000,000</td>
</tr>
</tbody>
</table>

$324,970,000
ORDINANCE 2008-08

AN ORDINANCE OF THE CITY OF ENCINITAS, CALIFORNIA AMENDING CHAPTER 23.94 REGARDING TRAFFIC MITIGATION FEES

WHEREAS, pursuant to Ordinance 91-24 and Ordinance 2000-08, the City has been collecting traffic mitigation fees to be used for constructing transportation facilities to accommodate increased traffic generated by new development within the City.

WHEREAS, the voters of the County of San Diego approved Proposition A to extend the TransNet half-cent sales tax for transportation projects.

WHEREAS, the San Diego Association of Government (SANDAG) administers the TransNet Program for the San Diego County region and establishes the regulations governing the TransNet Program;

WHEREAS, SANDAG Commission Ordinance 04-01, TransNet Extension Ordinance and Expenditure Plan, Chapter 9 requires that each local agency in the San Diego region contribute exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the Regional Transportation Congestion Improvement Program (RTCIP);

WHEREAS, these exactions are intended to ensure that 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 SANDAG’s Regional Transportation Plan.

WHEREAS, SANDAG Commission Ordinance 04-01 requires that 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;

WHEREAS, SANDAG Commission Ordinance 04-01 requires that the City of Encinitas also collect an administrative fee in an amount not to exceed 1% of the required exaction to be submitted to SANDAG for the costs of the administration of the San Diego County Regional Transportation Commission Act;

WHEREAS, SANDAG commissioned a RTCIP Impact Fee Nexus Study to help satisfy the legal requirements governing development impact fees in California;

WHEREAS, the RTCIP Impact Fee Nexus Study demonstrates a reasonable nexus between the collection of fees, the need for facilities created by new development, and the expenditure of fee revenues to benefit new development and establishes a maximum fee threshold that exceeds the minimum exaction required by SANDAG Commission Ordinance 04-01;

WHEREAS, the City of Encinitas currently has a Traffic Mitigation Fee Program as established by Municipal Code Chapter 23.94;
WHEREAS, modifications to the City of Encinitas Traffic Mitigation Fee Program are required to meet the requirements of SANDAG Commission Ordinance 04-01;

WHEREAS, the Finance Director is directed to establish a fund for the purposes of segregating fees collected pursuant to the requirements of SANDAG Commission Ordinance 04-01 and the RTCIP (exactions and administrative fees) and the interest collected thereupon and to authorize expenditures for only those projects, bond payments or other construction activities set forth in the Regional Transportation Plan and City of Encinitas Regional Arterial System Improvement Program;

NOW THEREFORE, the City Council of the City of Encinitas, California does ordain as follows:

SECTION ONE:

That Chapter 23.94 of the Municipal Code is amended to read as follows:

SEE ATTACHMENT A

SECTION TWO:

This ordinance was introduced on March 12, 2008.

SECTION THREE:

Time Limit for Judicial Action. Any judicial action or proceeding to attack, review, set aside, void or annul this ordinance shall be brought within the time period pursuant to California Government Code Section 66020 after the effective date of this Ordinance. Pursuant to Section 66020(d)(1), the ninety day period in which parties may protest begins upon the effective date of the Ordinance.

SECTION FOUR:

This Ordinance was adopted at a noticed public hearing at which time the City Council considered the SANDAG-Commissioned RTCIP Impact Fee Study and related information. The fees established by this Ordinance shall apply to the issuance of any building permit issued sixty (60) days following this Ordinance's adoption. The City Clerk is directed to prepare and have published a summary of this ordinance together with the votes cast no less than five days prior to the consideration of its adoption and again 1 day following adoption, indicating votes cast.
PASSED AND ADOPTED this 26th day of March, 2008, by the following vote to wit:

AYES: Barth, Bond, Dalager, Houlihan, Stocks.
NAYS: None.
ABSTAIN: None.
ABSENT: None.

[Signature]
Jerome Stocks, Mayor of the City of Encinitas, California

ATTESTATION AND CERTIFICATE:
I hereby certify that this is a true and correct copy of Ordinance No. 2008-08, which has been published pursuant to law.

[Signature]
Deborah Cervone, City Clerk

I, Deborah Cervone, City Clerk of the City of Encinitas, California do hereby certify under penalty of perjury that the above and foregoing is a true and correct copy of this document on file in my office. In witness whereof, I have set my hand and the Seal of the City of Encinitas this 27th day of March, 2008.

[Signature]
Deborah Cervone, City Clerk
ATTACHMENT A
TO ORDINANCE 2008-08

CHAPTER 23.94

TRAFFIC MITIGATION FEE

23.94.010 Purpose. In order to implement the goals and objectives of the Circulation Element of the City of Encinitas' General Plan and the San Diego Association of Government's (SANDAG) Regional Transportation Plan (Ord. 2008-08), and to mitigate the impacts caused by new development in the City, certain traffic facilities must be constructed. The City Council has determined that a development impact fee is needed in order to finance these public improvements, and to pay for the development's fair share of the construction of these improvements. It is the purpose of this Chapter to impose on persons developing real property a requirement to pay a fee to provide for the traffic facilities needed to serve the development. In establishing the fee described in the following sections, the City Council has found the fee to be consistent with the City's General Plan, and pursuant to Government Code Section 65913.2, the City has considered the effects of the fee with respect to the City's housing needs as established in the Housing Element of the General Plan. (Ord. 91-24).

23.94.020 Requirement.

A. The traffic mitigation fee shall be determined by the City Engineer, and satisfied by the applicant as a condition of approval of the development project. If the new development is in a new subdivision as defined by Government Code Section 66424, the fee shall be paid by the applicant during the subdivision processing as a condition of the approval of the proposed final or parcel map; or at the subdivider's option, a covenant may be executed burdening each lot for a prorata share of the fee, due as a condition of the issuance of a building permit. If the development is not in a new subdivision, the fee shall be paid by the applicant as a condition of the granting of a building permit for the proposed development.

B. In accordance with Government Code Section 66007, in the case of residential development the City shall only require the applicant to satisfy the fee requirement as a condition of approval of the development prior to the issuance of a certificate of occupancy. Unless the fees are reimbursement to the City for expenditures previously made, the fees will be payable to the City and placed in a separate account to fund the construction for the needed public improvements or facilities resulting from the development.
C. The City may allow a credit in the amount based upon the value of on and off-site road improvements constructed by the developer and dedicated to the City which provide facilities as specified in the City's Transportation Element, and for which the fee could be used in accordance with the provisions of this Chapter.

D. The fees imposed by this Chapter shall not be considered to be in lieu of the dedications of land adjacent to the development and adjacent road improvements which are required to be constructed by the developer by the City's requirements as specified in the Encinitas Municipal Code.

23.94.030 Exemptions. The following development is exempt from the regulations of this Chapter: (Ord. 2000-08).

A. Construction for public or governmental purposes;

B. Replacement or remodels of existing residential structures which do not add new units; or

C. Residential accessory units as defined in Municipal Code Section 30.48.040V.

23.94.040 Use of Funds.

A. The fees received in accordance with this Chapter shall be used solely for the construction and reconstruction of Circulation Element streets and traffic facilities developed in conjunction with the new development.

B. Fees paid pursuant to this Chapter shall be deposited in an account identified as the "Traffic Mitigation Fee Fund," except for exactions and administrative fees collected pursuant to SANDAG Commission Ordinance 04-01, Transnet Extension Ordinance and Expenditures Plan, which shall be deposited into an account identified as the Regional Transportation Congestion Improvement Program Fund. (Ord. 2008-08).

23.94.050 Residential Development.

A. A person seeking to construct a residential development project shall pay a traffic mitigation fee of $2,225.00 per peak hour trip generated by the residential development project, but no less than the minimum required exaction per unit established pursuant to SANDAG Ordinance 04-01, TransNet Extension Ordinance and Expenditure Plan, unless exempt (Ord. 2008-08). To determine peak-hour-trips generated by residential development, the City Engineer, or his/her
designee, will refer to the City’s most current schedule of peak-hour-trips, which is established by Resolution of the City Council and revised periodically. Residential development that is exempt from SANDAG Ordinance 04-01 shall pay a traffic mitigation fee of $2,225.00 per peak hour trip generated by the residential development project. (Ord. 2000-08).

B. A person seeking to construct a residential development project shall also pay an administrative fee of 1% of the minimum required exaction per unit as established pursuant to SANDAG Ordinance and Expenditure Plan. (Ord. 2008-08).

23.94.060 Other Development

A. A person seeking to construct a non-residential development project shall pay a traffic mitigation fee of $2,225.00 per peak hour trip generated by the non-residential development project. Where relevant to the fee, the square footage of the proposed development project will be based on the gross square footage within the structure. If applicable to the specific development, the peak-hour-trips will be reduced by a factor that is based upon the number of pass-by-trips. The fee shall be determined as follows: (Ord. 2000-08).

$2,225.00 \times \text{peak-hour-trips} \times \text{reduction factor} = \text{total fee for pass-by-trips if applicable}

B. If the proposed project will not fully develop the proposed lot, then a prorated fee shall be paid, and a covenant shall be executed agreeing to pay an additional fee for all future development which expands the coverage development of the lot. If a general plan amendment changes the density for designation of use for the subject lot, the calculation of the fee for subsequent development will be determined in accordance with the then existing General Plan designation.

C. To determine peak-hour-trips generated by non-residential development, the City Engineer, or his/her designee, will refer first to the City’s most current schedule of peak-hour-trips and reduction factors, which is established by Resolution of the City Council and revised periodically. If the specific proposed use is not identified on this schedule, the City Engineer, or his/her designee, will refer to the San Diego Association of Government’s (SANDAG) most recent “Traffic Generators’ Manual’s (Not So) Brief Guide of Vehicular Traffic Generation Rates for San Diego Region.” If the peak hour and applicable reduction factor data is absent from both of these schedules, the applicant will be required to submit a traffic study or other relevant factual data which demonstrates the traffic impacts of the development to the satisfaction of the City Engineer. (Ord. 2000-08).
23.94.070 Fee Adjustment. A developer of any project subject to the fee described in this Chapter may apply to the City Engineer for a reduction or adjustment of said fee based upon the absence of any reasonable relationship or nexus between the traffic impacts of that development and the amount of the fee charged. The application shall state in detail the factual basis for the claim of waiver or reduction, and shall be accompanied by a traffic study demonstrating that the cost of mitigating the traffic impacts of the development is less than the amount of the fee charged for the development. The application shall be made in writing to the City Engineer at the time of the filing of the request for a final or parcel map, or a building permit, and shall bear the seal of a traffic engineer licensed by the State of California. The City Engineer shall consider the fee adjustment application within 30 days of the filing of the application. If a reduction or waiver is granted, any subsequent change in use which results in an increase in peak-hour-trips or pass-by-trip reduction factors within the project shall subject the development to payment of the full fee. (Ord. 2000-08).
RESOLUTION 2008-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ENCINITAS ESTABLISHING TRAFFIC MITIGATION FEES FOR RESIDENTIAL DEVELOPMENT

WHEREAS, the City Council of the City of Encinitas adopted Ordinance 2008-08 amending Chapter 23.94 of the Municipal Code regarding Traffic Mitigation Fees on March 26, 2008, and

WHEREAS, Ordinance 2008-08 required modifications to the Traffic Mitigation Fee Schedule for residential development,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Encinitas, California, to adopt the following Traffic Mitigation Fees which supersede all previously adopted Traffic Mitigation Fees for residential development:

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Traffic Mitigation Fee</th>
<th>Admin Fee</th>
<th>Low Income Rate (Previous City Fee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (per dwelling unit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Residential</td>
<td>$2,670</td>
<td>$20</td>
<td>$2,670</td>
</tr>
<tr>
<td>Single Family</td>
<td>$2,225</td>
<td>$20</td>
<td>$2,225</td>
</tr>
<tr>
<td>Multi-family (Condominium)</td>
<td>$2,000</td>
<td>$20</td>
<td>$1,780</td>
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<tr>
<td>Multi-family (Apartments)</td>
<td>$2,000</td>
<td>$20</td>
<td>$1,202</td>
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<tr>
<td>Mobile Home (Family)</td>
<td>$2,000</td>
<td>$20</td>
<td>$1,224</td>
</tr>
<tr>
<td>Mobile Home (Adults Only)</td>
<td>$2,000</td>
<td>$20</td>
<td>$668</td>
</tr>
<tr>
<td>Retirement Community</td>
<td>$2,000</td>
<td>$20</td>
<td>$623</td>
</tr>
<tr>
<td>Congregate Care Facility</td>
<td>$2,000</td>
<td>$20</td>
<td>$356</td>
</tr>
</tbody>
</table>

PASSED AND ADOPTED this 26th day of March, 2008, by the following vote to wit:

AYES: Barth, Bond, Dalager, Houlihan, Stocks.
NAYS: None.
ABSTAIN: None.
ABSENT: None.

Jerome Stocks, Mayor of the City of Encinitas, California

ATTESTATION:

Deborah Cervone, City Clerk

Deborah Cervone, City Clerk
TO: Honorable Mayor and Members of the City Council

FROM: Ed Domingue, Director of Engineering Services

SUBJECT: REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) AND REVISED TRAFFIC IMPACT FEE SCHEDULE

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2008-10R approving a revised Traffic Impact Fee schedule and directing staff to participate in the RTCIP program as administered by SANDAG.

FISCAL ANALYSIS:

A review of the last seven fiscal years shows that traffic impact fees collected annually by the City ranged from $171,000 to $952,000 with an average of $599,000 over the seven year period. The wide variation relates directly to building permit activity from year to year. These annual amounts do not include the value of several major roadway improvement projects undertaken pursuant to development agreements over this period.

Failure to participate in the RTCIP program as administered by SANDAG will jeopardize the City’s entitlement to the City’s share of Transnet funds from the Transnet Extension Ordinance. The City’s share is estimated to be $3,022,000 in FY 2008/2009 and is expected to increase annually over the 40-year life of the measure.

PREVIOUS ACTION:

This matter was considered at the April 2, 2008 City Council meeting at which time City staff recommended increasing the current traffic impact fee of $1,693 per single family dwelling unit (SFD) established in 1997 to $4,200 per SFD through the application of a Caltrans construction cost index.

BACKGROUND:

At the April 2nd City Council meeting, Council considered the information in the staff report and the staff recommendation, together with public testimony, and directed staff to return with a revised resolution setting the traffic impact fee at $2,850 per SFD which is the equivalent of $285 per average daily trip for each single family residential unit. At the same time, City Council directed staff to leave the non-residential traffic fee at the current level of $42 per trip and to discontinue the current traffic
fee surcharge of $50 per trip in the General Plan Tier II & III areas. Further, City Council directed staff to include language in the revised resolution approving the City’s participation in the RTCIP program as administered by SANDAG.

To participate in the RTCIP program, $2,000 of the SFD traffic fee must be accounted for separately and expended on eligible Regional Arterial System (RAS) roadway projects. The balance of $850 per SFD can be expended on any Escondido Circulation Element roadway similar to the traffic fees that are currently being collected today.

Other residential uses must be charged the same $2,000 per residential unit, regardless of the trip generation rate for each type of dwelling unit, to conform to the RTCIP program. The local portion of the proposed traffic fee for other residential uses, apartments, townhomes, mobile homes, etc., are prorated based on trip generation rates for each particular residential land use. The revenue generated by these other residential uses must also be accounted for separately between RAS system improvements and other Circulation Element street projects in Escondido similar to the SFD traffic fee.

The funds accrued from the collection of traffic fees from non-residential land uses, commercial, office, industrial, etc., do not need to be proportioned between RAS streets and non-RAS streets and therefore can be expended on any Escondido Circulation Element street project that increases capacity.

The attached Resolution No. 2008-10R has been prepared to implement Council direction from the April 2nd Council meeting with the clarifications described above.

Respectfully submitted,

Robb Zaino
Deputy Director of Public Works

Fred Luedtke
Department Specialist
RESOLUTION NO. 2008-10R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, INCREASING CITY-WIDE TRAFFIC IMPACT FEES AND APPROVING THE CITY OF ESCONDIDO'S PARTICIPATION IN THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM ADMINISTERED BY SANDAG

WHEREAS, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan Extension 04-01 (TransNet Extension Ordinance); and

WHEREAS, the TransNet Extension Ordinance provides that each local agency must participate in the Regional Transportation Congestion Improvement Program (RTCIP) by collecting a developer exaction of at least $2,000 for each residential dwelling unit permitted by the agency to be eligible for the agency's local share of TransNet Extension Ordinance funds; and

WHEREAS, the RTCIP developer exaction of $2,000 per dwelling unit for residential permits issued by the local agency is required to be spent on the SANDAG approved Regional Arterial System (RAS) of the 2030 Regional Transportation Plan; and

WHEREAS, at a public hearing on October 1, 1997, City Council considered Development Fees and Quality of Life Standards which included a comprehensive nexus study for traffic impact fees for the City of Escondido; and

WHEREAS, on October 22, 1997, City Council adopted Resolution No. 97-236 approving revised traffic impact fees for residential and non-residential permits in the
City of Escondido consistent with the comprehensive nexus study considered on October 1, 1997; and

WHEREAS, on April 2, 2008, City Council considered a staff report and recommendation regarding the Regional Transportation Congestion Improvement Program and City-wide traffic impact fees, together with public testimony, and gave further direction to staff regarding traffic impact fees for residential and non-residential permits in the City of Escondido; and

WHEREAS, the Director of Engineering Services recommends the traffic fees adopted by City Council in 1997 be increased in accordance with Council direction given at the April 2, 2008 meeting:

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 accepts the recommendation of the Director of Engineering Services.

3. That, effective on July 1, 2008, the traffic fees for residential permits issued by the City shall be increased to the amounts shown in Exhibit “A” attached to this resolution and incorporated by this reference.

4. That the current traffic fee of $42 per trip for non-residential permits shall remain at current levels which are also shown in attached Exhibit “A”.

5. That, effective on July 1, 2008, the traffic impact fee surcharge of $50 per trip for residential permits and $12.50 per trip for non-residential permits in General Plan Tier II and III Areas shall be discontinued.
6. That, beginning July 1, 2008, the City Council certifies that the City of Escondido will participate in the RTCIP program of the TransNet Extension Ordinance, as administered by SANDAG, by collecting and accounting for a traffic fee of $2,000 for each residential unit from each residential building permit issued in the City of Escondido.

7. That funds collected by the City pursuant to the RTCIP program shall be spent solely on eligible improvements to the RAS system of the 2030 Regional Transportation Plan.
## RESIDENTIAL

<table>
<thead>
<tr>
<th>Type</th>
<th>RCTIP Portion</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Local Portion</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Dwelling Unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>$2,000</td>
<td>$85</td>
<td>10</td>
<td>$850</td>
<td>$2,650</td>
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<tr>
<td>Duplex</td>
<td>$2,000</td>
<td>$85</td>
<td>10</td>
<td>$850</td>
<td>$2,650</td>
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<tr>
<td>Triplex</td>
<td>$2,000</td>
<td>$85</td>
<td>6</td>
<td>$510</td>
<td>$2,510</td>
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<tr>
<td>Apartment</td>
<td>$2,000</td>
<td>$85</td>
<td>6</td>
<td>$510</td>
<td>$2,510</td>
</tr>
<tr>
<td>Senior Apartment</td>
<td>$2,000</td>
<td>$85</td>
<td>5</td>
<td>$425</td>
<td>$2,425</td>
</tr>
<tr>
<td>Condo/Townhouse</td>
<td>$2,000</td>
<td>$85</td>
<td>8</td>
<td>$680</td>
<td>$2,680</td>
</tr>
<tr>
<td>Mobile home - Family</td>
<td>$2,000</td>
<td>$85</td>
<td>5</td>
<td>$425</td>
<td>$2,425</td>
</tr>
<tr>
<td>Mobile home - Adult</td>
<td>$2,000</td>
<td>$85</td>
<td>3</td>
<td>$255</td>
<td>$2,255</td>
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<tr>
<td>Retirement Community</td>
<td>$2,000</td>
<td>$85</td>
<td>4</td>
<td>$340</td>
<td>$2,340</td>
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</table>

## LODGING

<table>
<thead>
<tr>
<th>Per Room</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel w/ Convention/Restaurant</td>
<td>$42</td>
<td>10</td>
<td>$420</td>
</tr>
<tr>
<td>Motel</td>
<td>$42</td>
<td>9</td>
<td>$378</td>
</tr>
<tr>
<td>Resort Hotel</td>
<td>$42</td>
<td>8</td>
<td>$336</td>
</tr>
</tbody>
</table>

## COMMERCIAL/RETAIL

<table>
<thead>
<tr>
<th>Per 1,000 SF of Building Area</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Regional Center</td>
<td>$42</td>
<td>35</td>
<td>$1,470</td>
</tr>
<tr>
<td>&gt;80 Acre, &gt;800K SF, 3+ Majors</td>
<td>$42</td>
<td>50</td>
<td>$2,100</td>
</tr>
<tr>
<td>Regional Center</td>
<td>$42</td>
<td>50</td>
<td>$2,100</td>
</tr>
<tr>
<td>40-80 Acre, 400K-900K SF, 2+ Majors</td>
<td>$42</td>
<td>80</td>
<td>$3,360</td>
</tr>
<tr>
<td>Community Shopping Center</td>
<td>$42</td>
<td>80</td>
<td>$3,360</td>
</tr>
<tr>
<td>15-40 Acre, 125K-400K SF, 1+ Major</td>
<td>$42</td>
<td>120</td>
<td>$5,040</td>
</tr>
<tr>
<td>Neighborhood Shopping Center</td>
<td>$42</td>
<td>120</td>
<td>$5,040</td>
</tr>
<tr>
<td>&gt;15 Acre, &gt;125K SF, Groc, Drug, etc.</td>
<td>$42</td>
<td>40</td>
<td>$1,680</td>
</tr>
<tr>
<td>Specialty Retail/Strip Commercial</td>
<td>$42</td>
<td>40</td>
<td>$1,680</td>
</tr>
<tr>
<td>Supermarket</td>
<td>$42</td>
<td>150</td>
<td>$6,300</td>
</tr>
<tr>
<td>Convenience Market, 15-16 Hours</td>
<td>$42</td>
<td>500</td>
<td>$21,000</td>
</tr>
<tr>
<td>Convenience Market, 24 Hours</td>
<td>$42</td>
<td>700</td>
<td>$29,400</td>
</tr>
<tr>
<td>Convenience Market, w/ Gas Pump</td>
<td>$42</td>
<td>850</td>
<td>$35,700</td>
</tr>
<tr>
<td>Discount Club/Store</td>
<td>$42</td>
<td>60</td>
<td>$2,520</td>
</tr>
<tr>
<td>Furniture Store</td>
<td>$42</td>
<td>6</td>
<td>$252</td>
</tr>
<tr>
<td>Lumber Store</td>
<td>$42</td>
<td>30</td>
<td>$1,250</td>
</tr>
<tr>
<td>Hardware/Paint Store</td>
<td>$42</td>
<td>60</td>
<td>$2,520</td>
</tr>
<tr>
<td>Garden Nursery</td>
<td>$42</td>
<td>40</td>
<td>$1,680</td>
</tr>
</tbody>
</table>

## OFFICES

<table>
<thead>
<tr>
<th>Per 1,000 SF of Building Area</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Comm Office, &lt;100K SF</td>
<td>$42</td>
<td>20</td>
<td>$840</td>
</tr>
<tr>
<td>Large High Rise Office, &gt;100K SF</td>
<td>$42</td>
<td>17</td>
<td>$714</td>
</tr>
<tr>
<td>Single Tenant Office</td>
<td>$42</td>
<td>14</td>
<td>$568</td>
</tr>
<tr>
<td>Corporate Headquarters</td>
<td>$42</td>
<td>7</td>
<td>$294</td>
</tr>
<tr>
<td>Government</td>
<td>$42</td>
<td>30</td>
<td>$1,280</td>
</tr>
<tr>
<td>Medical/Dental</td>
<td>$42</td>
<td>50</td>
<td>$2,100</td>
</tr>
</tbody>
</table>

## FINANCIAL

<table>
<thead>
<tr>
<th>Per 1,000 SF of Building Area (or as noted)</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank, Walk-in Only</td>
<td>$42</td>
<td>150</td>
<td>$5,300</td>
</tr>
<tr>
<td>Bank, With Drive Thru</td>
<td>$42</td>
<td>200</td>
<td>$5,400</td>
</tr>
<tr>
<td>Bank, Drive Thru Only (per lane)</td>
<td>$42</td>
<td>250</td>
<td>$10,500</td>
</tr>
<tr>
<td>Savings &amp; Loan</td>
<td>$42</td>
<td>60</td>
<td>$2,520</td>
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<tr>
<td>Savings &amp; Loan, Drive Thru Only (per lane)</td>
<td>$42</td>
<td>100</td>
<td>$4,200</td>
</tr>
</tbody>
</table>

Note: all trip rates from SANDAG's Guide of Vehicular Traffic Generation Rates for the SD Region.
## EXHIBIT A - TRAFFIC IMPACT FEE SCHEDULE

### INDUSTRIAL
Per 1,000 SF of Building Area

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Business Park - Comm Included</td>
<td>$42</td>
<td>16</td>
<td>$672</td>
</tr>
<tr>
<td>Industrial Park - No Commercial</td>
<td>$42</td>
<td>8</td>
<td>$335</td>
</tr>
<tr>
<td>Industrial Plant - Multiple Shifts</td>
<td>$42</td>
<td>10</td>
<td>$420</td>
</tr>
<tr>
<td>Manufacturing/Assembling</td>
<td>$42</td>
<td>4</td>
<td>$168</td>
</tr>
<tr>
<td>Warehousing</td>
<td>$42</td>
<td>5</td>
<td>$210</td>
</tr>
<tr>
<td>Storage</td>
<td>$42</td>
<td>2</td>
<td>$84</td>
</tr>
<tr>
<td>Science, Research &amp; Development</td>
<td>$42</td>
<td>8</td>
<td>$335</td>
</tr>
</tbody>
</table>

### AUTOMOTIVE
Per 1,000 SF of Building Area (or as noted)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Wash, Automatic (per site)</td>
<td>$42</td>
<td>900</td>
<td>$37,800</td>
</tr>
<tr>
<td>Car Wash, Self-serve (per wash stall)</td>
<td>$42</td>
<td>100</td>
<td>$4,200</td>
</tr>
<tr>
<td>Gas Station, w/ Food Mart (per fueling space)</td>
<td>$42</td>
<td>150</td>
<td>$6,720</td>
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<tr>
<td>Gas Sta, w/ Food &amp; Car Wash (per fuel space)</td>
<td>$42</td>
<td>155</td>
<td>$6,510</td>
</tr>
<tr>
<td>Older Service Station Design (per fuel space)</td>
<td>$42</td>
<td>150</td>
<td>$6,300</td>
</tr>
<tr>
<td>Auto Sales, Dealer and Repair</td>
<td>$42</td>
<td>50</td>
<td>$2,100</td>
</tr>
<tr>
<td>Auto Repair Center</td>
<td>$42</td>
<td>20</td>
<td>$840</td>
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### RECREATIONAL
Per 1,000 SF of Building Area (or as noted)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>RV Park (per space)</td>
<td>$42</td>
<td>6</td>
<td>$252</td>
</tr>
<tr>
<td>Bowling Center (per lane)</td>
<td>$42</td>
<td>30</td>
<td>$1,260</td>
</tr>
<tr>
<td>Campground (per campsite)</td>
<td>$42</td>
<td>4</td>
<td>$168</td>
</tr>
<tr>
<td>Golf Course (per acre)</td>
<td>$42</td>
<td>7</td>
<td>$254</td>
</tr>
<tr>
<td>Racquetball/Health Club</td>
<td>$42</td>
<td>30</td>
<td>$1,260</td>
</tr>
<tr>
<td>Tennis Courts (per court)</td>
<td>$42</td>
<td>30</td>
<td>$1,260</td>
</tr>
<tr>
<td>Theater (per seat)</td>
<td>$42</td>
<td>80</td>
<td>$3,360</td>
</tr>
</tbody>
</table>

### RESTAURANTS
Per 1,000 SF of Building Area

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>$42</td>
<td>100</td>
<td>$4,200</td>
</tr>
<tr>
<td>Sit Down, High Turnover</td>
<td>$42</td>
<td>160</td>
<td>$6,720</td>
</tr>
<tr>
<td>Fast Food, with Drive Thru</td>
<td>$42</td>
<td>650</td>
<td>$27,300</td>
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<tr>
<td>Fast Food, w/o Drive Thru</td>
<td>$42</td>
<td>700</td>
<td>$29,400</td>
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<tr>
<td>Delicatessen</td>
<td>$42</td>
<td>150</td>
<td>$6,300</td>
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</table>

### CHURCH
Per 1,000 SF of Building Area

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanctuary, Meeting Rooms, Offices</td>
<td>$42</td>
<td>9</td>
<td>$378</td>
</tr>
</tbody>
</table>

### EDUCATION
Per Student

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School</td>
<td>$42</td>
<td>1.3</td>
<td>$55</td>
</tr>
<tr>
<td>Middle/Junior High School</td>
<td>$42</td>
<td>1.4</td>
<td>$59</td>
</tr>
<tr>
<td>Elementary School</td>
<td>$42</td>
<td>1.6</td>
<td>$67</td>
</tr>
<tr>
<td>Day Care</td>
<td>$42</td>
<td>5</td>
<td>$210</td>
</tr>
</tbody>
</table>

### HOSPITAL & CARE FACILITIES
Per Bed

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Hospital</td>
<td>$42</td>
<td>20</td>
<td>$840</td>
</tr>
<tr>
<td>Convalescent/Nursing</td>
<td>$42</td>
<td>20</td>
<td>$840</td>
</tr>
<tr>
<td>Intermediate Care</td>
<td>$42</td>
<td>20</td>
<td>$840</td>
</tr>
<tr>
<td>Congregate Care</td>
<td>$42</td>
<td>2.5</td>
<td>$105</td>
</tr>
</tbody>
</table>

Note: all trip rates from SANDAG's Guide of Vehicular Traffic Generation Rates for the SD Region.
TO: Honorable Mayor and Members of the City Council

FROM: Edward Domingue, Acting Director of Public Works

SUBJECT: REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) IMPACT FEE NEXUS STUDY AND REVISED TRAFFIC IMPACT FEE SCHEDULE

RECOMMENDATION:

It is requested that City Council adopt Resolution No. R2008-10:

1. Adopting a revised traffic impact fee schedule adjusted for inflation from 1997 to present; and,

2. Approving the City of Escondido’s participation in the RTCIP program administered by SANDAG as part of the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (SDCRTC Ordinance 04-01) more commonly known as the Transnet Extension Ordinance approved by County of San Diego voters in November of 2004.

FISCAL ANALYSIS:

A review of the last seven fiscal years shows that traffic impact fees collected annually by the City ranged from $171,000 to $952,000 with an average of $599,000 over the seven year period. The wide variation relates directly to building permit activity from year to year. These annual amounts do not include the value of several major roadway improvement projects undertaken pursuant to development agreements over this period.

Participation in SANDAG’s RTCIP program is a prerequisite to the City’s continued collection of Transnet funds when the Transnet Extension Ordinance becomes effective on July 1, 2008. The City’s share of Transnet revenues for FY 2008/2009 and FY 2009/2010 are forecast as $3,022,000 and $3,154,000, respectively, by SANDAG staff. These annual amounts are expected to gradually increase over the 40-year life of the extended Transnet Ordinance. The first five years of the extended Transnet Ordinance is forecast to provide over $16 million of Transnet funds directly to Escondido for street CIP and maintenance projects. Failure to participate in the RTCIP program will cause our community to lose this entitlement.
PREVIOUS ACTION:

The City currently collects a traffic impact fee of $1693 per single family dwelling unit (SFD) with a surcharge of $500 per SFD in the General Plan Tier II and Tier III areas. This fee structure is based on a comprehensive nexus study conducted by City staff and approved by City Council as part of the adoption of City-wide Quality of Life standards in October of 1997.

BACKGROUND:

The original Transnet program, approved by San Diego area voters in 1987, was a 20-year program which expires in July of 2008. Recognizing the value of the original Transnet ½ cent sales tax measure, and the support for regional transportation projects that it provided, SANDAG undertook to seek an extension of the sales tax measure to become effective on July 1, 2008. This was achieved by a public election in November of 2004.

Transnet Extension Ordinance

SANDAG conducted a very sophisticated and thorough process to ascertain the opinions of the likely voters in the 2004 election and structured the Transnet Extension Ordinance to attract and appeal to as many voters as possible. A two-thirds majority was needed to enact the measure, so broad popular support and limited opposition was critical to a successful election. Consequently, in order to ensure the two-thirds voter threshold could be met and, so that stakeholders and other interested parties would endorse and publicly support the proposed extension, the Extension Ordinance was far more complex than the original measure approved in 1987. As a result, the new measure contains many new provisions related to environmental mitigation, expanded public transit, bicycle/pedestrian programs, a taxpayer oversight committee, smart growth programs, and other provisions not included in the original 1987 measure. Among these new provisions is the Regional Transportation Congestion Improvement Program (RTCIP), Section 9 of SDCRTC Ordinance 04-01, related to new development exactions. The RTCIP program was designed to address concerns of voters who feared that the extension ordinance would merely become a bailout for new development projects and who desired some provisions in the extension ordinance which ensured that new development would continue to pay a fair share toward the expansion of the regional transportation system.

SANDAG does not have authority to directly charge development exactions like traffic impact fees to new development projects in the region. However, the 18 Cities and the County of San Diego, who make up the regional body, do have that ability through local agency land use regulations. These same 18 Cities and County also operate, maintain, and develop the Regional Arterial System (RAS), a network of major arterial roadways formally adopted and recognized by SANDAG as major roadway segments critical to regional circulation supplementing the Federal Interstate and State Highway systems. The RAS network is a formal part of the 2030 Regional Transportation Plan (RTP) as
adopted by SANDAG. Figure 6.6 of the RTP, a map showing the region-wide RAS system, is attached for reference. Also enclosed is a more detailed map showing the RAS system and its relationship with the City’s Circulation Element.

Consequently, the RTCIP program targeted local agencies and the RAS system to make the desired commitment of development fees supporting regional transportation a part of the Transnet Extension Ordinance. A preliminary estimate of the RTCIP fee of $2,000 per SFD, to be enacted by each local agency in the San Diego area, was written into the Transnet Extension Ordinance as it was presented to voters in 2004. The RTCIP traffic fees collected by each local agency must be expended on some segment of the RAS system. These fees cannot be used to improve some other portion of the local agency’s street system. Any local agency that does not participate in the RTCIP program at this minimum level is not eligible for their local agency share of Transnet funds after July 1, 2008.

SANDAG Nexus Study

To legally collect a developer exaction like the RTCIP traffic fee, a local agency must prepare and approve a nexus study establishing a reasonable basis for the fee. The essence of a nexus study is to establish the developer fee or exaction based on reasonable estimates of impacts from new development and the fair share cost to improve the impacted public facility. Most local agencies, including Escondido, already collect a traffic impact fee similar to the RTCIP program. To do so, each agency must have prepared and approved a nexus study in the past to be able to collect the exactions currently in place. Some local agencies do not have a similar fee program; or, have a program that does not collect the minimum of $2,000 per SFD required by the RTCIP program. To ensure that all local agencies are able to participate in the RTCIP program, SANDAG committed to prepare a region-wide nexus study for the RAS system suitable for adoption by each local agency. Each agency can either rely on its own nexus study that allows the agency to collect the required RTCIP fees; or, can adopt the region-wide study prepared by SANDAG to facilitate the RTCIP program.

SANDAG’s RTCIP Impact Fee Nexus Study was completed in November of 2007. It is a region-wide nexus study covering all RAS roadway segments and all local agencies in the San Diego region. The November 2007 Nexus Study concludes that each new single family dwelling in the region could be assessed up to $3,552 for participation in the improvement of the RAS system. This result is based on a fee calculated to be $320 per trip and a single family unit trip rate of 11.10 daily trips per SFD. The November 2007 Nexus Study concluded that the required RTCIP fee of $2,000 per dwelling unit was justified since it was well below the calculated fair share of $3,552 per SFD. In short, by adopting the SANDAG Nexus Study, a local agency can collect a fee of up to $3,552 per SFD but must collect a fee of $2,000 per SFD to comply with the RTCIP required minimum. The required RTCIP fee of $2,000 per SFD would be adjusted annually for inflation using an appropriate construction cost index.
Fees for non-residential land uses are also computed in the SANDAG Nexus Study but collection of non-residential fees by local agencies are not mandatory to remain in compliance with the RTCIP program. The computed non-residential fees for industrial, commercial, and office/services are $2,519, $2,704, and $6,002 per 1,000 square feet of new building area, respectively.

Traffic Impact Fees in Escondido

Traffic impact fees were first enacted in Escondido in the late 1970's or early 1980's and have been revisited by City Council on a number of occasions up to October of 1997. In 1997, the City of Escondido rigorously studied all of the Quality of Life Standards of the General Plan and established a fee structure to address future needs for each type of public facility. This comprehensive review included all Circulation Element streets in our community.

The future cost to improve the entire classified street system was estimated in 1997 dollars by analyzing each roadway segment. Street widening, median improvements, right-of-way costs, bridge structures, and traffic signals were all accounted for in the study. The portion of this future improvement cost associated with new development was identified and system-wide trips associated with existing versus new development were calculated. This effort formed the basis of our nexus study and resulted in a traffic impact fee of $169 per trip. Since a trip generation rate of 10 trips per SFD was used in the study, our traffic fee for each new dwelling unit became $1,690.693 per SFD. Other land use types were assessed at the same $169 per trip using an appropriate trip generation rate for each land use. Consistent with past City Council traffic impact fee policies, the non-residential land uses were assessed at 25% of the computed rate recognizing the job creation and sales tax benefits that accrue from commercial and industrial developments. Non-residential uses therefore were assessed a fee of $42 per trip applied to an appropriate trip generation rate for each non-residential land use.

The City’s General Plan divides the community into three tier areas. Tier I is the older central portion of town where the street system is largely complete. Tiers II and Tier III are the outer areas with significantly greater needs for future circulation improvements. A map showing the three tier areas is attached for reference. Since most of the street deficiencies in 1997 were in Tier II and Tier III areas, a surcharge of $50 per trip ($500 per SFD) was assessed in these areas to advance construction of the most critical roadway segments. The traffic impact fee was then set at $2,193 ($1,693 base fee plus $500 surcharge) for each SFD in the Tier II and Tier III areas. Other residential land uses in the Tier II and Tier III areas were similarly treated with a prorated surcharge based on $50 per trip. Non-residential land uses were subject to a surcharge of $12.50 per trip, 25% of the residential rate. A complete copy of the City-wide traffic fee structure, as developed in 1997 and still in place today, is attached for reference.
The current fee structure satisfies the RTCIP program for the Tier II and Tier III areas but does not fully meet the requirements for the Tier I area. Some adjustment of the fee structure to reach the RTCIP required minimum of $2,000 per SFD will be required in the Tier I area to continue to receive Escondido's share of local Transnet funds.

Inflation of Construction Costs

With the passage of time, construction costs have increased considerably since 1997. The fee structure in place now, as developed in 1997, will no longer generate sufficient revenues to pay for the construction of the improvements upon which they were based. The fee structure has been static for ten years while construction costs have increased steadily.

Adjustments for years of inflation are commonly made through the application of a closely related index. Caltrans maintains a road and highway construction cost index, known as the California Construction Cost Index (CCI). The CCI dates back to 1972 and is updated quarterly by Caltrans based on roadway construction costs throughout the state of California. This is the index that SANDAG will most likely use when the RTCIP minimum fee of $2,000 per SFD is annually updated. The CCI index applied to the City's base fee, and $50/trip surcharge, is shown in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>CCI Index</th>
<th>Cost/trip Base Fee</th>
<th>Cost/trip w/ Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>124.8</td>
<td>$169</td>
<td>$219</td>
</tr>
<tr>
<td>1998</td>
<td>128.6</td>
<td>$174</td>
<td>$224</td>
</tr>
<tr>
<td>1999</td>
<td>139.2</td>
<td>$189</td>
<td>$239</td>
</tr>
<tr>
<td>2000</td>
<td>146.2</td>
<td>$198</td>
<td>$248</td>
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<tr>
<td>2001</td>
<td>154.1</td>
<td>$209</td>
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<td>2002</td>
<td>142.2</td>
<td>$193</td>
<td>$243</td>
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<tr>
<td>2003</td>
<td>148.6</td>
<td>$201</td>
<td>$251</td>
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<tr>
<td>2004</td>
<td>216.2</td>
<td>$293</td>
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<tr>
<td>2005</td>
<td>268.3</td>
<td>$363</td>
<td>$413</td>
</tr>
<tr>
<td>2006</td>
<td>260.6</td>
<td>$380</td>
<td>$430</td>
</tr>
<tr>
<td>2007 - Q3</td>
<td>309.9</td>
<td>$420</td>
<td>$470</td>
</tr>
</tbody>
</table>

The table shows that if adjusted for inflation, the $169 per trip base fee becomes $420 per trip and the base fee with the $50/trip surcharge added, $219 per trip, becomes $470 per trip. The equivalent fee per SFD becomes $4,200 for the base fee and $4,700 for the base fee with the surcharge. This table has been converted to the following line chart to graphically illustrate the effects of inflation:
This graphic representation of the CCI over time shows fairly benign inflation from 1997 to 2003. Since 2003 construction costs have risen dramatically. Construction costs for the 2003 to 2007 period have essentially doubled.

Reconciling Current Traffic Impact Fees with the RTCIP Program

Escondido could continue to rely on the traffic impact fee nexus study and traffic impact fee schedule as established in 1997, and comply with the RTCIP program, simply by adjusting the 1997 fee ($169 per trip) to reflect 2007 construction costs ($420 per trip) through the application of the CCI index; and, by accounting for the RTCIP portion of the newly adjusted fee separately from the balance of the collected fees. Using this approach, each SFD would be assessed a traffic impact fee of $4,200; and, $2,000 of the collected fee would be accounted for separately and expended only on RAS system CIP projects. The balance of $2,200 per SFD could be spent on other circulation element roadways and capacity increasing projects just as the current fee is used today. Other residential uses, like mobile homes, apartment units, and retirement communities, would pay an equivalent fee adjusted for trip generation rates peculiar to these particular types of residential units with a prorated RTCIP portion accounted for separately also used exclusively on RAS streets. To be consistent with current City policy, non-residential fees would become $105 per trip, 25% of the computed per trip fee. The RTCIP program does not require non-residential fees so these funds, collected primarily from
commercial and industrial projects, could be spent on any capacity increasing project similar to the non-RTCIP portion of the residential fees. They would not be limited to the RAS system.

The surcharge program of $50 per trip for residential land uses, and $12.50 per trip for non-residential land uses, was established in 1997 to address elements of the General Plan’s Growth Management Provisions on a City-wide basis. City staff believes this surcharge program should be reconsidered with the coming update of the General Plan and that no changes to the surcharge program should be made until it can be considered in the wider context of growth management issues peculiar to our community. The surcharge program and related general plan considerations do not need to be addressed to conform to the RTCIP program.

Other Options

Option 1, Exercise Council Discretion-

Ultimately, setting of a traffic impact fee is a matter of Council’s judgment as to the appropriate public policy for this particular community. Just as the SANDAG nexus study justifies a SFD fee of $3,552 per SFD, each public agency does have discretion to charge a lower fee if it determines the lower fee to be in the community’s best interest. As noted previously, the lower limit for the SFD fee, per the SANDAG nexus study and RTCIP program, is the $2,000 per unit minimum fee that was written into the Transnet Extension Ordinance. An agency relying on the region-wide nexus study could set the SFD rate anywhere between $2,000 and $3,552 per unit. Similarly, our City Council could rely on an inflation adjustment applied to the 1997 nexus study to justify an SFD rate of $4,200 but could decide, as a matter of public policy, to set the fee at some lower rate due to other public policy considerations. To remain eligible for continued Transnet local funds, the lowest rate that can be considered must be at least $2,000 per SFD which is required by the Transnet Extension Ordinance. This option allows the City to continue to base the fee structure on the City’s 1997 nexus study and allow City Council to set the traffic impact fee at whatever level deemed appropriate by Council between the range of $2,000 and $4,200 per SFD.

Option 2, Adopt SANDAG’s Region-wide Nexus Study-

City Council could decide to abandon the City-wide nexus study approved in 1997 and adopt the region-wide nexus study prepared by SANDAG in November of 2007. This would allow Council to approve a fee rate of at least $2,000 and up to $3,552 per SFD. Other residential uses would be charged a similar fee using appropriate trip rates for each land use and the computed trip rate of $320 per trip in the SANDAG nexus study. Collection of fees from non-residential uses are optional in the SANDAG nexus study but have been computed to be $246 per trip for office/services and industrial uses and $97 per trip for commercial uses. These are the non-residential per trip rates that are justified in the SANDAG nexus study so they would become the upper limit of Council’s discretion for
fees for non-residential land uses. Council could continue our current policy of assessing non-residential land uses at 25% of the computed rate reducing these fees to $62 per trip for office/services and industrial and $24 per trip for commercial. To adopt the SANDAG nexus study, Council would need to enact an implementing ordinance and resolution at a noticed public hearing by April 1, 2008 as soon as possible so the RCTIP program would become effective before July 1, 2008 when the Transnet Extension Ordinance becomes effective. Using the SANDAG nexus study does limit the use of the collected traffic impact fees to certain capacity improving projects on the SANDAG approved RAS street system only. Any improvement to other circulation element streets would need to be funded from some other source, like gas tax funds or Transnet local funds.

Option 3, Select a Different Inflation Index-

There are several other indexes that could be used instead of the Caltrans CCI index. For example, the Engineering News Record (ENR), a national engineering publication, compiles and maintains a number of building and general engineering construction indexes. The ENR indexes are for several different types of construction and several geographic regions. The likely ENR index for this particular application is the ENR Los Angeles Area CCI (LA CCI). Over the period of 1997 to late 2007, the LA CCI has moved from 6664 to 9179. If applied to the 1997 base fee of $169 per trip, the adjusted base fee rate becomes $233 per trip. The SFD equivalent is $2,330 per residential unit compared with the 1997 base fee of $1,690 per residential unit.

The US Department of Labor also maintains a comprehensive series of consumer price indexes (CPI) throughout the nation. These are compiled for the US nation-wide, the four census regions, and 26 local areas. They are also available for a number of groups of consumer expenditures like food, housing, apparel, transportation, and many others. From 1997 to mid-2007, the San Diego area CPI for all urban consumers rose from 163.70 to 231.87. Applied to the 1997 base trip rate of $169 per trip, the adjusted 2007 fee becomes $239 per trip which corresponds to a $2,390 fee per SFD. Bear in mind that using a consumer price index rather than a construction cost index relies on the argument that the fee charged to new development should be adjusted based on the relative value of consumer purchasing power over time rather than on increasing construction costs. It becomes a decision to make the inflation adjustment based on what consumer goods a dollar will buy today rather than what a dollar will buy in roadway improvements at today’s construction costs.

Option 4, Expand the SANDAG Nexus Study-

The City could elect to engage the same consultant team that prepared the November 2007 RTCIP Nexus Study and have the same methodology that was used on the region-wide study applied to the non-RAS circulation streets in Escondido that were omitted in the November 2007 work effort. The RTCIP fee would fund CIP projects on RAS roadways in Escondido and the supplemental nexus study, prepared using the same methodology, will establish an appropriate fee for the balance of the
non-regional arterial roads in Escondido. City Council could then adopt a RTCIP fee between $2,000 and $3,552 per SFD and follow that with a supplemental fee based on the second study for the balance of the City's circulation system.

Staff Recommendation-

The staff recommendation has been developed taking as much direction from current City policy as possible. The 1997 study was very comprehensive and specific to Escondido. Since the City’s General Plan Land Use Element and Circulation Element have not changed significantly, the fee computed in 1997 is still valid today. What has changed is the cost of construction with the passage of ten intervening years. This increase is reasonably accommodated by adjusting the 1997 fee to reflect current construction prices using an appropriate index. SANDAG staff has advised City staff that the most appropriate index is the California Construction Cost Index as developed and updated quarterly by Caltrans. It is our understanding that the CCI is the index that SANDAG staff intends to use to conduct annual updates of the RTCIP program. Staff recommends that the current policy of assessing non-residential uses at 25% of the computed fee be continued; and, also recommends that the Tier II and Tier III surcharges be continued at their current levels. Further, City staff recommends that Council direct staff to account for and expend the collected fees in accordance with the RTCIP program, enacted with the Transnet Extension Ordinance, as needed for the City to remain eligible for local Transnet funds as entitled by the Transnet Extension Ordinance.

The conclusion of SANDAG’s November 2007 Nexus Study can be seen as validating the City’s 1997 Nexus Study. Since it analyzes only a portion of Escondido’s circulation system, one would expect SANDAG’s 2007 result to be somewhat less than that of the inflation adjusted 1997 City Nexus Study. As expected, the November 2007 result of $3,552 per SFD falls reasonably below the City’s 1997 conclusion of $4,200 per SFD after the inflation adjustment. Further, since the 2007 study looks at the entire San Diego region as a whole, all local communities wind up with the same result even though they may have very different local policies and roadway improvement needs. The result for Escondido is the same as Chula Vista, Del Mar, San Diego and all the other 18 Cities and the County. City staff believes the 1997 study is the best basis for Escondido’s traffic fee structure since it is specific to Escondido’s infrastructure needs and, after being adjusted for inflation, compares very well with the more recent 2007 SANDAG study.

In summary, these specific recommendations are-

- Raise the current traffic impact fee for residential land uses from $169 per trip to $420 per trip reflecting inflation increases from 1997 to the third quarter of 2007 as evidenced by the Caltrans CCI index.
• Raise the current non-residential traffic impact fee from $42 per trip to $105 per trip so the non-
residential fee remains 25% of the inflation adjusted rate of $420 per trip for residential land
uses.

• Continue the current existing surcharge fee for all Tier II and Tier III areas at the current level
of $50 per trip until the General Plan update is complete.

• Direct staff to participate in the RTCIP program of the Transnet Extension Ordinance, as
administered by SANDAG, by collecting and accounting for an equivalent of $2,000 per single
family dwelling unit, from the collected traffic impact fees applied to residential units, and
expend this portion of the collected fees on eligible RAS system projects only.

The attached Resolution No. R2008-10 has been drafted to implement these recommendations and is
offered for Council's consideration.

Respectfully submitted,

Robb Zaino
Deputy Director of Public Works

Fred Luedtke
Department Specialist
## EXHIBIT A - TRAFFIC IMPACT FEE SCHEDULE
### GENERAL PLAN TIER I AREA

### RESIDENTIAL
<table>
<thead>
<tr>
<th>Per Dwelling Unit (or as noted)</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
<th>RCTIP Portion</th>
<th>Local Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$420</td>
<td>10</td>
<td>$4,200</td>
<td>$2,000</td>
<td>$2,200</td>
</tr>
<tr>
<td>Duplex</td>
<td>$420</td>
<td>10</td>
<td>$4,200</td>
<td>$2,000</td>
<td>$2,200</td>
</tr>
<tr>
<td>Triplex</td>
<td>$420</td>
<td>6</td>
<td>$2,520</td>
<td>$1,200</td>
<td>$1,320</td>
</tr>
<tr>
<td>Apartment</td>
<td>$420</td>
<td>6</td>
<td>$2,520</td>
<td>$1,200</td>
<td>$1,320</td>
</tr>
<tr>
<td>Senior Apartment</td>
<td>$420</td>
<td>5</td>
<td>$2,100</td>
<td>$1,000</td>
<td>$1,780</td>
</tr>
<tr>
<td>Condo/Townhouse</td>
<td>$420</td>
<td>8</td>
<td>$3,360</td>
<td>$1,600</td>
<td>$1,780</td>
</tr>
<tr>
<td>Mobilehome - Family</td>
<td>$420</td>
<td>5</td>
<td>$2,100</td>
<td>$1,000</td>
<td>$1,100</td>
</tr>
<tr>
<td>Mobilehome - Adult</td>
<td>$420</td>
<td>3</td>
<td>$1,260</td>
<td>$600</td>
<td>$660</td>
</tr>
<tr>
<td>Retirement Community</td>
<td>$420</td>
<td>4</td>
<td>$1,680</td>
<td>$800</td>
<td>$880</td>
</tr>
<tr>
<td>Congregate Care (per bed)</td>
<td>$420</td>
<td>2.5</td>
<td>$1,050</td>
<td>$500</td>
<td>$550</td>
</tr>
</tbody>
</table>

### LODGING
<table>
<thead>
<tr>
<th>Per Room</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel w/ Convention/Restaurant</td>
<td>$105</td>
<td>10</td>
<td>$1,050</td>
</tr>
<tr>
<td>Motel</td>
<td>$105</td>
<td>9</td>
<td>$945</td>
</tr>
<tr>
<td>Resort Hotel</td>
<td>$105</td>
<td>8</td>
<td>$840</td>
</tr>
</tbody>
</table>

### COMMERCIAL/RETAIL
<table>
<thead>
<tr>
<th>Per 1,000 SF of Building Area</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Regional Center</td>
<td>$105</td>
<td>35</td>
<td>$3,675</td>
</tr>
<tr>
<td>&gt;80 Acre, &gt;800K SF, 3+ Majors</td>
<td>$105</td>
<td>50</td>
<td>$5,250</td>
</tr>
<tr>
<td>Regional Center</td>
<td>$105</td>
<td>50</td>
<td>$5,250</td>
</tr>
<tr>
<td>40-80 Acre, 400K-800K SF, 2+ Majors</td>
<td>$105</td>
<td>80</td>
<td>$8,400</td>
</tr>
<tr>
<td>Community Shopping Center</td>
<td>$105</td>
<td>80</td>
<td>$8,400</td>
</tr>
<tr>
<td>15-40 Acre, 125K-400K SF, 1+ Major</td>
<td>$105</td>
<td>120</td>
<td>$12,600</td>
</tr>
<tr>
<td>Neighborhood Shopping Center</td>
<td>$105</td>
<td>120</td>
<td>$12,600</td>
</tr>
<tr>
<td>&gt;15 Acre, &gt;125K SF, Groc, Drug, etc.</td>
<td>$105</td>
<td>40</td>
<td>$4,200</td>
</tr>
<tr>
<td>Specially Retail/Strip Commercial</td>
<td>$105</td>
<td>40</td>
<td>$4,200</td>
</tr>
<tr>
<td>Supermarket</td>
<td>$105</td>
<td>150</td>
<td>$15,750</td>
</tr>
<tr>
<td>Convenience Market, 15-16 Hours</td>
<td>$105</td>
<td>500</td>
<td>$52,500</td>
</tr>
<tr>
<td>Convenience Market, 24 Hours</td>
<td>$105</td>
<td>700</td>
<td>$73,500</td>
</tr>
<tr>
<td>Convenience Market, w/ Gas Pump</td>
<td>$105</td>
<td>850</td>
<td>$89,250</td>
</tr>
<tr>
<td>Discount Club/Store</td>
<td>$105</td>
<td>60</td>
<td>$6,300</td>
</tr>
<tr>
<td>Furniture Store</td>
<td>$105</td>
<td>5</td>
<td>$630</td>
</tr>
<tr>
<td>Lumber Store</td>
<td>$105</td>
<td>30</td>
<td>$3,150</td>
</tr>
<tr>
<td>Hardware/Paint Store</td>
<td>$105</td>
<td>60</td>
<td>$6,300</td>
</tr>
<tr>
<td>Garden Nursery</td>
<td>$105</td>
<td>40</td>
<td>$4,200</td>
</tr>
</tbody>
</table>

### OFFICES
<table>
<thead>
<tr>
<th>Per 1,000 SF of Building Area</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Comm Office, &lt;100K SF</td>
<td>$105</td>
<td>20</td>
<td>$2,100</td>
</tr>
<tr>
<td>Large High Rise Office, &gt;100K SF</td>
<td>$105</td>
<td>17</td>
<td>$1,785</td>
</tr>
<tr>
<td>Single Tenant Office</td>
<td>$105</td>
<td>14</td>
<td>$1,470</td>
</tr>
<tr>
<td>Corporate Headquarters</td>
<td>$105</td>
<td>7</td>
<td>$735</td>
</tr>
<tr>
<td>Government</td>
<td>$105</td>
<td>30</td>
<td>$3,150</td>
</tr>
<tr>
<td>Medical/Dental</td>
<td>$105</td>
<td>50</td>
<td>$5,250</td>
</tr>
</tbody>
</table>

### FINANCIAL
<table>
<thead>
<tr>
<th>Per 1,000 SF of Building Area (or as noted)</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank, Walk-in Only</td>
<td>$105</td>
<td>150</td>
<td>$15,750</td>
</tr>
<tr>
<td>Bank, With Drive Thru</td>
<td>$105</td>
<td>200</td>
<td>$21,000</td>
</tr>
<tr>
<td>Bank, Drive Thru Only (per lane)</td>
<td>$105</td>
<td>250</td>
<td>$28,250</td>
</tr>
<tr>
<td>Savings &amp; Loan</td>
<td>$105</td>
<td>60</td>
<td>$6,300</td>
</tr>
<tr>
<td>Savings &amp; Loan, Drive Thru Only (per lane)</td>
<td>$105</td>
<td>100</td>
<td>$10,500</td>
</tr>
</tbody>
</table>

Note: all trip rates from SANDAG's Guide of Vehicular Traffic Generation Rates for the SD Region
ORDINANCE NO. 89-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO AMENDING THE ESCONDIDO MUNICIPAL CODE BY ADDING A NEW ARTICLE XVII A TO CHAPTER 6 ESTABLISHING A DEVELOPMENT FEE FOR TRAFFIC AND TRANSPORTATION IMPROVEMENTS AND IMPOSING SAME ON ALL NEW RESIDENTIAL AND NONRESIDENTIAL DEVELOPMENT IN THE CITY AS A CONDITION OF DEVELOPMENT APPROVAL

The City Council of the City of Escondido, California does hereby ordain as follows:

SECTION 1. Existing Article XVIII, Chapter 6 of the Escondido Municipal Code is hereby deleted in its entirety.

SECTION 2. Article XVII A, consisting of Sections 6-450.1 through 6-450.11, inclusive, is added to the Escondido Municipal Code to read as follows:

ARTICLE XVII A

Traffic and Transportation Facilities Development Fee

Section 6-450.1. Short Title.

This Ordinance shall be known and cited as the "Escondido Traffic and Transportation Facilities Development Fee Ordinance." The fees imposed pursuant to this Ordinance shall be known as "Traffic Fees."

Section 6-450.2. Findings. The City Council finds and declares as follows:

(a) The City has analyzed and updated the data, projections and standards for transportation in a "Traffic and Transportation Facilities Development Fee For Residential and Nonresidential Development" (hereinafter the "Traffic Fee Report").

(b) The current standard for traffic and transportation for the City, which standard is currently being met, is presented in the Traffic Fee Report.
(c) The Traffic Fee Report establishes appropriate standards for traffic and transportation facilities, including bridges, Prime Arterials, Major Roads, and traffic signals, which standard is based upon the existing levels of service being provided to existing City residents.

(d) The City has forecasted population increases and construction of additional dwelling units and nonresidential development.

(e) The City has established traffic and transportation improvement standards based upon maintaining the level of service currently being provided to existing City residents.

(f) Based upon the traffic and transportation facility service standards identified in the Traffic Fee Report such additional residential and nonresidential development will generate a need for the construction of the capital improvements projects for traffic and transportation listed in the Capital Improvements Plan of the City of Escondido and in the Traffic Fee Report.

(g) The need for the additional traffic and transportation improvements is directly attributable to the demand created by the projected increase in traffic on the roads in Escondido and has been distinguished from needs attributable to existing development, which are being met through existing funding sources.

(h) A development fee on new residential and nonresidential development pursuant to a traffic generation standard will equitably apportion the cost of traffic and transportation improvements to development generating the need for such improvements, based upon the number of vehicle trips generated by the development as calculated by the size and type of development.

(i) The purpose of the traffic fee is to assure the continued provision of traffic and transportation improvements to new residents at the level of service standard presently existing in Escondido; and

(j) The facilities to be financed with the traffic fee revenues are identified in the Traffic Fee Report and Capital Improvement Plan presented to the City Council on March 22, 1989.

(k) Because traffic fees are based upon the number of vehicle trips generated by new development, the traffic fee is imposed upon residential and nonresidential development at trip generation rates reflecting their relative demand for traffic improvements.
(1) The traffic and transportation improvements to be provided will specifically benefit new residential and nonresidential development by assuring that such development will be served by necessary traffic and transportation facilities within a reasonable distance and at appropriate service levels established by the City.

(m) The amount of the traffic fee per vehicle trip generated has been based upon the per vehicle trip cost to the City of meeting the identified traffic and transportation facility service standards.

(n) The traffic fee will be utilized solely and exclusively for the construction of traffic and transportation facilities to serve new residential and nonresidential development.

(o) Such traffic and transportation facilities will be provided within a reasonable period of time from payment of the traffic fees.

(p) After fully considering the documents referenced herein and the oral testimony and documentary evidence submitted at a duly noticed public hearing, the Council hereby approves said documents and incorporates them herein and further finds that the traffic fee is in the best interest of the City, promotes and protects the health, safety and welfare of present and future residents of the City and assures that adequate traffic and transportation facilities are provided to meet the additional demands created by new residential and nonresidential development in the City.

Section 6-450.3. Purpose.

A Traffic Fee is hereby imposed on new residential and nonresidential development for the purpose of assuring that the traffic and transportation facility standards established by the City are met with respect to the additional needs created by such development.

Section 6-450.4. Definitions.

For purposes of this Chapter, the following words and terms shall have the meanings stated herein, unless another meaning is plainly intended;

(a) Traffic Fee means a monetary exaction imposed as a condition of development approval connected with a residential or nonresidential development project in order to fund and to assure the provision of traffic and transportation improvements needed to serve such development at established City service level standards within a reasonable period of time.
(b) Traffic and Transportation Improvement means the construction of public facilities, including, but not limited to, bridges, prime arterials, major roads collector roads, median landscaping and traffic signals, the expenditure of funds for such public facilities and improvements incidental thereto, the expenditure of funds for the planning, design and engineering of such facilities and improvements and utility relocation ancillary thereto and the acquisition of right of way necessary thereto, and designed to meet City traffic and transportation improvement needs related to projected residential and nonresidential development.

Section 6-450.5. Requirement.

All residential and nonresidential development shall be required to pay a Traffic Fee as provided by this Article.

Section 6-450.6. Amount.

The Traffic Fee to be imposed per vehicle trip generated, by type and size of residential and nonresidential development, shall be established by Resolution of the City Council and may be amended from time to time as set forth in Section 6-444.4 of Article XVII of this Chapter.

Section 6-450.7. Calculation of Applicable Traffic Fee.

Upon receipt of an application for a building permit, the Building Director shall calculate the amount of the applicable Traffic Fee due by determining:

(1) the type of residential or nonresidential development;

(2) the number of dwelling units for residential development or the gross square footage for nonresidential development;

(3) the number of vehicle trips generated by such development; and

(4) multiplying the number of vehicle trips by the Traffic Fee amount per vehicle trip as established by City Council Resolution.

Section 6-450.8. Collection of Traffic Fee.

The Building Director shall be responsible for the collection of the Traffic Fee prior to the issuance of a building permit unless:

(a) the applicant is entitled to a full credit pursuant to Section 6-442 of Article XVII of this Chapter; or
(b) the applicant is exempt pursuant to Section 6-444.3 of Article XVII of this Chapter; or

(c) the applicant has taken an appeal pursuant to Section 6-444.2 of Article XVII of this Chapter and a bond or other surety in the amount of the fee, as calculated by the Building Director, and approved by the City Attorney has been posted with the City.

Section 6-450.9. Establishment of Traffic Fee Account.

The City hereby establishes a segregated Traffic Fee Trust Fund Account (hereinafter "Account") to which all Traffic Fees collected by the Building Director shall be deposited. The Account shall be managed in accordance with the procedures and restrictions established in Section 6-439 of Article XVII of this Chapter.

Section 6-450.10. Limitation on Use of Funds Derived From Traffic Fees.

(a) Funds derived from payment of Traffic Fees pursuant to this Chapter shall be imposed, collected, accounted for, and expended in accordance with the procedures established in Article XVII, Development Fee Procedures, of this Chapter.

(b) Funds in the Account shall be used solely and exclusively for the purpose of funding traffic and transportation improvements, as defined herein, and as identified in the Capital Improvement Plan or to reimburse the City for expenditures, advances or indebtedness incurred for the construction of traffic and transportation facility improvements.

(c) Traffic Fees shall not be used for the provision of traffic or transportation improvements relating to

(ii) the needs of existing City residents,
(iii) the enhancement of traffic and transportation facilities to provide a higher level of service to existing City residents,
(iv) operation and maintenance costs associated with City traffic and transportation facilities,
(v) repair and/or replacement of existing traffic and transportation facilities, or
(vi) the provision of traffic and transportation system programming.

Section 6-450.11. Appeals.

The applicant may appeal any decision of a City official including, but not limited to, the applicability of the Traffic Fee, the amount of the Traffic Fee, the
applicability of an exception and the eligibility for or amount of a credit to the City Council. Any and all appeals shall be taken in accordance with the procedures and requirements established in Section 6-444.2 of Article XVII of this Chapter.

Secs. 6-451 -- 6-455 are reserved.

SECTION 3. Severability. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Council declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, phrases or portions be declared invalid or unconstitutional.

SECTION 4. That all ordinances Ordinances, or parts of ordinances, in conflict herewith are hereby repealed.

SECTION 5. The City Clerk shall certify to the passage of this Ordinance and shall cause the same or a summary to be published one time within fifteen (15) days of its passage in the Times-Advocate, a newspaper of general circulation printed and published in the City of Escondido.
PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 12th day of April, 1989, by the following vote to wit:

AYES : Councilmembers: COWAN, DE DOMINICIS, HARMON, MURPHY, THURSTON

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

DORIS THURSTON, Mayor of the City of Escondido, California

ATTEST:

JEANNE BUNCH, City Clerk of the City of Escondido, California

STATE OF CALIFORNIA )
COUNTY OF SAN DIEGO : ss.
CITY OF ESCONDIDO )

I, JEANNE BUNCH, City Clerk of the City of Escondido, hereby certify that the foregoing ORDINANCE NO. 89-13 was passed at a regular meeting of the City Council of the City of Escondido, held on the 12th day of April, 1989, after having been read at the regular meeting of said City Council held on the 22nd day of March, 1989.

JEANNE BUNCH, City Clerk of the City of Escondido
RESOLUTION NO. 2008-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADJUSTING CITY-WIDE TRAFFIC IMPACT FEES FOR INFLATION AND APPROVING CITY OF ESCONDIDO'S PARTICIPATION IN THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM ADMINISTERED BY SANDAG

WHEREAS, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan Extension 04-01 (TransNet Extension Ordinance); and

WHEREAS, the TransNet Extension Ordinance provides that each local agency must participate in the Regional Transportation Congestion Improvement Program (RTCIP) by collecting a developer exaction of at least $2,000 for each single family dwelling unit permitted by the agency, or it's equivalent for other residential land uses, to be eligible for the agency's local share of TransNet Extension Ordinance funds; and

WHEREAS, the RTCIP developer exaction of $2,000 per equivalent single family dwelling unit for residential permits issued by the local agency is required to be spent on the SANDAG approved Regional Arterial System (RAS) of the 2030 Regional Transportation Plan; and

WHEREAS, at a public hearing on October 1, 1997, City Council considered Development Fees and Quality of Life Standards which included a comprehensive nexus study for traffic impact fees for the City of Escondido; and

WHEREAS, on October 22, 1997, City Council adopted Resolution No. 97-236 approving revised traffic impact fees for residential and non-residential permits in the City of Escondido; and
WHEREAS, the Acting Director of Public Works recommends the traffic fees adopted by City Council in 1997 be adjusted for inflation by using the California Construction Cost Index (CCI) as developed and maintained by the State of California Department of Transportation.

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 accepts the recommendation of the Acting Director of Public Works.

3. That, effective on July 1, 2008, the traffic fees adopted in 1997 shall be adjusted to $420 per trip for residential permits and $105 per trip for non-residential permits, using the CCI index from 1997 to the third quarter of 2007, resulting in a City-wide traffic fee schedule shown in Exhibit “A” attached to this resolution and incorporated by this reference.

4. That the traffic impact fee surcharge or $50 per trip for residential permits and $12.50 per trip for non-residential permits in General Plan Tier II and III Areas be continued at the current level.

5. That the City Council certifies that beginning July 1, 2008, the City of Escondido will participate in the RTCIP program of the TransNet Extension Ordinance, as administered by SANDAG, by collecting and accounting for a traffic fee of $2,000 for each single family dwelling unit or it’s equivalent for other residential units from each residential permit issued in the City of Escondido.

6. That funds collected by the City pursuant to the RTCIP program shall be
spent solely on eligible improvements to the RAS system of the 2030 Regional Transportation Plan.
### EXHIBIT A - TRAFFIC IMPACT FEE SCHEDULE
### GENERAL PLAN TIER I AREA

#### INDUSTRIAL
Per 1,000 SF of Building Area

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Business Park (Comm included)</td>
<td>$105</td>
<td>16</td>
<td>$1,680</td>
</tr>
<tr>
<td>Industrial Park (No Commercial)</td>
<td>$105</td>
<td>8</td>
<td>$840</td>
</tr>
<tr>
<td>Industrial Plant (Multiple Shifts)</td>
<td>$105</td>
<td>10</td>
<td>$1,050</td>
</tr>
<tr>
<td>Manufacturing/Assembling</td>
<td>$105</td>
<td>4</td>
<td>$420</td>
</tr>
<tr>
<td>Warehousing</td>
<td>$105</td>
<td>5</td>
<td>$525</td>
</tr>
<tr>
<td>Storage</td>
<td>$105</td>
<td>2</td>
<td>$210</td>
</tr>
<tr>
<td>Science Research &amp; Development</td>
<td>$105</td>
<td>8</td>
<td>$840</td>
</tr>
</tbody>
</table>

#### AUTOMOTIVE
Per 1,000 SF of Building Area (or as noted)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Wash, Automatic (per site)</td>
<td>$105</td>
<td>900</td>
<td>$94,500</td>
</tr>
<tr>
<td>Car Wash, Self-serve (per wash stall)</td>
<td>$105</td>
<td>100</td>
<td>$10,500</td>
</tr>
<tr>
<td>Gas Station, w/ Food Mart (per fueling space)</td>
<td>$105</td>
<td>160</td>
<td>$16,800</td>
</tr>
<tr>
<td>Gas Sta, w/ Food &amp; Car Wash (per fuel space)</td>
<td>$105</td>
<td>155</td>
<td>$16,275</td>
</tr>
<tr>
<td>Older Service Station Design (per fuel space)</td>
<td>$105</td>
<td>150</td>
<td>$15,750</td>
</tr>
<tr>
<td>Auto Sales, Dealer and Repair</td>
<td>$105</td>
<td>50</td>
<td>$5,250</td>
</tr>
<tr>
<td>Auto Repair Center</td>
<td>$105</td>
<td>20</td>
<td>$2,100</td>
</tr>
</tbody>
</table>

#### RECREATIONAL
Per 1,000 SF of Building Area (or as noted)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>RV Park (per space)</td>
<td>$105</td>
<td>6</td>
<td>$630</td>
</tr>
<tr>
<td>Bowling Center (per lane)</td>
<td>$105</td>
<td>30</td>
<td>$3,150</td>
</tr>
<tr>
<td>Campground (per campsite)</td>
<td>$105</td>
<td>4</td>
<td>$420</td>
</tr>
<tr>
<td>Golf Course (per acre)</td>
<td>$105</td>
<td>7</td>
<td>$735</td>
</tr>
<tr>
<td>Racquetball/Health Club</td>
<td>$105</td>
<td>30</td>
<td>$3,150</td>
</tr>
<tr>
<td>Tennis Courts (per court)</td>
<td>$105</td>
<td>30</td>
<td>$3,150</td>
</tr>
<tr>
<td>Theater (per seat)</td>
<td>$105</td>
<td>80</td>
<td>$8,400</td>
</tr>
</tbody>
</table>

#### RESTAURANTS
Per 1,000 SF of Building Area

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>$105</td>
<td>100</td>
<td>$10,500</td>
</tr>
<tr>
<td>Sit Down, High Turnover</td>
<td>$105</td>
<td>160</td>
<td>$16,800</td>
</tr>
<tr>
<td>Fast Food, with Drive Thru</td>
<td>$105</td>
<td>650</td>
<td>$68,250</td>
</tr>
<tr>
<td>Fast Food, w/o Drive Thru</td>
<td>$105</td>
<td>700</td>
<td>$73,500</td>
</tr>
<tr>
<td>Delicatessen</td>
<td>$105</td>
<td>150</td>
<td>$15,750</td>
</tr>
</tbody>
</table>

#### CHURCH
Per 1,000 SF of Building Area

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanctuary, Meeting Rooms, Offices</td>
<td>$105</td>
<td>9</td>
<td>$945</td>
</tr>
</tbody>
</table>

#### EDUCATION
Per Student

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School</td>
<td>$105</td>
<td>1.3</td>
<td>$137</td>
</tr>
<tr>
<td>Middle/Junior High School</td>
<td>$105</td>
<td>1.4</td>
<td>$147</td>
</tr>
<tr>
<td>Elementary School</td>
<td>$105</td>
<td>1.6</td>
<td>$168</td>
</tr>
<tr>
<td>Day Care</td>
<td>$105</td>
<td>5</td>
<td>$525</td>
</tr>
</tbody>
</table>

#### HOSPITAL & CARE FACILITIES
Per Bed

<table>
<thead>
<tr>
<th>Activity</th>
<th>Fee/Trip</th>
<th>Trip Rate</th>
<th>Total Traffic Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Hospital</td>
<td>$105</td>
<td>20</td>
<td>$2,100</td>
</tr>
<tr>
<td>Convalescent/Nursing</td>
<td>$105</td>
<td>20</td>
<td>$2,100</td>
</tr>
<tr>
<td>Intermediate Care</td>
<td>$105</td>
<td>20</td>
<td>$2,100</td>
</tr>
</tbody>
</table>

Note: all trip rates from SANDAG's Guide of Vehicular Traffic Generation Rates for the SD Region.
EXHIBIT A - TRAFFIC IMPACT FEE SCHEDULE
GENERAL PLAN TIER II AND III AREAS

RESIDENTIAL
Per Dwelling Unit (or as noted)  Fee/Trip  Trip Rate  Total Traffic Fee  RCTIP Portion  Local Portion
Single Family  $470  10  $4,700  $2,238  $2,482
Duplex  $470  10  $4,700  $2,238  $2,482
Triplex  $470  6  $2,820  $1,343  $1,477
Apartment  $470  6  $2,820  $1,343  $1,477
Senior Apartment  $470  5  $2,350  $1,119  $1,231
Condo/Townhouse  $470  8  $3,760  $1,790  $1,970
Mobilehome - Family  $470  5  $2,350  $1,119  $1,231
Mobilehome - Adult  $470  3  $1,410  $671  $739
Retirement Community  $470  4  $1,880  $895  $985
Congregate Care (per bed)  $470  2.5  $1,175  $560  $615

LODGING
Per Room  Fee/Trip  Trip Rate  Total Traffic Fee
Hotel w/ Convention/Restaurant  $117.50  10  $1,175
Motel  $117.50  9  $1,058
Resort Hotel  $117.50  8  $940

COMMERCIAL/RETAIL
Per 1,000 SF of Building Area  Fee/Trip  Trip Rate  Total Traffic Fee
Super Regional Center  $117.50  35  $4,113
>80 Acre, >800K SF, 3+ Majors  $117.50  50  $5,875
Regional Center  $117.50  50  $5,875
40-80 Acre, 400K-800K SF, 2+ Majors  $117.50  80  $9,400
Community Shopping Center  $117.50  80  $9,400
15-40 Acre, 125K-400K SF, 1+ Major  $117.50  120  $14,100
Neighborhood Shopping Center  $117.50  120  $14,100
>15 Acre, >125K SF, Groc, Drug, etc.  $117.50  40  $4,700
Specialty Retail/Strip Commercial  $117.50  150  $17,625
Supermarket  $117.50  150  $17,625
Convenience Market, 15-16 Hours  $117.50  500  $58,750
Convenience Market, 24 Hours  $117.50  700  $82,250
Convenience Market, w/ Gas Pump  $117.50  850  $99,875
Discount Club/Store  $117.50  60  $7,050
Furniture Store  $117.50  6  $705
Lumber Store  $117.50  30  $3,525
Hardware/Paint Store  $117.50  60  $7,050
Garden Nursery  $117.50  40  $4,700

OFFICES
Per 1,000 SF of Building Area  Fee/Trip  Trip Rate  Total Traffic Fee
Standard Comm Office, <100K SF  $117.50  20  $2,350
Large High Rise Office, >100K SF  $117.50  17  $1,998
Single Tenant Office  $117.50  14  $1,645
Corporate Headquarters  $117.50  7  $823
Government  $117.50  30  $3,525
Medical/Dental  $117.50  50  $5,875

FINANCIAL
Per 1,000 SF of Building Area (or as noted)  Fee/Trip  Trip Rate  Total Traffic Fee
Bank, Walk-in Only  $117.50  150  $17,625
Bank, With Drive Thru  $117.50  200  $23,500
Bank, Drive Thru Only (per lane)  $117.50  250  $29,375
Savings & Loan  $117.50  60  $7,050
Savings & Loan, Drive Thru Only (per lane)  $117.50  100  $11,750

Note: all trip rates from SANDAG’s Guide of Vehicular Traffic Generation Rates for the SD Region
## INDUSTRIAL

<table>
<thead>
<tr>
<th>Fee/Trip</th>
<th>Trip Rate</th>
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</thead>
<tbody>
<tr>
<td>Industrial/Business Park (Comm Included)</td>
<td>$117.50</td>
<td>16</td>
</tr>
<tr>
<td>Industrial Park (No Commercial)</td>
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<tr>
<td>Industrial Plant (Multiple Shifts)</td>
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<tr>
<td>Manufacturing/Assembling</td>
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<tr>
<td>Warehousing</td>
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<td>Storage</td>
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<td>Science Research &amp; Development</td>
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## AUTOMOTIVE

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<tr>
<th>Fee/Trip</th>
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<tbody>
<tr>
<td>Car Wash, Automatic (per site)</td>
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<td>Car Wash, Self-serve (per wash stall)</td>
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<tr>
<td>Gas Station, w/ Food Mart (per fueling space)</td>
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<tr>
<td>Gas Sta, w/ Food &amp; Car Wash (per fuel space)</td>
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<tr>
<td>Older Service Station Design (per fuel space)</td>
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<td>Auto Sales, Dealer and Repair</td>
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<tr>
<td>Auto Repair Center</td>
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## RECREATIONAL

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<tr>
<td>RV Park (per space)</td>
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<td>Bowling Center (per lane)</td>
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<td>Campground (per campsite)</td>
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<td>Golf Course (per acre)</td>
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<tr>
<td>Racquetball/Health Club</td>
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<td>Tennis Courts (per court)</td>
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<tr>
<td>Theater (per seat)</td>
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## RESTAURANTS

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<td>Sit Down, High Turnover</td>
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<tr>
<td>Fast Food, with Drive Thru</td>
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<td>Fast Food, w/o Drive Thru</td>
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<td>Delicatessen</td>
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## CHURCH

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<tr>
<td>Sanctuary, Meeting Rooms, Offices</td>
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## EDUCATION

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<td>High School</td>
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<tr>
<td>Middle/Junior High School</td>
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<td>Elementary School</td>
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## HOSPITAL & CARE FACILITIES

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<td>General Hospital</td>
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<tr>
<td>Convalescent/Nursing</td>
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</tr>
<tr>
<td>Intermediate Care</td>
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Note: all trip rates from SANDAG's Guide of Vehicular Traffic Generation Rates for the SD Region.
ORDINANCE NO. 2008-1067

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ADOPTING CHAPTER 15.48 OF THE IMPERIAL BEACH MUNICIPAL CODE, ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAYING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by local ordinance a requirement for the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City of Imperial Beach has not heretofore established development impact fees for those purposes described herein, reflecting an appropriate fee taking into consideration construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and procedures, for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that that fees permitted by the police power and California Government Code sections 66483 and 66484 are appropriate.

THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH DOES ORDAIN AS FOLLOWS:

SECTION 1. The City of Imperial Beach finds that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061 (b) (3), General Rule, as follows: “The activity is covered by the General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have an effect on the environment, the activity is not subject to CEQA.”

SECTION 2. Chapter 15.48 of Title 15 of the Imperial Beach Municipal Code, consisting of sections 15.48.010 through 15.48.070, inclusive, is hereby added to read as follows:

15.48.010 Title.

This chapter shall be known as the “Imperial Beach Regional Transportation Congestion Improvement Plan Fee Program (“RTCIP”) Ordinance.”
15.48.020  Findings.

In adopting this chapter, the City Council of the City of Imperial Beach ("City") finds and determines that:

A. The City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system as it presently exists.

C. The City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030.

D. The City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation congestion improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City.

E. The City Council has reviewed the Nexus Study, and finds that future development within the county and City will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving the regional arterial system, the regional arterial system will operate at unacceptable levels of service.

F. The City Council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

G. The City Council further finds and determines that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the
transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

H. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

I. The City Council further finds and determines that the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

J. The City Council further finds that the cost estimates set forth in the Nexus Study are reasonable cost estimates for the facilities that comprise the regional arterial system, and that RTCIP fee program revenues to be generated by new development will not exceed the total fair share of these costs.

K. The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional arterial system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements.

L. The City Council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional system.

M. The City Council adopts the Nexus Study and incorporates it in this chapter as though set forth in full.

15.48.030 Definitions.

For the purpose of this chapter, the following words, terms and phrases shall have the following meanings:

"City" means City of Imperial Beach

"Commission" means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.
“Development project” or “project” means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as “mixed use” development, including the issuance of a permit for construction.

“Low income residential housing” means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

“Nexus Study” means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 et seq., which Nexus Study is on file in the City Clerk’s office.

“Residential dwelling unit” means one or more habitable rooms in a building or portion thereof which are occupied or which are intended or designed to be occupied by one family and containing but one kitchen with facilities for living, sleeping, sanitation, cooking and eating.

“RTCIP administrative plan” means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City Clerk’s office.

“SANDAG” means the San Diego Association of Governments, a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County:

15.48.040 Establishment of the transportation uniform mitigation fee.

A. Adoption. The schedule of fees shall be adopted by resolution approved by the City Council ("resolution").

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time. The Nexus Study is applicable to specific residential construction impacts in Imperial Beach, including but not limited to those referenced in Table A1 of the Study within the boundaries of the . Nothing herein prevents the City from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the City. The amount of fees adopted under this Ordinance may also exceed the amount allowed by the Nexus Study based on further studies prepared by the City or SANDAG that justifies an increased amount.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional system including, but not limited
to, debt service, lease payments and construction costs. The adjustment of the fees
may also reflect changes in the facilities required to be constructed, in estimated
revenues received pursuant to this chapter, as well as the availability or lack thereof
of other funds with which to construct the regional arterial system. SANDAG shall review
the RTCIP fee program no less than every ten years after July 1, 2009.

D. Purpose. The purpose of the RTCIP fee is to fund those certain
improvements to the regional arterial system identified in the Nexus Study.

E. Applicability. The RTCIP shall apply to all new development projects
within the City, which include the development of one or more residential dwelling units,
unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the
Imperial Beach Regional Transportation Congestion Improvement Program (RTCIP)
Fee:

1. Low income residential housing;

2. Government/public buildings, public schools and public facilities;

3. The rehabilitation and/or reconstruction of any legal, residential structure
   and/or the replacement of a previously existing residential dwelling unit;

4. All new, rehabilitated, and/or reconstructed non-residential structures.

5. Development projects which are the subject of a public facilities
development agreement entered into pursuant to Government Code Section 65864 et
seq., prior to the effective date of this chapter, wherein the imposition of new fees are
expressly prohibited; provided however that, if the term of such a development
agreement is extended by amendment or by any other manner after July 1, 2008, the
RTCIP fee shall be imposed;

6. Guest dwellings;

7. Kennels and catteries established in connection with an existing residential
   unit and as defined in Title 19 of the Imperial Beach Municipal Code;

8. The sanctuary building of a church, mosque, synagogue, or other house of
   worship, eligible for a property tax exemption;

9. Residential units that have been issued a building permit prior to
   July 1, 2008; and

10. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the
RTCIP fee in accordance with the RTCIP administrative plan and the following:
1. Regional Tier.

a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.

b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.

c. The amount of the development fee credit shall not exceed the revenue requirements of the City’s most current funding program (determined by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.

a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district established.

b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

15.48.050 Reimbursements.

Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

15.48.060 Procedures for the levy, collection, and disposition of fees.

A. Authority of City Manager. The City Manager or his/her designee is authorized to levy and collect the RTCIP fee and make all determinations required by this chapter.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a building permit is issued and the fee payment shall be calculated based on the fee in effect at that time. The fees shall be
calculated according to the fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the RTCIP.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. Accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act, including any City implementing policies or regulations.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of RTCIP Administrative Plan and administrative rules adopted by Resolution of the City Council. Issues subject to appeal shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The Finance Director or his/her designee, shall prepare and deliver to the executive director of SANDAG and to the Independent Taxpayer Oversight Committee (ITOC), periodic reports as will be established under section 15.48.070 of this chapter.

15.48.070 RTCIP fee administrator.

A. The City Manager is appointed as the administrator of the transportation uniform mitigation fee program. He or she, or designee, is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer's RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. The City shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed two percent of the annual net amount
of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3. The City Council of the City of Imperial Beach hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this ordinance to be published pursuant to the provisions of Government Code section 36933.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Imperial Beach, California, held the 5th day of March 2008; and thereafter PASSED AND ADOPTED at a regular meeting of the City Council of the City of Imperial Beach, California, held on the 19th day of March 2008, by the following roll call vote:

AYES: COUNCILMEMBERS: WINTER, MCLEAN, BRAGG, JANNEY
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: MCCOY

James C. Janney
JAMES C. JANNEY, MAYOR

ATTEST:

Jacqueline M. Hald
JACQUELINE M. HALD, CMC
CITY CLERK

APPROVED AS TO FORM:

James P. Lough
JAMES P. LOUGH
CITY ATTORNEY

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Ordinance No. 2008-1067 — An Ordinance of the City Council of the City of Imperial Beach, California, ADOPTING CHAPTER 15.48 OF THE IMPERIAL BEACH MUNICIPAL CODE, ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAISING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES.

Jacqueline M. Hald
CITY CLERK

3/27/08
DATE
RESOLUTION NO. 2008-6605

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ESTABLISHING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act; and

WHEREAS, the City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system as it presently exists; and

WHEREAS, the City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030; and

WHEREAS, the City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation congestion improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City; and

WHEREAS, the City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee; and

WHEREAS, the City of Imperial Beach has adopted Ordinance No. 2008-1067 establishing the requirements and procedures for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that the fees permitted by the police power and California Government Code sections 66483 and 66484; and
WHEREAS, Ordinance No. 2008-1067 shall provide a method for establishing development impact fees in the future and does not conflict with the adoption of an RTCIP fee hereunder which shall remain in full force and effect until amended or repealed by subsequent Resolution; and

WHEREAS, the costs estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development; and

WHEREAS, the City is required to place $2000.00 per residence in the RTCIP funds regardless of whether it charges the fee and this Resolution hereby establishes a fee of $2000.00 per residence, as specified herein; and

WHEREAS, adoption of the fee program will allow the city to recover costs that would otherwise be absorbed by the General Fund or divert other funds that could be used for other eligible projects; and

WHEREAS, the City Council held a duly noticed public hearing on March 19, 2008 in order to receive additional oral comments on the RTCIP fee; and

WHEREAS, the City Council determined that, based on the written and oral materials submitted at the public hearing, the City Council finds that the recommended fee of $2000.00 per residence for new construction, as defined herein, is necessary and appropriate to fund infrastructure needs in the City of Imperial Beach.

NOW, THEREFORE be it resolved, determined, and ordered by the City Council of the City of Imperial Beach

Section 1. The above recitals are true and correct.

Section 2. For the purposes of this Resolution, the following words, terms and phrases shall have the following meanings:

“City” means City of Imperial Beach

“Commission” means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

“Development project” or “project” means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as “mixed use” development, including the issuance of a permit for construction.

“Low income residential housing” means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.
“Nexus Study” means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 et seq., which Nexus Study is on file in the City Clerk’s office attached to the Staff Report, introduced into the written hearing record.

“Residential dwelling unit” means one or more habitable rooms in a building or portion thereof which are occupied or which are intended or designed to be occupied by one family and containing but one kitchen with facilities for living, sleeping, sanitation, cooking and eating. “Residential dwelling unit” shall include short-term rentals, hotels or motels if the units contain kitchens.

“RTCIP administrative plan” means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City Clerk’s office.

“SANDAG” means the San Diego Association of Governments, a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County.

Section 3. The City Council hereby approves the RTCIP Fees as follows:

A. Adoption. The RTCIP Fee, as defined herein, shall be Two Thousand Dollars ($2,000.00) per newly constructed residence. This Fee shall be applicable to all residential development, as defined herein, as of July 1, 2008.

B. Fee Calculation. The fees are calculated according to the calculation methodology set forth in Table 11 of the Nexus Study. The Nexus Study is applicable to specific residential construction impacts in Imperial Beach, including but not limited to those referenced in Table A1 of the Study within the boundaries of the City of Imperial Beach. Nothing herein prevents the City from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the City.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. The fees may be increased or decreased to reflect changes in actual and estimated costs of the regional system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009. The City Council may adjust this fee in the future based on documented studies by SANDAG or the City justifying the SANDAG increase. Upon the effective date of Ordinance No. 2008-1067, Chapter 15.48 of the Imperial Beach Municipal Code, as amended, shall govern the method of Fee Adjustment by the City of Imperial Beach.
D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study, including those identified in Imperial Beach.

E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the Imperial Beach Regional Transportation Congestion Improvement Program (RTCIP) Fee:

1. Low income residential housing;
2. Government/public buildings, public schools and public facilities;
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;
4. All new, rehabilitated, and/or reconstructed non-residential structures.
5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;
6. Guest dwellings;
7. Kennels and catteries established in connection with an existing residential unit and as defined in Title 19 of the Imperial Beach Municipal Code;
8. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;
9. Residential units that have been issued a building permit prior to July 1, 2008; and
10. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.
   a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG's Regional Arterial System and/or that arise out of SANDAG's Congestion Management Program, the developer shall receive credit for all costs associated with the arterial
improvements, offsetting the revenue requirements of the RTCIP administrative plan.

b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.

c. The amount of the development fee credit shall not exceed the revenue requirements of the City’s most current funding program (determined by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.

a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district established.

b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

Section 4. Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

Section 5. Procedures for the levy, collection, and disposition of fees.

A. Authority of City Manager. The City Manager or his/her designee is authorized to levy and collect the RTCIP fee and make all determinations required by this resolution.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a building permit is issued and the fee payment shall be calculated based on the fee in effect at that time. The fees shall be calculated according to the fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time payment is due under this chapter, not the date this resolution is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the RTCIP.
3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. Accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act, including any City implementing policies or regulations.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of RTCIP Administrative Plan and administrative rules adopted by Resolution of the City Council. Issues subject to appeal shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The Finance Director or his/her designee, shall prepare and deliver to the executive director of SANDAG and to the Independent Taxpayer Oversight Committee (ITOC), periodic reports as will be required under section 15.48.070 of this chapter, upon the effective date of Ordinance No. 2008-1067.

Section 6. RTCIP fee administrator.

A. The City Manager is appointed as the administrator of the transportation uniform mitigation fee program. He or she, or designee, is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this resolution and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer’s RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this resolution.

B. The City shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed two percent of the annual net amount of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

C. Upon the effective date of Ordinance No. 2008-1067, the policies and procedures for collection and administration of the RTCIP Fee established hereunder shall be governed by Chapter 15.48 of the Imperial Beach Municipal Code.
Section 7. The City Council hereby approves the Nexus Study in Attachment “A” in that it reflects the estimated reasonable costs of providing development-processing services to be funded pursuant to this Resolution. The City Council hereby authorizes the City Manager, and his designees, to take all steps necessary to implement this RTCIP Fee by July 1, 2008.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 19th day of March 2008, by the following roll call vote:

AYES: COUNCILMEMBERS: WINTER, MCLEAN, BRAGG, JANNEY
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: MCCOY

James C. Janney
JAMES C. JANNEY, MAYOR

ATTEST:

Jacqueline M. Hald
JACQUELINE M. HALD, CMC
CITY CLERK

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2008-6605 – A Resolution of the City Council of the City of Imperial Beach, California, ESTABLISHING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE.

[Signature]
CITY CLERK

3/27/08
DATE
RESOLUTION NO. 2008-6601

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVAL OF TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN, REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) PROJECT PLAN – REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROJECT ON STATE ROUTE 75

WHEREAS, the TransNet Extension Ordinance and Expenditure Plan was approved by the voters of San Diego County in 2004; and

WHEREAS, starting on July 1, 2008, each local agency in the San Diego region is required to contribute $2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP [Regional Transportation Congestion Improvement Program]; and

WHEREAS, these exactions shall ensure the future development contributes it 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; and

WHEREAS, in the City of Imperial Beach the only Regional Arterial is State Route 75 (SR 75); and

WHEREAS, the City may choose to contribute to any regional arterial within the County of San Diego, however SR 75 is the most local and arguably the most logical arterial to allocate the collected funds; and

WHEREAS, before April 1, 2008, the cities and County of San Diego must have submitted their RTCIP project plan to the ITOC for review “... to ensure that all voter mandates are carried out as required...”; and

WHEREAS, a project plan has been prepared that would allocate the collected funds towards a project on SR 75 between 7th Street and 9th Street including the intersections at 7th Street and 9th Street; and

WHEREAS, the plan proposes to design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements in that segment of SR 75; and

WHEREAS, the project plan is provided as Exhibits A and B to this resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:
1. The above recitals are true and correct.
2. The Project Plan as found in Exhibits A and B is approved and is incorporated as a City of Imperial Beach Capital Improvement Program (CIP) project and
that it is included in the current "Amendments Approved February 6, 2008 Five Year Capital Improvement Program Budget Fiscal Year 2004/2005 through Fiscal Year 2008/2009."

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 19th day of March 2008, by the following roll call vote:

AYES: COUNCILMEMBERS: MCLEAN, BRAGG, WINTER, JANNEY
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: MCCOY

James C. Janney
JAMES C. JANNEY, MAYOR

ATTEST:

Jacqueline M. Hald
JACQUELINE M. HALD, CMC
CITY CLERK

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2008-6601 — A Resolution of the City Council of the City of Imperial Beach, California, APPROVAL OF TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN, REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) PROJECT PLAN — REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROJECT ON STATE ROUTE 75.

Jacqueline M. Hald
CITY CLERK

3/27/08
DATE
CITY OF IMPERIAL BEACH

REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) PROJECT PLAN

PROJECT DESCRIPTION – Design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements along and across State Route 75 between 7th Street and 9th Street, including 7th Street and 9th Street intersections.

PROJECT FUNDING –
- **Development Impact Fee** - $2,000 assessment for each newly constructed residential housing unit in the City of Imperial Beach. 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 exempt from the $2,000 per unit assessment. Estimated annual revenue from the Development Impact Fee is $20,000 - (based on an average of 10 new units per year).
- **State or Federal matching funds** – dependent upon SANDAG allocation
- **Imperial Beach Redevelopment Agency funds** – dependent upon Redevelopment Agency priorities

PROJECT ESTIMATED COST - $1,000,000 (in 2006 dollars)

ESTIMATED CONSTRUCTION START DATE – 2018 to 2023; could start sooner if other funds such as redevelopment funding is allocated earlier and the impact fee is used to reimburse the funding source.
PROJECT INFORMATION

PROJECT TITLE
SR 75 Bicycle, Transit, Pedestrian Improvements

PROGRAM/AUTHORIZATION TYPE
RTP PROJECT #

LEAD AGENCY
Imperial Beach, City of

PROJECT TYPE

EXCEPT CATEGORY
Safety - Safety Improvement Program

RANK / RANK UP TP / RANK

PROJECT DESCRIPTION - GUIDELINES
RTCIP Funded Project: Design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements along and across State Route 75 between 7th Street and 9th Street, including 7th Street and 9th Street intersections.

CAPACITY INCREASING PROJECT INFORMATION - ONLY REQUIRED FOR CAPACITY INCREASING PROJECTS

CAPACITY STATUS
Non-Capacity Increase

PROGRAMMING INFORMATION

EST TOTAL PROJECT COST
$300,000

FISCAL YEAR
FY 2013

FUND TYPE (PROGRAMMED REVENUE SOURCE)
RTCIP

ENV / ENR OR
$0

SDE
$0

AGN
$300,000

TOTAL
$300,000

CHANGE REASON
New project

NARRATIVE DESCRIPTION - GUIDANCE
RTCIP Funded Project: Design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements along and across State Route 75 between 7th Street and 9th Street, including 7th Street and 9th Street intersections.
Engineering Report from Staff
Proposed Expenditure of RTCIP Impact Fee Funds

Proposed expenditure plan for funds collected under the Regional Transportation Congestion Improvement Plan Development Impact Fee

Prepared For: Gregory P. Humora • Director of Public Works/City Engineer
Prepared By: Dann E. Marquardt • Associate Engineer
Report Date: April 1, 2008
BACKGROUND

In November 2004, San Diego County voters approved local ‘Proposition A’ extending the TransNet ½¢ sales tax for transportation through 2048.

In addition to the sales tax extension, the TransNet program requires implementation of a new local funding source for the Regional Arterial System of streets. This funding source is the Regional Transportation Congestion Improvement Plan, which is part of ‘Proposition A’ and the “TransNet Ordinance and Expenditure Plan”.

The purpose of the RTCIP is to ensure that new development directly invests in the region’s transportation system to offset the negative impacts of growth on congestion and mobility.

As a condition of the TransNet Ordinance, SANDAG was tasked with preparing a study to help satisfy the legal requirements governing development impact fees in California. The purpose of the study was to provide a nexus analysis that local agencies in the San Diego region could use as a basis for adopting an impact fee to fulfill their RTCIP contribution.

PURPOSE OF FEE

SANDAG policy as expressed through the TransNet Extension Ordinance and Expenditure Plan is that new development shall contribute towards the Regional Arterial System (RAS) through the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP impact fee is to implement this policy. The fee advances a legitimate public interest by enabling SANDAG to fund improvements to transportation infrastructure required to accommodate new development.

The SANDAG Nexus analysis demonstrates that an impact fee of $2,000 per new residence is allowed under the California Mitigation Fee Act. If the City of La Mesa does not comply with the RTCIP the City can lose TransNet sales tax funding for improvements to local roads. As a result, beginning July 1, 2008 each local agency must contribute $2,000 from exactions imposed on the private sector for each new residence constructed in their jurisdiction.

ACCEPTED USE OF FEE REVENUES

If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002 of the California Government Code. Identification may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. The RTCIP impact fee will fund expanded facilities on the Regional Arterial System (RAS) to serve new development.

Local agencies implementing the RTCIP may modify the list of planned improvements to meet changing circumstances and needs, as they deem necessary. Fee revenues will be used for the sole purpose of expanding capacity on the RAS to accommodate new development. The RTCIP impact fee will not be used for the purpose of correcting existing deficiencies in the roadway system.

RTCIP impact fee revenues must be expended on improvements to the RAS in a manner consistent with the expenditure priorities in the most recent adopted Regional Transportation Plan. RTCIP impact fee
revenues may be used for any capital costs associated with improving the RAS including costs associated with:

- Arterial widening, extensions, and addition of turning lanes;
- Traffic signal coordination and other traffic improvements;
- Reconfigured freeway-arterial interchanges and freeway improvements;
- Railroad grade separations; and
- Expanded regional express bus and rail transit services
- Road reconstruction

Costs funded by the RTCIP impact fee may include project administration and management, design and engineering, right-of-way acquisition, and construction. The RTCIP requires that each local agency expend revenues within seven years of receipt or have an expenditure plan that justifies keeping revenues for a longer period.

PROPOSED USE OF FEE REVENUES

From the above list of approved uses of RTCIP impact fees collected, the following is a discussion of these categories within the City of La Mesa;

- Regional Arterial Streets are constructed to full width and no future widening, extension or addition of turning lanes is currently anticipated.
- Traffic signal coordination and other traffic improvements is one area where these funds could be expended. The City of La Mesa last reviewed the operation of the traffic signals on its RAS streets in 2000.
- The reconfiguration of freeway-arterial interchanges and freeway improvements are addressed through alternate funding sources and none are anticipated in the near future.
- There are no proposed projects at this time, within the City related to railroad grade separations.
- The regional express bus and rail transit services through the City are already established and there are no proposals to expand these services at this time.
- RAS roadway reconstruction is the final area where the City can expend impact fee funds. There are approximately 22 miles of roadway on the RAS running through the City, including freeways and freeway/arterial interchanges.

The streets which comprise the 22 miles of RAS within the City of La Mesa and qualify for such improvements under the program are (see Appendix A, attached):

- 70th St - from University Ave. to I-8
- El Cajon Blvd. - from 73rd St. to I-8
- Fletcher Pkwy - from I-8 to 1,500' north of Dallas St.
- Grossmont Center Dr. - from I-8 to Fletcher Pkwy.
- Jackson Dr. - from La Mesa Blvd. to approx. 170' north of Dallas St.
- La Mesa Blvd. - from eastern intersection with University Ave. to I-8
- Lake Murray Blvd. - from I-8 to 170' north of Dallas St.
- Massachusetts Ave. - from I-8 to University Ave.
- Spring St. - from I-8 to SR-125
- University Ave. - from 68th St. to the eastern intersection with La Mesa Blvd.

1Per SANDAG Nexus Study and RAS Update (March 1, 2007)
PROJECTED REVENUE GENERATION

Based on SANDAG’s Regional Growth Forecast projections for the City of La Mesa, between 2004 and 2030 there will be a 7.5% increase in the total number of residential units.

With the City of La Mesa being almost completely built out and the fact that development is cyclical in nature, a more accurate projection can be estimated by modifying SANDAG’s projections to account for the fact that funds will only be collected after July 1, 2008. With an overall reduction in new dwelling units approximating 28% per year, this reduction rate was applied across the years 2004 through 2010 to get an approximate number of units to be constructed during the 2008 to 2010 timeframe. The projected construction breakdown is reported below.

- 2008 through 2010 – 260 units total or 130 units per year ($260,000/yr.)
- 2010 through 2020 – 418 units total or 42 units per year ($84,000/yr.)
- 2020 through 2020 – 304 units total or 30 units per year ($60,000/yr.)

PROPOSED REVENUE EXPENDITURE FOR FY ’08 - ’09

Currently the City of La Mesa has two projects planned which RTCIP fee exactions could be used for:

1. Traffic Light Synchronization on Fletcher Parkway
2. Road Construction Improvements to Fletcher Parkway
ORDINANCE NO. 2008-___

AN ORDINANCE OF THE CITY OF LA MESA, CALIFORNIA ADDING CHAPTER 14.28 TO THE MUNICIPAL CODE ESTABLISHING A RESIDENTIAL TRAFFIC IMPACT MITIGATION FEE PROGRAM FOR PURPOSES OF COMPLIANCE WITH THE SAN DIEGO REGIONAL ASSOCIATION OF GOVERNMENTS (SANDAG) COMMISSION ORDINANCE 04-01 AND TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN

WHEREAS, Government Code Section 66000 et seq. authorizes cities to adopt development impact fees including traffic impact fees to be used for the construction of transportation facilities to accommodate increased traffic generated by new development pursuant to certain terms and conditions;

WHEREAS, Government Code Section 66483 authorizes cities to impose a requirement for the payment of fees as a condition of approval of a final subdivision map or issuance of a building permit;

WHEREAS, the voters of the County of San Diego approved Proposition “A” to extend the TransNet half-cent sales tax for transportation projects;

WHEREAS, SANDAG administers the TransNet Program for San Diego County and establishes the regulations governing the TransNet Program;

WHEREAS, SANDAG Commission Ordinance 04-01 and TransNet Extension Ordinance and Expenditure Plan requires that each local agency in San Diego County contribute exactions from the private sector for each newly constructed residential housing unit to the Regional Transportation Congestion Improvement Program (RTCIP);

WHEREAS, said exactions are intended to ensure that 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 the SANDAG Regional Transportation Plan;

WHEREAS, SANDAG Commission Ordinance 04-01 requires that 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;

WHEREAS, SANDAG Commission Ordinance 04-01 requires that local agencies also collect an administrative fee in an amount not to exceed 1% of the required exaction to be submitted to SANDAG for the costs of the administration of the San Diego County Regional Transportation Commission Act;

WHEREAS, SANDAG commissioned a RTCIP Impact Fee Nexus Study to assist local agencies in complying with the legal requirements governing development impact fees in California;
WHEREAS, the City Council of the City of La Mesa hereby finds and determines that the RTCIP Impact Fee Nexus Study demonstrates a reasonable nexus between the amount of the fees referenced therein, the need for facilities created by new development and the expenditure of fee revenues to benefit new development, and establishes a maximum fee threshold that exceeds the minimum exaction required by SANDAG Commission Ordinance 04-01;

WHEREAS, it is necessary to amend the La Mesa Municipal Code to establish a residential traffic impact mitigation fee program in compliance with the requirements of SANDAG Commission Ordinance 04-01;

WHEREAS, the Finance Director is hereby directed to establish a separate account identified as the "Regional TransportationCongestion Improvement Program Fund" for purposes of depositing fees collected pursuant to this Ordinance to be utilized solely for compliance with the requirements of SANDAG Commission Ordinance 04-01 and the TransNet Extension Ordinance and Expenditure Plan;

NOW THEREFORE, the City Council of the City of La Mesa, California does hereby ordain as follows:

SECTION 1. The recitals referenced above are hereby incorporated into this Ordinance and shall have the force and effect thereof.

SECTION 2. A new chapter 14.28 is hereby added to the La Mesa Municipal Code to read as follows:

"Chapter 14.28
TRAFFIC MITIGATION FEE

14.28.010 Purpose.
The purpose of this Chapter is to comply with the requirements of the San Diego Association of Government (SANDAG) Commission Ordinance 04-01 and TransNet Extension Ordinance and Expenditure Plan, which requires that each local agency in San Diego County contribute exactions from the private sector for each newly constructed residential housing unit to the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP is to ensure that new development directly invests in the region's transportation system to offset the negative impacts of growth on congestion and mobility.

14.28.020 Fee Requirements—New Residential Unit
A. A traffic impact fee shall be imposed on all new residential units developed in the City in an amount established by resolution of the City Council. If a new residential unit is developed as part of a new subdivision as defined by Government Code Section 66424, the applicable fees imposed pursuant to this Chapter shall be paid by the subdivider during the subdivision processing as a condition of approval of the proposed final map or parcel map; alternatively, however, at the option of the subdivider, a covenant may be executed burdening each residential lot for the pro rata share of the total fees owned, due as a condition of the issuance of a building permit. If a new residential unit is not part of a new subdivision, the applicable fee required shall be paid as a condition of the granting of a building permit for said unit."
B. The fees imposed by this Chapter shall not be considered to be in lieu of the dedications of land adjacent to the development and adjacent road improvements which are required to be constructed by the developer pursuant to applicable requirements or as specified in the Municipal Code.

C. An administrative fee in the amount of 1% of the traffic impact fee assessed per residential unit shall be required pursuant to SANDAG Commission Ordinance 04-01 for purposes of defraying the costs of administering the San Diego County Regional Transportation Commission Act.

14.28.030 Exemptions.
The following shall not be subject to the requirements of this Chapter: (1) accessory dwelling units as defined in Municipal Code Section 24.01.100; and (2) replacement or remodels of existing residential structures which do not add units.

14.28.040 Separate Account and Use of Fees.
The fees collected pursuant to this Chapter shall be deposited in a separate account identified as the ‘Regional Transportation Congestion Improvement Program Fund’ and utilized solely for compliance with the requirements of SANDAG Commission Ordinance 04-01 and the TransNet Extension Ordinance and Expenditure Plan.

14.28.050 Fee Adjustment.
A developer of any project subject to the fees required pursuant to this Chapter may apply to the City Engineer for a reduction or adjustment of said fee based upon the absence of any reasonable relationship or nexus between the traffic impacts of that development and the amount of the fee charged. The application shall state in detail the factual basis for claim of waiver or reduction, and shall be accompanied by a traffic study demonstrating that the cost of mitigating the traffic impacts of the development is less than the amount of the fee charged for the Engineer at the time of the filing of the request for a final or parcel map, or a building permit, and shall bear the seal of a traffic engineer licensed by the State of California. The City Engineer shall consider the fee adjustment application within 30 days of the filing of the application.”

SECTION 3. Any judicial action or proceeding to attack, set aside, void or invalid this Ordinance shall be filed within the time period pursuant to Government Code Section 66020 after the effective date of this Ordinance. Pursuant to Government Code Section 66020(d)(1), the ninety day period in which parties may protest begins upon the effective date of this Ordinance.

SECTION 4. This ordinance shall be effective 60 days after its adoption and the City Clerk shall certify to the adoption of this Ordinance and cause the same to be published at least once in the East County Californian/La Mesa Forum within 15 days of its adoption.

INTRODUCED AND READ at a Regular meeting of the City Council of the City of La Mesa, California, held the 22nd day of April 2008, and thereafter PASSED AND ADOPTED at a Regular meeting of said City Council held the 13th day of May 2008, by the following vote, to wit:
AYES:

NOES:

ABSENT:

APPROVED:

____________________________________
ARTHUR E. MADRID, Mayor

ATTEST:

____________________________________
MARY J. KENNEDY, CMC, City Clerk

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and correct copy of Ordinance No. 2008-__, duly passed and adopted by the City Council of said City on the date and by the vote therein recited and that the same has been duly published according to law.

____________________________________
MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)
RESOLUTION NO. 2008-

RESOLUTION ESTABLISHING THE AMOUNT OF A RESIDENTIAL TRAFFIC IMPACT MITIGATION FEE ESTABLISHED PURSUANT TO ORDINANCE NO. _______ FOR PURPOSES OF COMPLIANCE WITH THE SAN DIEGO REGIONAL ASSOCIATION OF GOVERNMENTS (SANDAG) COMMISSION ORDINANCE 04-01 AND TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN

WHEREAS, Government Code Section 66000 et seq. authorizes cities to adopt development impact fees including traffic impact fees to be used for the construction of transportation facilities to accommodate increased traffic generated by new development pursuant to certain terms and conditions;

WHEREAS, the voters of the County of San Diego approved Proposition “A” to extend the TransNet half-cent sales tax for transportation projects;

WHEREAS, SANDAG administers the TransNet Program for San Diego County and establishes the regulations governing the TransNet Program;

WHEREAS, SANDAG Commission Ordinance 04-01 and TransNet Extension Ordinance and Expenditure Plan requires that each local agency in San Diego County contribute exactions from the private sector for each newly constructed residential housing unit to the Regional Transportation Congestion Improvement Program (RTCIP);

WHEREAS, said exactions are intended to ensure that 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 the SANDAG Regional Transportation Plan;

WHEREAS, SANDAG Commission Ordinance 04-01 requires that local agencies also collect an administrative fee in an amount not to exceed 1% of the required exaction to be submitted to SANDAG for the costs of the administration of the San Diego County Regional Transportation Commission Act;

WHEREAS, SANDAG commissioned a RTCIP Impact Fee Nexus Study to assist local agencies in complying with the legal requirements governing development impact fees in California;

WHEREAS, pursuant to Government Code Section 66000 et seq., the City Council of the City of La Mesa hereby finds and determines that the RTCIP Impact Fee Nexus Study demonstrates a reasonable nexus between the collection of the fee amount referenced therein, the need for facilities created by new development and the expenditure of fee revenues to benefit new development, and establishes a maximum fee threshold that exceeds the minimum exaction required by SANDAG Commission Ordinance 04-01; and

WHEREAS, Ordinance No. _______ establishes a residential traffic impact mitigation fee program in compliance with the requirements of SANDAG Commission Ordinance 04-01.
NOW, THEREFORE, the City Council of the City of La Mesa, California does hereby resolve as follows:

SECTION 1. Pursuant to Ordinance No. ______, the amount of the traffic mitigation impact fee shall be two-thousand dollars ($2,000) per residential unit.

SECTION 2. An administrative fee in an amount of 1% of the required exaction pursuant to Section 1 of this Resolution shall be paid to the City to be submitted to SANDAG for the costs of the administration of the San Diego County Regional Transportation Commission Act.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of La Mesa, California, held the 22nd day of April 2008, by the following vote to wit:

AYES:
NOES:
ABSENT:

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2008-____, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)
ORDINANCE NO. 372

AN ORDINANCE ADDING CHAPTER 15.52 OF THE LEMON GROVE MUNICIPAL CODE ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAYING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by local ordinance a requirement for the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City of Lemon Grove has not heretofore established development impact fees for those purposes described herein, reflecting an appropriate fee taking into consideration construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and procedures, for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that that fees permitted by the police power and California Government Code sections 66483 and 66484 are appropriate.

THE CITY COUNCIL OF THE CITY OF LEMON GROVE DOES ORDAIN AS FOLLOWS:

SECTION 1. The City of Lemon Grove finds that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061 (b) (3), General Rule, as follows: "The activity is covered by the General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have an effect on the environment, the activity is not subject to CEQA."

SECTION 2. Chapter 15.52 of Title 15 of the Lemon Grove Municipal Code, consisting of sections 15.52.010 through 15.52.070, inclusive, is hereby added to read as follows:

15.52.010 Title.

This chapter shall be known as the "Lemon Grove Regional Transportation Congestion Improvement Program."

15.52.020 Findings.
In adopting this chapter, the City Council of the City of Lemon Grove finds and determines that:

A. The City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the County of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional arterial system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional arterial system as it presently exists.

C. The City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030.

D. The City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional arterial system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City.

E. The City Council has reviewed the Nexus Study, and finds that future development within the County and City will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving the regional arterial system, the regional arterial system will operate at unacceptable levels of service.

F. The City Council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

G. The City Council further finds and determines that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

H. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial
system improvements and the burden of such development will be mitigated in part by
the payment of the RTCIP fee.

I. The City Council further finds and determines that the cost estimates set
forth in the Nexus Study are reasonable cost estimates for constructing the regional
arterial system improvements, and that the amount of the RTCIP fee expected to be
generated by new development will not exceed the total fair share cost to such
development.

J. The City Council further finds that the cost estimates set forth in the
Nexus Study are reasonable cost estimates for the facilities that comprise the regional
arterial system, and that RTCIP fee program revenues to be generated by new
development will not exceed the total fair share of these costs.

K. The fees collected pursuant to this chapter shall be used to help pay for
the construction and acquisition of the regional arterial system improvements identified
in the Nexus Study. The need for the improvements is related to new development
because such development results in additional traffic, thus creating the demand for the
improvements.

L. The City Council finds that the Nexus Study proposes a fair and equitable
method for distributing a portion of the unfunded costs of improvements to the regional
arterial system.

M. The City Council adopts the Nexus Study and incorporates it in this chapter
as though set forth in full.

15.52.030 Definitions.

For the purpose of this chapter, the following words, terms and phrases shall
have the following meanings:

"Commission" means the San Diego County Regional Transportation
Commission, formed pursuant to the San Diego County Regional Transportation
Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the
board of directors of SANDAG.

"Development project" or "project" means any project undertaken for the purpose
of residential development, or development that includes, as a component, residential
development, such as "mixed use" development, including the issuance of a permit for
construction.

"Low income residential housing" means new moderate, low, very low, and
extremely low income residential units as defined in Health and Safety Code sections

"Multifamily residential property" means property, which, under the current City
land use plan or any specific plan, is designated as RM, RMH, RP, CC, and CG, zones
found in Chapter 17 of the Lemon Grove Municipal Code, with or without any overlay, or
equivalent.

"Nexus Study" means the RTCIP Impact Fee Nexus Study pursuant to California
Government Code section 66000 et seq., which Nexus Study is on file in the City clerk’s
office.

"Residential dwelling unit" means a building or portion thereof used by one family
and containing but one kitchen, which is designed primarily for residential occupancy
including single-family and multifamily dwellings. "Residential dwelling unit" shall not include hotels or motels.

"RTCIP administrative plan" means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City clerk's office.

"SANDAG" means the San Diego Association of Governments, a joint powers agency consisting of the City, the County of San Diego, and the eighteen cities situated in San Diego County.

"Single-family residential unit" means each residential dwelling unit in a development on property, which, under the current City land use plan, special treatment area or any specific plan, is designated as RL, RLM, and RM, zones found in Chapter 17 of the Lemon Grove Municipal Code, with or without any overlay, or equivalent.

15.52.040 Establishment of the transportation uniform mitigation fee.

A. Adoption. The schedule of fees shall be adopted by resolution approved by the City Council ("resolution").

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time. The Nexus Study is applicable to specific residential construction impacts in Lemon Grove, including but not limited to those referenced in Table A1 of the Study within the boundaries of the City. Nothing herein prevents the City from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the City. The amount of fees adopted under this Ordinance may also exceed the amount allowed by the Nexus Study based on further studies prepared by the City or SANDAG that justifies an increased amount.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional arterial system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009.

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study.

E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the Lemon Grove Regional Transportation Congestion Improvement Program ("RTCIP") Fee:

1. Low income residential housing;
2. Government/public buildings, public schools and public facilities;

3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;

4. All new, rehabilitated, and/or reconstructed non-residential structures.

5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;

6. Guest dwellings, as defined in Title 17 of the Lemon Grove Municipal Code;

7. Kennels and catteries established in connection with an existing residential unit and as defined in Title 17 of the Lemon Grove Municipal Code;

8. The sanctuary building and/or meeting hall of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;

9. Residential units that have been issued a building permit prior to July 1, 2008; and

10. Condominium conversions.

G. Credit. Regional arterial system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.

   a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.

   b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.

   c. The amount of the development fee credit shall not exceed the revenue requirements of the City’s most current funding program (determined by the most current unit cost assumptions) for its share of the regional arterial system or actual costs, whichever is less.

2. Local Tier.

   a. The City shall compare facilities in local fee programs against the regional arterial system and eliminate any overlap in its local fee program except where there is a recognized financing district has been established.

   b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

15.52.050 Reimbursements.
Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

15.52.060 Procedures for the levy, collection, and disposition of fees.

A. Authority of the Public Works Department. The director of public works, or his/her designee, is authorized to levy and collect the RTCIP fee and make all determinations required by this chapter.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a certificate of occupancy is issued for the development project or upon final inspection, whichever come first (the “payment date”). However, this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the time application is made for a building permit and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her RTCIP fee obligation. If the developer makes only a partial payment prior to the payment date, the amount of the fee due shall be based on the RTCIP fee schedule in place on the payment date. The fees shall be calculated according to fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time of payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the TUMF.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. Accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of RTCIP Administrative Plan and administrative rules adopted by Resolution of the City Council. Issues subject to appeal shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The finance director, or his/her designee, shall prepare and deliver to the executive director of SANDAG and to the Independent Taxpayer Oversight Committee (ITOC), periodic reports as will be established under section 15.52.070 of this chapter.
15.52.070 Appointment of the RTCIP fee administrator.

A. The director of public works is appointed as the administrator of the transportation uniform mitigation fee program. He or she or designee is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer's RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. SANDAG shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed two percent of the annual net amount of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3. The City Council of the City of Lemon Grove hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this ordinance to be published pursuant to the provisions of Government Code section 36933.
This ordinance was introduced on March 4, 2008.

PASSED AND ADOPTED this 18 day of March, 2008, by the following vote, to wit:

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<th>COUNCILMEMBERS</th>
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<th>NOES</th>
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<td>Mary Teresa Sessom</td>
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<td>Thomas Clabby</td>
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Mary Teresa Sessom, Mayor

This Ordinance shall become effective thirty days following its passage and adoption.

ATTEST AND CERTIFICATION

I hereby certify that this is a true and correct copy of Ordinance No. 372, which has been published pursuant to law.

Susan Garcia, City Clerk
City of Lemon Grove, California
RESOLUTION NO. 2008-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, ESTABLISHING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE

WHEREAS, California Government Code section 66000 establishes a procedure which cities must follow in order to adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the County of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act; and

WHEREAS, the City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system as it presently exists; and

WHEREAS, the City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030; and

WHEREAS, the City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation congestion improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City; and

WHEREAS, the City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee; and

WHEREAS, the City Council adopted Ordinance No. 372, on March 18, 2008, establishing the requirements and procedures for the imposition of development impact fees to share in the costs of design and construction of local and regional transportation facilities; and

WHEREAS, Ordinance 372 insures that the fees, as permitted by the police power and California Government Code sections 66483 and 66484 are appropriate; and

WHEREAS, Ordinance No. 372 shall provide a method for establishing development impact fees in the future and does not conflict with the adoption of the RTCIP fee hereunder
which shall remain in full force and effect until amended or repealed by subsequent Resolution; and

WHEREAS, the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development; and

WHEREAS, the City is required to place $2,000.00 per residence in the RTCIP funds regardless of whether it charges the fee and this Resolution hereby establishes a fee of $2000.00 per residence, as specified herein; and

WHEREAS, adoption of the fee program will allow the City to recover costs that would otherwise be absorbed by the General Fund or divert other funds that could be used for other eligible projects; and

WHEREAS, the City Council held a duly noticed public hearing on April 15, 2008 in order to receive additional oral comments on the RTCIP fee; and

WHEREAS, based on the written and oral materials submitted at the public hearing, the City Council finds that the recommended fee of $2,000.00 per residence for new construction, as defined herein, is necessary and appropriate to fund infrastructure needs in the City.

NOW, THEREFORE, be it resolved, determined, and ordered by the City Council of the City of Lemon Grove:

Section 1. The above recitals are true and correct.

Section 2. For the purposes of this Resolution, the terms and phrases listed under Ordinance No. 372 shall be applicable.

Section 3. The City Council hereby approves the RTCIP Fees as follows:

A. Adoption. The RTCIP Fee, as defined herein, shall be Two Thousand Dollars ($2,000.00) per newly constructed residence. This Fee shall be applicable to all residential development, as defined herein, beginning as of July 1, 2006.

B. Fee Calculation. The fees are calculated according to the calculation methodology set forth in Table 11 of the Nexus Study. The Nexus Study is applicable to specific residential construction impacts in Lemon Grove, including but not limited to those referenced in Table A1 of the Study within the boundaries of the City. Nothing herein prevents the City from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the City.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. The fees may be increased or decreased to reflect changes in actual and estimated costs of the regional system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009. Upon the effective date of Ordinance No. 372, Chapter 15.52 of the Lemon Grove Municipal Code, as amended, shall govern the method of Fee Adjustment.

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study, including those identified in the City.
E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the Lemon Grove Regional Transportation Congestion Improvement Program (RTCIP) Fee:

1. Low income residential housing;
2. Government/public buildings, public schools and public facilities;
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;
4. All new, rehabilitated, and/or reconstructed non-residential structures.
5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;
6. Guest dwellings;
7. Kennels and catteries established in connection with an existing residential unit and as defined in Title 19 of the Lemon Grove Municipal Code;
8. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;
9. Residential units that have been issued a building permit prior to July 1, 2008; and
10. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.
   a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.
   b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.
   c. The amount of the development fee credit shall not exceed the revenue requirements of the City’s most current funding program (determined by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.
2. Local Tier.
   a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district established.
b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

Section 4. Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

Section 5. Procedures for the levy, collection, and disposition of fees.

A. Authority of City Manager. The City Manager or his/her designee is authorized to levy and collect the RTCIP fee and make all determinations required by this resolution.

B. Payment. Payment of the fees shall be based on the procedures established in Ordinance No. 372.

Section 6. Upon the effective date of Ordinance No. 372, Chapter 15.52 of the Lemon Grove Municipal Code for collection and administration of the RTCIP Fee established hereunder shall govern the policies and procedures. The City Manager is appointed as the administrator of the transportation uniform mitigation fee program. He/she, or his/her designee, is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this Resolution, Ordinance No. 372 and the Mitigation Fee Act.

Section 7. The City Council hereby approves the Nexus Study in Attachment "A" in that it reflects the estimated reasonable costs of providing development-processing services to be funded pursuant to this Resolution and Ordinance No. 372. The City Council hereby authorizes the City Manager, or his/her designees, to take all steps necessary to implement this RTCIP Fee by July 1, 2008.

///
///
ORDINANCE NO. 2008 – 2310

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF NATIONAL CITY AMENDING
TITLE 4 OF THE NATIONAL CITY MUNICIPAL CODE
BY ADDING CHAPTER 4.52 ESTABLISHING AND
APPROVING A TRANSPORTATION DEVELOPMENT IMPACT
FEE FOR CAPITAL IMPROVEMENT PROJECTS NECESSARY
TO MAINTAIN ACCEPTABLE LEVELS OF TRAFFIC
AND TRANSPORTATION SERVICE WITHIN THE CITY

BE IT ORDAINED by the City Council of the City of National City as follows:

Section 1. Title 4 is hereby amended by adding Chapter 4.52 to read as follows:

Chapter 4.52
GENERAL PROVISIONS

Sections:

4.52.010 Title.
4.52.020 Authority.
4.52.030 Intent and purpose.
4.52.040 Findings.
4.52.050 Definitions.
4.52.060 Applicability.
4.52.070 Transportation Development Impact Fee – Residential.
4.52.080 Transportation Development Impact Fee – Non-residential.
4.52.090 Transportation Development Impact Fee – Non-residential: Suspension of
imposition.
4.52.100 Annual adjustment of fee.
4.52.110 Use of fee.
4.52.120 Facilities to be financed by fee.
4.52.130 Developer construction of facilities.
4.52.140 Exemptions.
4.52.150 Fee waivers and reductions.
4.52.160 Refund of fee.
4.52.170 Statutory exemption.
4.52.180 Severability.

4.52.010 Title. This Chapter shall be known as the Transportation Development
Impact Fee [TDIF] Ordinance and may be cited as such.

4.52.020 Authority. This Ordinance is enacted pursuant to the Mitigation Fee Act,
California Government Code section 66000 et seq.
4.52.030 Intent and purpose. The purpose of this Chapter is to make provision for assessing and collecting fees as a condition of approval of a subdivision map or prior to issuance of a development permit, including a building permit, to defray the actual or estimated costs of constructing planned transportation facilities necessary to accommodate increased traffic generated by future development consistent with §§ 66000 et seq. of the California Government Code (Mitigation Fee Act). Application of this fee will include, but is not limited to, development for residential, commercial and industrial land uses.

This TDIF does not replace normal subdivision map exactions or other measures required to mitigate site specific impacts of a development project including, but not limited to, mitigation imposed pursuant to the California Environmental Quality Act and imposed as conditions of approval upon a development project as part of the development review process; regulatory and processing fees; fees required pursuant to a development agreement; funds collected pursuant to a reimbursement agreement that exceed the developer’s share of public improvement costs; or assessment district proceedings, benefit assessments, or taxes.

The fees collected pursuant to this Chapter are to fund identified transportation facilities, or portions thereof, that will provide increased road capacity necessitated by the cumulative impacts of future development. The transportation facilities for which these fees are collected are identified as “TDIF Facilities” in the adopted Transportation Impact Fee Program Report. Further studies, including environmental review, may show superior alternative facilities that also provide the needed increased capacity. Once such studies are completed, fees collected under this Division may be used to fund those superior alternative facilities.

4.52.040 Findings. The City Council of the City of National City, consistent with California Government Code §§66000 et seq. of the Mitigation Fee Act, finds that:

A. The further development of property within the City, as detailed in the Transportation Impact Fee Program Report, will require the construction of additional transportation facilities. In addition, San Diego Association of Governments (SANDAG) policy as expressed through the TransNet Extension Ordinance and Expenditure Plan is that new development shall contribute towards the Regional Arterial System through the Regional Transportation Congestion Improvement Program (RTCIP). The RTCIP has an impact fee component to achieve its goals. Included in the Regional Arterial System are certain roadways in the City of National City, which are also part of the City’s Transportation Impact Fee Program. The TDIF advances a legitimate public interest by enabling both SANDAG and the City of National City to fund improvements to transportation infrastructure required to accommodate new development.

B. The fees established herein are based upon estimated costs of identified transportation facilities, or portions thereof, the costs of which have been based on relative vehicular volumes attributable to future development. The TDIF will fund expanded facilities identified in the Transportation Impact Fee Program Report, and would also include those facilities identified in the RTCIP located within the City of National City, all to serve new development.

Costs for planned transportation facilities are identified in the Transportation Impact Fee Program Report. Costs funded by the TDIF may include project administration and management, design and engineering, right-of-way acquisition, and construction. More detailed descriptions of planned facilities, including their location, to the extent known, are shown in the Transportation Impact Fee Program Report and other documents, such as the City’s General Plan. The list of planned improvements contained in the Transportation Impact Fee Program Report may change
to meet changing circumstances and needs, as the City of National City deems necessary. The TDIF will not be used to correct existing deficiencies in the roadway system.

C. There is a reasonable relationship between construction of identified transportation facilities, or portions thereof, and the additional vehicular trips attributable to future development. The City of National City will restrict TDIF revenues to capital projects identified on the Transportation Impact Fee Program Report to serve new development. In that report, certain improvements are also part of the Regional Arterial System identified in the SANDAG RTCIP. Improvements funded by the TDIF will expand certain arterials within the City of National City, making them accessible to the additional residents and workers associated with new development. The projects identified in the Transportation Impact Fee Program Report will expand the capacity of the portions of the Regional Arterial System located within the City of National City to accommodate the increased trips generated by new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and non-residential types of new development that will pay the TDIF.

D. There is a reasonable relationship between the need for identified transportation facilities, or portions thereof, and the future development. New dwelling units and building square footage are indicators of the demand for transportation improvements needed to accommodate growth. As additional dwelling units and building square footage are created, the occupants of these structures generate additional vehicle trips and place additional burdens on the transportation system.

The need for the TDIF is based on the SANDAG transportation model projections of growth that show an increase in vehicle hours of delay on the Regional Arterial System primarily as a result of new development even with planned improvements to that system. The model estimated impacts from new development based on trip generation rates that varied by land use category, providing a reasonable relationship between the type of development and the need for improvements.

E. There is a reasonable relationship between the amount of the fee and the cost of transportation facilities, or portions thereof, attributable to future development. This reasonable relationship between the TDIF for a specific development project and the cost of the facilities attributable to that project is based on the estimated vehicle trips the project will add to the Regional Arterial System. The total fee for a specific residential development is based on the number and type of new dwelling units multiplied by the trip generation rate for the applicable residential land use category. The fee for a specific non-residential development is based in a similar manner on the amount of building square footage by land use category. Larger projects generate more vehicle trips and pay a higher fee than smaller projects of the same land use category. Thus, the fee ensures a reasonable relationship between the TDIF for a specific development project and the cost of the improvements attributable to the project.

F. The imposition of TDIF on all new development associated with the generation of new traffic within the City of National City is necessary in order to protect the public health, safety and welfare and in order to assure effective implementation of National City’s General Plan.

4.52.050 Definitions. The definitions set forth in this section shall govern the application and interpretation of this chapter:

“Applicant” means developer or person seeking a development permit.
“Building permit” means a permit required and issued by the City of National City.
“City” shall mean the City of National City.
"City of National City Transportation Impact Fee Program" is the fee study entitled "City of National City Transportation Impact Fee Program", dated March 2008, approved and adopted by the City Council on April 1, 2008. The City of National City Transportation Impact Fee Program is maintained for public review in the Engineering Department of the City of National City.

"Construction" means design, performance of estimates, environmental assessments and studies, determination of fees, acquisition of right-of-way, administration of construction contracts and actual construction.

"Development permit" shall mean any permit or approval from the City of National City including, but not limited to, a general plan amendment, zoning or rezoning of property, a conditional use permit, a design permit, a coastal development permit, a variance permit, a planned development permit, subdivision map, parcel map, building permit, or any another permit for construction, reconstruction, or development.

"Developer" means the owner or developer of a development seeking a development permit.

"Development project" or "development" means any activity described in Section 66000 et. seq. of the California Government Code.

"Industrial" means any use of land specified as an industrial use in Title 18 of this Code.

"Multi-family" means any use of land specified as a multi-family use in Title 18 of this Code.

"New Development" shall mean any development requiring a development permit.

"Residential" means any use of land specified as a residential use in Title 18 of this Code.

"Single-family" means any use of land specified as a residential use in Title 18 of this Code.

"TDIF" means Transportation Development Impact Fee.

"TDIF facilities" means the transportation facilities, or portions thereof, identified in the City of National City Transportation Impact Fee Program, or future City approved alternatives that substantially fulfill the transportation needs identified and represented by a listed facility.

"TDIF Reports" means the City of National City Transportation Impact Fee Program report dated March 2008 and approved and adopted by the City Council on April 1, 2008. This report shall be changed or periodically updated by action of the City Council pursuant to Section 4.52.100 of this Chapter. The current adopted reports are on file with the City Clerk of the City of National City.

"Transportation facility project" means that project or portion of project, which involves the specified improvements in the City of National City Transportation Impact Fee Program.

4.52.060 Application of chapter. This Chapter establishes the requirements for the TDIF for all new development within the City of National City. This Chapter shall apply to all new development except as exempted by state or federal law, or as specifically exempted in this Chapter. In cases where a development is specifically exempt by law from this Chapter, but that development has cumulative transportation impacts required to be mitigated by the California Environmental Quality Act (CEQA), the CITY can accept TDIF payment to mitigate cumulative impacts.

The TDIF is limited to providing funding in the amounts and for those improvements specified in the City of National City Transportation Impact Fee Program. Nothing in this chapter shall restrict the ability of the City to require dedication of land, payment of fees or
construction of improvements for needs other than, or in addition to, the improvements specified in the City of National City Transportation Impact Fee Program.

The requirement of this chapter shall apply to projects for which building permits are issued on or after July 1, 2008.

4.52.070 Transportation Development Impact Fee requirement – Residential.
A. Commencing July 1, 2008, prior to the issuance of any building permit for residential development in the City of National City, a Transportation Development Impact Fee shall be paid in the following amount based upon the use of land:

<table>
<thead>
<tr>
<th>Residential Land Use</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$2,000 per dwelling unit</td>
</tr>
<tr>
<td>Multi-family</td>
<td>$2,000 per dwelling unit</td>
</tr>
</tbody>
</table>

B. The fee shall be paid before the issuance of building permits for each development project within the City of National City. No building permit shall be issued within the City of National City unless and until the TDIF has been paid in full. In the case of discretionary permits that will not involve a building permit, but which will involve new development, payment of the fee shall be recommended as a condition of permitting to the decision-making body that would approve such permit.

4.52.080 Transportation Development Impact Fee requirement – Non-Residential.
A. Commencing July 1, 2008, prior to the issuance of any building permit for commercial, office/service, or industrial development in the City of National City, a Transportation Development Impact Fee shall be paid in the following amount based upon the use of land:

<table>
<thead>
<tr>
<th>Non-Residential Land Use</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>$2,704 per 1,000 square feet</td>
</tr>
<tr>
<td>Office/Services</td>
<td>$6,002 per 1,000 square feet</td>
</tr>
<tr>
<td>Industrial:</td>
<td>$2519 per 1,000 square feet</td>
</tr>
</tbody>
</table>
B. The fee shall be paid before the issuance of building permits for each development project within the City of National City. No building permit shall be issued within the City of National City unless and until the TDIF has been paid in full. In the case of discretionary permits that will not involve a building permit, but which will involve new development, payment of the fee shall be recommended as a condition of permitting to the decision-making body that would approve such permit.

4.52.090 Transportation Development Impact Fee requirement – Non-Residential: suspension of imposition. The imposition of the TDIF upon non-residential development, as set forth in Section 4.52.080, shall be suspended from being imposed until one of the following occurs:

A. SANDAG requires the City to collect a transportation development impact fee from non-residential development, the City thereafter holds a public hearing to consider whether to release the suspension, and the City determines to release the suspension; or,

B. The City Council determines, after a public hearing, that the suspension should be released based upon the public health, safety, and welfare of the City of National City; or,

C. The passage of at least two years from the date of the adoption of this Ordinance, a public hearing is held before the City Council to consider whether the continuance of the suspension of the fee upon non-residential should remain in place, and the City Council determines the suspension should be released.

4.52.100 Annual adjustment of fees. The TDIF shall be adjusted annually starting July 1, 2009, and on each July 1st thereafter, based on the following factors:

A. The cost index used by SANDAG for the annual adjustment to the RTCIP impact fee.

B. Changes in the type, size, location or cost of the transportation facilities, if any, to be financed by the TDIF, changes in land use designations in the City’s General Plan, and upon other sound engineering, financing, and planning information.

C. Adjustments to the TDIF resulting from review of the factors above may be made by resolution amending the fee schedule and subject to compliance with the Mitigation Fee Act.

4.52.110 Use of fee. The revenue raised by payment of the TDIF shall be placed in a separate and special account or fund in a manner to avoid any commingling with other revenues and funds of the City of National City; and, such revenues, along with any interest earnings on the account or fund, shall be used solely to:

A. Pay for the City's future construction of facilities described in the City of National City Transportation Impact Fee Program, or to reimburse the City for those described or listed facilities constructed by the City with funds advanced by the City from other resources; or

B. Reimburse developers who have been required or permitted by Section 4.52.130 to install such listed facilities which are oversized with supplemental size, length, or capacity, relative to demand generated by the subject project; or

C. Pay costs required for the administration of this Ordinance, including, but not limited to costs incurred in conducting hearings required by State law.

The TDIF fund, including accrued interest, shall be subject to the all of the applicable provisions of Government Code Section 66000 et seq., including but not limited to the requirements for accounting, reporting and expenditure of the fund for the improvements specified in the City of National City Transportation Impact Fee Program.
4.52.120 Transportation facilities to be financed by the fee.
A. The transportation facilities and programs to be financed by the fee established by
   this chapter are identified in the City of National City Transportation Impact Fee Program.
B. The City Council may modify or amend the City of National City Traffic Impact
   Fee Program in order to maintain compliance with the circulation element of the City’s General
   Plan.

4.52.130 Developer construction of transportation facilities. Whenever a developer
   of a development project would be required, as a condition of approval of a development permit,
   to construct or finance the construction of a portion of a transportation facility identified in the
   City of National City Traffic Impact Fee Program, the City Council may impose an additional
   requirement that the developer install the improvements with supplemental size, length or
   capacity in order to ensure efficient and timely construction of the transportation facilities
   network. If such a requirement is imposed, the City Council shall, in its discretion, enter into a
   reimbursement agreement with the developer. The reimbursement agreement can be for either in
   the form of a cash payment or a credit against the fee otherwise levied by this chapter on the
   development project, or some combination thereof. The determination of the form is at the sole
   discretion of the City.

   The reimbursement amount shall not include the portion of the improvement needed to
   provide services or mitigate the need for the facility or the burdens created by the development.

   A developer shall not receive cash reimbursement from the appropriate TDIF fund until
   all developers who have previously executed reimbursement agreements payable from the same
   fund have been fully reimbursed or until such agreements have expired. The maximum term of
   any reimbursement agreement shall be twenty-five (25) years.

4.52.140 Exemptions. The following new development shall be exempt for the
   application of the provisions of this Chapter:
A. Public facilities, government buildings, public buildings, public schools;
B. Uses with the following characteristics or activities as a principal use of land,
   generally described as “community purpose facility”:
   1. Social service activities, including such services as Boy Scouts, Girl
      Scouts, Boys Club and Girls Club, YMCA and services for the homeless;
   2. Public schools (elementary and secondary);
   3. Private schools (elementary and secondary);
   4. Day care (nonprofit only);
   5. Senior care and recreation (nonprofit only); and,
   6. Worship, spiritual growth and development.
C. Condominium conversions;
D. Moderate, low, very low, and extremely low income residential units as defined
   by Health and Safety Code sections 50079.5, 50093, 50105, 50106, and be reference in
   Government Code section 65585.1;
E. Rehabilitation and/or reconstruction of any legal residential structure and/or the
   replacement of a previously existing residential unit;
F. Development projects subject to development agreements prior to May 28, 2004
   that expressly prohibit the imposition of impact fees, however, if the terms of the development
   agreement are extended beyond July 1, 2008, then the requirements of this Chapter shall apply;
G. Guest dwellings;
H. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
I. Kennels and catteries established in conjunction with an existing residential unit; and
J. The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption.

4.52.150 Fee waivers and reductions.
A. Temporary uses. A development which is designed and intended as a temporary use (3 years or less) and which is conducted in facilities which are, by their nature, short-term interim facilities such as a portable or modular building (including mobile homes, trailers, etc.) may apply to the Director of Building and Safety for a waiver, reduction, or deferral. The Director of Building and Safety shall have the authority to grant such waivers, reductions, or deferrals.
B. Deferrals. A deferral of the payment of the TDIF may be granted on the basis of demonstrated economic hardship on the condition that: (1) the use offers a significant public benefit; (2) the amount deferred bears interest at a fair market rate so as to constitute an approximate value equivalent to a cash payment; and (3) the amount deferred is adequately secured by agreement with the applicant.
C. Fee adjustments. Notwithstanding any other provision of this Chapter, the applicant as defined in this Chapter shall, as a part of the development permit process, have the right to present evidence to the Director of Engineering to demonstrate that the fee calculation and/or amount of fee established by the City Council is incorrect or inequitable as applied in such case. The applicant shall have the burden of demonstrating any inaccuracy or inequity by serving on the Director of Engineering engineering studies and cost estimates necessary to support the applicant’s contentions.

If the applicant is processing an application for which the TDIF fee is a condition of approval, the studies and cost estimates must be served on the Director of Engineering no later than thirty (30) days prior to approval of the project. The Director of Engineering shall then make a recommendation regarding fee adjustment to the City hearing body. Upon review of the Director of Engineering’s recommendation, the hearing body shall have the authority to change the amount of fee when it finds the amount so established is incorrect or inequitable in the specific case. The decision of the City’s hearing body shall be final, and any additional appeals shall be in accordance with the City subdivision ordinance or zoning ordinance, whichever applies to the application being processed.

If the applicant is seeking a ministerial permit, the appeal, required engineering studies and cost estimates can be served on the Director of Engineering anytime prior to development permit issuance. The Director of Engineering shall review the requested fee adjustment and shall have the authority to change the amount of fee when it finds the amount so established is incorrect or inequitable in the specific case. The decision of the Director of Engineering shall be final.

4.52.160 Refund of fees.
If a building permit or development permit expires, is cancelled, or is voided and if any fees paid pursuant to this Chapter have not been expended and no construction has taken place pursuant to such building permit or development permit, the Director of Building and Safety
shall, upon written request, refund the fee and any interest earned on the fee, less any administrative costs, to the applicant of record.

4.52.170 Severability.

The provisions of this Ordinance shall not apply to any person, association, corporation or to any property as to whom or which it is beyond the power of the City of National City to impose the fee herein provided. If any sentence, clause, section or part of this Ordinance, or any fee imposed upon any person or entity is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section or part of this Ordinance, or person or entity; and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this Ordinance, or its effect on other persons or entities. It is hereby declared to be the intention of the City Council that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part of this Ordinance not been included herein; or had such person or entity been expressly exempted from the application of this Ordinance. To this end the provisions of this Ordinance are severable.

4.52.180 Effective date. This ordinance shall take effect July 1, 2008.

Section 2. The City Council hereby finds and determines that pursuant to Public Resources Code section 21080(b)(8) the enactment of this Ordinance constitutes a project which is statutorily exempt from the requirements of the California Environmental Quality Act. Specifically this Ordinance establishes and approves transportation development impact fees that will generate funds for capital projects which are necessary to maintain acceptable levels of traffic and transportation service within the City. This Ordinance does not, nor is it intended to, approve or pre-determine any development project which may be proposed in the future for which a TDIF may be exacted in accordance with the Ordinance. As such it merely provides the City with the procedural authority to impose the TDIF if and when any such development project might be proposed or applied for.

PASSED and ADOPTED this 1st day of April, 2008.

________________________________________________________________________
Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

George H. Eiser, III
City Attorney

Ordinance No. 2008-2310 9 Transportation Development Impact Fee
RESOLUTION NO. 2008 –

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF NATIONAL CITY APPROVING
AND ADOPTING THE CITY OF NATIONAL CITY
"TRANSPORTATION IMPACT FEE PROGRAM", AND THE
IMPACT FEE SCHEDULE – 2008, AND ESTABLISHING
TRANSPORTATION DEVELOPMENT IMPACT FEES FOR ALL
DEVELOPMENT WITHIN THE CITY OF NATIONAL CITY

WHEREAS, the City Council of the City of National City caused to be prepared the National City "Transportation Impact Fee Program"; and

WHEREAS, on April 1, 2008, the City Council held a noticed public hearing, at which time public comments and other oral and documentary evidence was received and considered with respect to the adoption of the City of National City "Transportation Impact Fee Program" dated April 2008, (hereinafter sometimes referred to as the "Transportation Impact Fee Program"); and

WHEREAS, the City Council finds as follows:

A. The "Transportation Impact Fee Program" complies with California Government Code Section 66001 by establishing the basis for imposition of fees on new development. In particular, the "Transportation Impact Fee Program":

1. Identifies the purpose of the fee.

2. Identifies the use to which the fee will be put.

3. Shows a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed.

4. Shows a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

5. Shows a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

B. The fees collected pursuant to this Resolution shall be used to finance the public facilities described or identified in the "Transportation Impact Fee Program".
C. After considering the specific project descriptions and cost estimates identified in the “Transportation Impact Fee Program”, the Council approves such project descriptions and cost estimates, and finds them reasonable as the basis for calculating and imposing certain development impact fees.

D. The projects and fee methodology identified in the “Transportation Impact Fee Program” are consistent with the City’s General Plan.

E. The “Transportation Impact Fee Program” is categorically exempt from environmental Quality Act Guidelines Section 15061 (b) (3). The intent of the study and proposed fees is to provide one means of mitigating potential environmental impacts which have been identified in environmental analyses of other planning efforts, including the General Plan EIR.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of National City that:

1. The “Transportation Impact Fee Program”, dated April 2008, is hereby approved and adopted.

2. The “Impact Fee Schedule – 2008” which is based upon the “Transportation Impact Fee Program” is hereby approved and adopted. A copy of said “Impact Fee Schedule – 2008” is attached hereto as Exhibit “A” and incorporated herein by reference.

3. Definitions:

   “New Development” shall mean development requiring a development permit.

   “Development Permit” shall mean any permit or approval from the City of National City including, but not limited to, a general plan amendment, zoning or rezoning of property, a conditional use permit, a design permit, a coastal development permit, a variance permit, a planned development permit, subdivision map, parcel map, building permit, or any other permit for construction, reconstruction, or development.

4. Timing of Fee. A development impact fee shall be imposed upon issuance of any development permit and shall be paid at the rate in effect on the day of payment prior to issuance of a certificate of occupancy for the project, or at such earlier time permitted by law as set forth in Government Code Section 66007.
5. Contract for Payment. If any fee or charge is not paid prior to the issuance of a building permit for construction of any portion of a residential development, the City may require the property owner or lessee of record, as a condition of issuance of the building permit, to execute a contract to pay the fee within the time specified in Section 4 above.

6. Fee Determination.

(a) Development impact fees for residential development shall be based upon the type of unit constructed. Residential development of detached single-family units shall pay the Single Family Detached residential fees. Multi-family units shall pay the multi-family fees.

(b) Development impact fees for nonresidential land uses shall be based upon the "TDIF Schedule (Non-residential)" set forth in Table 14a of the "Transportation Impact Fee Program", dated April 2008.

(c) If a development permit is issued that would alter the amount of the development impact fee due for the development or require the payment of a new or additional development impact fee, any such previously paid fees shall be credited against the new total fee due, as determined by the Building and Safety Director, provided, however, that, in no event, shall the City refund fees previously paid because of a change in land use.

7. Amount of Fee. Development impact fees shall be as set forth in the "Transportation Impact Fee Program", dated April 2008, on file in the office of the City Clerk, and as set forth in the "Impact Fee Schedule – 2008", a copy of which is attached hereto as Exhibit "A".

8. Effective Date. The fees designated in the "Transportation Impact Fee Program" and in the "Impact Fee Schedule – 2008" shall be effective July 1, 2008.

9. Use of Fee. The fee shall be solely used (1) for the purposes described in the "Transportation Impact Fee Program", (2) for reimbursing the City for
development's fair share of those capital improvements already constructed by the City; or (3) for reimbursing developers who have constructed public facilities described in the “Transportation Impact Fee Program”.

10. Judicial Action to Challenge this Resolution. Any judicial action or proceeding to attack, review, set aside, void, or annul this Resolution shall be brought within 120 days of the date of adoption of this Resolution.

11. Severability. If any provision or clause, or paragraph of this Resolution or the imposition of a fee for any project subject to the “Transportation Impact Fee Program”, or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Resolution or other fees levied by this Resolution which can be given effect without the invalid provisions or application of fees, and to this end the provisions of the Resolution are declared to be severable.

PASSED and ADOPTED this 1st day of April, 2008.

____________________________
Ron Morrison, Mayor

ATTEST:

____________________________
Michael Dalia, City Clerk

APPROVED AS TO FORM:

____________________________
George H. Eiser, III
City Attorney
**Transportation Development Impact Fee – Residential**

<table>
<thead>
<tr>
<th>Residential Land Use</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family</td>
<td>$2,000 per dwelling unit</td>
</tr>
<tr>
<td>Multi-family</td>
<td>$2,000 per dwelling unit</td>
</tr>
</tbody>
</table>

**Transportation Development Impact Fee – Non-Residential**

<table>
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<tr>
<th>Non-Residential Land Use</th>
<th>Fee</th>
</tr>
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<tbody>
<tr>
<td>Commercial</td>
<td>$2,704 per 1,000 square feet</td>
</tr>
<tr>
<td>Office/Services</td>
<td>$6,002 per 1,000 square feet</td>
</tr>
<tr>
<td>Industrial</td>
<td>$2,519 per 1,000 square feet</td>
</tr>
</tbody>
</table>

EXHIBIT A
March 31, 2008

TO: Muggs Stoll, SANDAG

FROM: Gary Kellison, City of Oceanside

RE: CITY OF OCEANSIDE TRAFFIC IMPACT FEE PROGRAM

Effective July 1, 2008, the new Transnet program requires cities to collect at least $2,000 per EDU (Equivalent Dwelling Unit) in traffic impact fees for use on streets on the SANDAG Regional Arterial System (RAS). At the January 3, 2008, CTAC meeting, the City of La Mesa asked that the other cities make their fee program available to other cities to help those agencies adopting new fee program. Additionally, SANDAG staff has requested a copy of each city’s fee program plans so it can be reviewed by ITOC.

This memo and attachments summarize Oceanside’s current fee program and relation to the new Transnet requirements. Oceanside is not going to adopt a new fee program because we will be able to show our present program meets the new Transnet requirements.

Oceanside’s fees are assessed on trip generation, not directly on EDU’s. The fee is $255 per trip, which works out to these rates:

Single Family: 10 trips per day x $255 per trip = $2,550
Condo: 8 trips per day x $255 per trip = $2,040
Apartment 6 trips per day x $255 per trip = $1,530

(Oceanside also collects a separate $15.71 per trip for traffic signals, but this is not included above.)

Oceanside’s mix of residential development is such that the average fee per EDU will exceed $2,000. (Additionally, some apartment units may qualify as low-income and be exempt.)
The list of streets in Oceanside’s fee program mostly, but not entirely, overlaps with the Regional Arterial System (RAS).

To provide verifiable proof of compliance, Oceanside will modify its internal accounting and fee collection procedures slightly: For any project paying impact fees after June 30, 2008, the City will separately calculate the portion of the fee amounting to $2,000 times EDU, and account for it in a sub-account separate from the rest of impact fees collected. Spending of the sub-account impact fees will be restricted to RAS highway projects. The balance of thoroughfare and traffic signal fees exceeding $2,000 per EDU will be handled as before, (but with an end-of-fiscal-year adjustment described below.)

For apartment projects, the total fee collected, including the traffic signal fee, is $1,624 per EDU. Because this amount is less than $2,000, the City will handle the development fee accounting for apartments slightly differently than for condo and single family. For apartments, the full $1,624 fee per EDU will be collected and deposited into the RAS road account. A per apartment EDU deficit of $376 will be recorded in an Engineering Division account. At the close of the fiscal year, the funds equal to the accumulated RAS apartment deficit will be transferred from the "condo" and "single-family" surplus (the regular thoroughfare fee account), and put into the thoroughfare fee sub-account for RAS projects.

This procedure will provide for an auditable verification that, on average, Oceanside is collecting at least $2,000 per new development EDU for RAS highway improvements.

Attachments:
1. August 6, 2006 Impact Fee Information Sheet
2. May 17, 2006 City of Oceanside Resolution approving current impact fees

cc. Scott Smith
Karen Brown
# CITY OF OCEANSIDE

## IMPACT FEES FOR NEW DEVELOPMENT

For information only, not intended to be a final calculation

<table>
<thead>
<tr>
<th>FEE CATEGORY</th>
<th>METHOD OF CALCULATION</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Facility Residential</td>
<td>Calculated per unit</td>
<td>$2,072 per unit</td>
</tr>
<tr>
<td>Public Facility Non-Residential</td>
<td>Calculated per square foot</td>
<td>$713 per thousand sq. feet</td>
</tr>
<tr>
<td>Parks (Residential Only)</td>
<td>Calculated per unit</td>
<td>$3,503 per unit</td>
</tr>
<tr>
<td>Traffic- Residential</td>
<td>Calculated by trip generation:</td>
<td></td>
</tr>
<tr>
<td>Thoroughfare = $255 per trip</td>
<td>Single family (10 trips per day)</td>
<td>$2,707.10 (single-family)</td>
</tr>
<tr>
<td>Signal = $15.71 per trip</td>
<td>Condominiums (8 trips per day)</td>
<td>$2,165.88 (each condo)</td>
</tr>
<tr>
<td></td>
<td>Multiple Family (apts.) (6 trips per day)</td>
<td>$1,824.28 (each apt.)</td>
</tr>
<tr>
<td>Traffic-Non-Residential</td>
<td>Calculated by trip generation:</td>
<td></td>
</tr>
<tr>
<td>Thoroughfare = $255 per trip</td>
<td>SAMPLES below:</td>
<td></td>
</tr>
<tr>
<td>(A 75% discount will be given on</td>
<td>Industrial/Business park w/commercial uses</td>
<td></td>
</tr>
<tr>
<td>the total dollar amount calculated</td>
<td>16 trips per 1,000 S.F. of building space.</td>
<td></td>
</tr>
<tr>
<td>for the Thoroughfare fee only.)</td>
<td>Industrial/Business Park with no commercial use</td>
<td></td>
</tr>
<tr>
<td>Signal = $15.71 per trip</td>
<td>8 trips per 1,000 S.F. of building space.</td>
<td></td>
</tr>
<tr>
<td>See Engineering Division for</td>
<td>Commercial (strip commercial/specialty retail)</td>
<td></td>
</tr>
<tr>
<td>detailed trip generation guide</td>
<td>40 trips per 1,000 S.F. of building space.</td>
<td></td>
</tr>
<tr>
<td>from SANDAG-your project's amount could differ.</td>
<td>Commercial (24 hour convenience market)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>700 trips per 1,000 S.F. of building space</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools-Residential</td>
<td>Calculated per square foot</td>
<td>$2.63 per sq. ft (Oceanside 6-13-06) ($2.63 per sq. ft for Fallbrook/$2.63 per sq. ft for Vista)</td>
</tr>
<tr>
<td>Schools- Non-Residential</td>
<td>Calculated per square foot</td>
<td>$0.42 per sq. ft. (Oceanside 6-13-06) $0.42 per sq. ft. (Vista and Fallbrook 4-24-06)</td>
</tr>
<tr>
<td>(Commercial and Industrial)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage and Flood Control</td>
<td>Calculated per acre and drainage basin</td>
<td>2,843-$15,964 depending on location</td>
</tr>
<tr>
<td>Wastewater Buy-In Fee-</td>
<td>Calculated per water meter size</td>
<td></td>
</tr>
<tr>
<td>Residential and non-residential</td>
<td></td>
<td>5/8&quot; = $4,587 (typical dwelling) 1&quot; = $7,660</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2&quot; = $24,444 (See Water Utilities Dept. for other meter costs)</td>
</tr>
<tr>
<td>Water Buy-In Fee- Residential and Non-Residential;</td>
<td>Calculated per water meter size</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5/8&quot; = $3,746 (typical dwelling); 1&quot; = $6,257</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2&quot; = $19,667 (See Water Utilities Dept. for other meter costs)</td>
</tr>
<tr>
<td>San Diego County Water Authority-</td>
<td>Figure is for less than one-inch meter (which would be typical for a single family dwelling)</td>
<td>$4,154 (for typical dwelling) $21,599 for 2&quot; meter for non-residential. (See Water Utilities Dept.)</td>
</tr>
<tr>
<td>Residential and Non-Residential;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusionary housing in lieu fees-</td>
<td>Calculated per development project and unit. New calculation done early each calendar year. Only applies to projects of 3 units or more. Only required if units are not provided by developer for low and moderate-income families.</td>
<td>$1,000 per development project + $100 per unit plus $10,275 per unit (effective 6-17-02).</td>
</tr>
</tbody>
</table>
RESOLUTION NO. 06-R0334-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE ESTABLISHING REVISED MAJOR
THOROUGHFARE, PARKS, TRAFFIC SIGNAL, COMMUNITY
FACILITIES AND DRAINAGE IMPACT FEES

WHEREAS, on May 17, 2006 the City Council of the City of Oceanside did conduct a
duly noticed public hearing for the purposes of considering a revision to the Major
Thoroughfare, Parks, Traffic Signal, Community Facilities and Drainage Impact fees;
WHEREAS, the City Council did hear all persons desiring to speak either in favor of, or
in opposition to the revision of such fees;
WHEREAS, the City Council finds that the proposed action is exempt from the
California Environmental Quality Act; and
WHEREAS, the purpose of the Major Thoroughfare, Parks, Traffic Signal, Community
Facilities and Drainage Impact fees is to provide a fair mechanism for defraying public costs
associated with the estimated or actual costs of constructing public improvements.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:
SECTION 1. The Community Facilities Fee shall be as follows:
a) For all new residential dwelling development - $2,072 per unit
b) For all new non-residential units $713 per 1,000 square feet of building.
SECTION 2. The Parks Fee shall be $3,503 per dwelling unit ($1,138 per dwelling unit
park land dedication fee plus $2,365 per dwelling unit park development fee).
SECTION 3. The base fee to be used in calculating the Major Thoroughfare Fee for any
type of development shall be $255.
SECTION 4. The Traffic Signal Fee is adjusted and reestablished from a rate of $14.70
per vehicle trip to $15.71 per vehicle trip.
///
///
///
///
SECTION 5. The Master Plan of Drainage Fees shall be as follows:

<table>
<thead>
<tr>
<th>Drainage Zone District</th>
<th>Major Watercourse Component</th>
<th>Local Facility Component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone I-a</td>
<td>$3,842</td>
<td>$7,500</td>
<td>$11,342</td>
</tr>
<tr>
<td>Zone I-b</td>
<td>$3,842</td>
<td>$3,842</td>
<td>$7,684</td>
</tr>
<tr>
<td>Zone I-c</td>
<td>$3,842</td>
<td>-0-</td>
<td>$3,842</td>
</tr>
<tr>
<td>Zone I-d</td>
<td>$3,842</td>
<td>$4,870</td>
<td>$8,712</td>
</tr>
<tr>
<td>Zone II-a</td>
<td>$8,611</td>
<td>$7,353</td>
<td>$15,964</td>
</tr>
<tr>
<td>Zone II-b</td>
<td>$8,611</td>
<td>$4,766</td>
<td>$13,377</td>
</tr>
<tr>
<td>Zone III-a</td>
<td>$1,459</td>
<td>$2,460</td>
<td>$3,919</td>
</tr>
<tr>
<td>Zone IV</td>
<td>-0-</td>
<td>$5,988</td>
<td>$5,988</td>
</tr>
<tr>
<td>Zone V</td>
<td>-0-</td>
<td>$2,843</td>
<td>$2,843</td>
</tr>
</tbody>
</table>

SECTION 6. Any fees set forth in Resolution No. 0-R0628-1 or any other resolution setting impact fees for the above-listed items, which are inconsistent with the provisions of this Resolution will be superseded at the time this resolution takes effect.

SECTION 7. This resolution shall take effect July 2, 2006.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 17th day of May, 2006, by the following vote:

AYES: WOOD, MACKIN, SANCHEZ

NAYS: CHAVEZ, FELLER

ABSENT: NONE

ABSTAIN: NONE

MAYOR OF THE CITY OF OCEANSIDE

APPROVED AS TO FORM:

City Attorney
NOTICE OF CITY COUNCIL
PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Poway will hold a Public Hearing to consider the following item:

A Resolution Adopting Traffic Mitigation Fees for Regional Arterials Pursuant to Section 15.06.050 of the Poway Municipal Code

DATE OF MEETING: April 1, 2008
TIME OF MEETING: 7:00 p.m.
LOCATION OF MEETING: City Council Chambers
13325 Civic Center Drive
Poway, CA 92064
PROJECT NAME: A Resolution Adopting Traffic Mitigation Fees for Regional Arterials Pursuant to Section 15.06.050 of the Poway Municipal Code
STAFF CONTACT: Zoubir Ouadah, Senior Traffic Engineer
PHONE NUMBER: (858) 668-4640 or (858) 668-4668

ANY INTERESTED PERSON may review the staff report for this item and obtain additional information at the City Clerk's Office, City of Poway, 13325 Civic Center Drive, Poway, California.

If you wish to express concerns in favor or against the above, you may appear in person at the above-described meeting or submit your concerns in writing to the City Clerk, City of Poway.

If you have special needs requiring assistance at the meeting, please call the City Clerk's Office at (858) 668-4530 at least 24 hours prior to the meeting so that accommodations can be arranged.

Published in the Poway News Chieftain on Order No.
completed, and for payment of all costs and expenses thereof. Any money remaining shall be refunded to the owner of record of the property.

D. The provisions of this section and any further sections requiring the construction of public improvements shall not apply to the following types of construction:

1. Construction of an addition to and/or reconstruction of a single-family home which results in less than an additional 750 square feet of habitable space;

2. Construction of garages, carports, storage buildings, patio covers, swimming pools, spas, and similar uninhabitable structures, accessory to a single-family residence;

3. Remodeling, alterations or additions to other residential and all nonresidential buildings at less than 10,000 square feet or 25 percent of the existing square footage whichever is more restrictive; and

4. Exception to permits and inspections as currently contained in Section 301 of the Uniform Administrative Code. (Ord. 518, 1999; Ord. 358 § 2, 1992)

15.06.040 Waiver of immediate construction of public improvements and payment of fees-in-lieu.

A. The Director of Development Services/City Engineer may waive the immediate construction of public improvements and require the payment of fees-in-lieu equal to the estimated cost of the required public improvements using the latest adopted Poway unit cost figures if one or more of the following conditions exist:

1. Capital improvement plans (CIP) exist with either the City and/or Redevelopment Agency to construct the required public improvements whereby the public improvements would be more efficiently constructed as part of a larger, comprehensive project; and

2. The Director of Development Services/City Engineer determines that it would not be in the best interest of the City and/or the property owner to construct the public or private improvements because an unsafe condition may be created or undue long-term maintenance costs may occur.

B. Notwithstanding the other provisions of this section, every attempt should be made to immediately construct the required public improvements adjacent to roadways included as arterial highways on the City general plan circulation plan. (Ord. 518, 1999; Ord. 358 § 2, 1992)

15.06.050 Drainage fees, park fees and traffic mitigation fees.

A. No building permit may be issued for a parcel unless the appropriate drainage, park and traffic mitigation fees have been secured or paid. If none have been paid, the application for the permit shall be accompanied by payment of the current fees. In the case of residential development, the fees may be deferred by posting of a security satisfactory to the City Attorney.

B. The provision of this section shall not apply to any of the following types of construction:

1. The construction to and/or reconstruction of a single-family home which results in less than an additional 750 square feet of habitable space;

2. Construction of a new, an addition to, and/or reconstruction of a single-family house that has at some time in the past paid a similar fee for traffic mitigation, park, or drainage;

3. Construction of garages, carports, storage buildings, patio covers, swimming pools, spas and similar uninhabitable structures, accessory to a single-family residence;

4. Remodeling, alterations or additions to other residential and all nonresidential buildings at less than 10,000 square feet or 25 percent of the existing square footage whichever is more restrictive; and

5. Exception to permits and inspections as currently contained in Section 301 of the Uniform Administrative Code.

C. Security required by this chapter shall be in that form authorized by the Subdivision Map Act.

D. Fees deferred by posting of security must be paid prior to issuance of a certificate of occupancy. (Ord. 358 § 2, 1992)
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF POWAY, CALIFORNIA,
ADOPTING A TRAFFIC IMPACT FEE FOR REGIONAL ROADWAY
AND TRAFFIC SIGNAL IMPROVEMENTS PURSUANT TO
SECTION 15.06.050 OF THE POWAY MUNICIPAL CODE

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to
use their police powers to protect the public health, safety and welfare by, among other
things, enacting development impact fees; and

WHEREAS, California Government Code Section 66484 authorizes cities to impose
a requirement for the payment of fees as a condition of approval of a final map or as a
condition of issuing a building permit for purposes of defraying the actual or estimated cost
of constructing bridges over waterways, railways, freeways, and canyons, or constructing
major thoroughfares; and

WHEREAS, California Government Code Section 66000 establishes a procedure
under which cities can adopt development impact fees or update existing fees as a
condition of approval of a development project; and

WHEREAS, The City of Poway Municipal Code Section 15.06.050 gives the City
Council the authority to impose traffic impact fees when a building permit is issued for a
parcel; and

WHEREAS, In November 2004, voters in San Diego County approved a 40-year
extension to the existing TransNet program to fund improvements to the region’s
transportation system; and

WHEREAS, The extension Ordinance requires local agencies to collect traffic
impact fees, starting July 1, 2008 from residential dwelling units to fund the Regional
Transportation Congestion Improvement Program (RTCIP) to insure that new development
directly invests in the region’s transportation system to offset the negative impact of growth
on congestion and mobility; and

WHEREAS, In November 2007, the San Diego Association of Governments
(SANDAG) released a nexus study entitled “RTCIP Impact Fee Nexus Study – Final
Report” to document the required statutory findings for the $2,000 traffic impact fee per
residential unit under the California Mitigation Fee Act, and

WHEREAS, the City Council intends by this Resolution to establish a requirement
and procedures for the imposition of development impact fees to share in the costs of the
design and construction of regional transportation facilities, to ensure that the fees
permitted by the police power, California Government Code Sections 66483 and 66484,
Poway Municipal Code Section 15.06.050 are appropriate;
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Poway as follows:

Section 1. The City Council finds that the adoption of this Resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines, as it entails State-mandated updates to current City regulations, and there is no possibility that this will have a significant effect on the environment.

Section 2. The City Council hereby, starting July 1, 2008, establishes a fee of $2,000 per residential dwelling unit, regardless of type, to fund roadway and traffic signal improvements on Espola Road, Poway Road, Pomerado Road, Twin Peaks Road, Community Road, Ted Williams Parkway, Camino del Norte and Scripps Poway Parkway considered part of the Regional Arterial System.

Section 3. The City Council will update the $2,000 traffic impact fee from time to time by Resolution as required by SANDAG.
PASSED, ADOPTED, AND APPROVED by the City Council of the City of Poway, at a regular meeting, this 1st day of April 2008.

______________________________
Michael P. Cafagna, Mayor

ATTEST:

______________________________
L. Diane Shea, City Clerk

STATE OF CALIFORNIA )
) SS
COUNTY OF SAN DIEGO )

I, L. Diane Shea, City Clerk of the City of Poway, do hereby certify, under the penalty of perjury, that the foregoing Resolution No. , was duly adopted by the City Council at a meeting of said City Council held on the 1st day of April 2008, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

______________________________
L. Diane Shea, City Clerk
City of Poway
DATE ISSUED: April 9, 2008

ATTENTION: Council President and City Council
Agenda of April 14, 2008

SUBJECT: Regional Transportation Congestion Improvement Program

Regional Arterial System, November 30, 2007
Nexus Study for TransNet Regional Transportation Congestion Improvement Program

REQUESTED ACTION:

Recommend City Council adoption of the Regional Transportation Congestion Improvement Program (RTCIP) Impact Fee Nexus Study;

Recommend City Council approval of the RTCIP and associated impact fees; and,

Recommend City Council approval of the establishment of a separate interest bearing fund 30319 for the deposit of the RTCIP fees.

STAFF RECOMMENDATION:

Recommend that the City Council adopt the RTCIP Impact Fee Nexus Study, prepared by the consulting firm of MuniFinancial, dated September 5, 2006, as accepted on September 22, 2006 by the SANDAG Board of Directors “for the purpose of distributing it to local jurisdictions for their use in implementing the funding program” and as subsequently revised into the final Study, dated November 26, 2007.

Recommend that the City Council approve the RTCIP and associated fees to be assessed, upon building permit issuance, on residential units, exclusive of affordable housing. Approval of the RTCIP will result in a development impact fee for qualifying residential development of $1,865 per multi-family unit and of $2,331 per single family unit. Assessment of such fees, in communities which do not currently/nor in the past have contributed an average $2,000 per residential unit, will be additional to development impact fees currently assessed for provision of community serving infrastructure.
Recommend establishment of a special interest bearing fund available for deposit of RTCIP fees. All revenue and appropriations to eligible projects identified in the RTCIP may come from RTCIP fees, Facilities Benefit Assessment (FBA) funds, or other identified funding sources. Additionally, establishment of this fund is necessary in order to meet the monitoring requirements of SANDAG and of the RTCIP. A maximum of 3% of fund revenue may be utilized to reimburse administrative expenses, up to 1% to SANDAG, as billed, and up to 2% to the City of San Diego.

SUMMARY:

Background

In November 2004, voters approved Proposition A to extend the TransNet half-cent sales tax for transportation projects through 2048. Passage of Proposition A resulted in the establishment of the Regional Transportation Congestion Improvement Program (RTCIP). “The purpose of the RTCIP is to ensure that new development directly invests in the region’s transportation system to offset the negative impact of growth on congestion and mobility. The RTCIP provides for the collection of a fee per new dwelling unit to ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System (RAS) and related transportation facility improvements, as defined in SANDAG’s most recently adopted Regional Transportation Plan (RTP).” If a local agency does not comply with the RTCIP the agency can lose TransNet sales tax funding for local roads.

Regional Transportation Congestion Improvement Program

Key components of the RTCIP include:

- Beginning July 1, 2008, each local jurisdiction must contribute $2,000 from exactions imposed on new development for each additional residential unit;
- Beginning July 1, 2008, City of San Diego communities which demonstrate a Maintainance of Effort in contributing an average $2,000 through payment of a FBA will not be required to pay an additional average $2,000 RTCIP fee upon building permit issuance;
- Although the RTCIP does not specify a revenue source for this contribution, it is anticipated that collection of this revenue will occur through imposition of a development impact fee imposed upon additional residential units upon building permit issuance;
- Revenues must be expended within the parameters defined under the Mitigation Fee Act (California Government Code Sections 66000 through 66025) and in a manner consistent with the expenditure priorities in the most recently adopted RTP;
- The Independent Taxpayer Oversight Committee, created by SANDAG for the TransNet Program is responsible for reviewing local agency implementation of the RTCIP; and,
- If a local agency does not comply with the RTCIP the agency can lose TransNet sales tax funding for local roads.
Nexus Study

Under California’s Mitigation Fee Act, the City of San Diego has the authority to impose impact fees for urbanized communities; and under Ordinance 15318, “Procedural Ordinance for Financing of Public Facilities in Planned Urbanizing Areas,” for planned urbanizing communities as defined in the 1979 Progress Guide and General Plan. In order to comply with the Mitigation Fee Act, the City is required to make findings demonstrating a reasonable nexus between the collection of fees, the need for facilities created by new development, and the expenditure of fee revenue to benefit new development.

In September 2006, SANDAG completed a RTCIP Nexus Study to satisfy the nexus requirement of the Mitigation Fee Act. On September 22, 2006 the SANDAG Board of Directors approved the “RTCIP Impact Fee Nexus Study,” dated September 5, 2006, as prepared by MuniFinancial.

RTCIP Impact Fee Calculation

SANDAG staff developed the 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 can be found in the RTCIP Impact Fee Nexus Study, page 3 (Attachment 1).

The methodology, as described in the Study, assumes that all 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 September 5, 2006 RTCIP Impact Fee Nexus Study identifies RTCIP fees for non-exempted future residential development, which does not pay an equivalent amount or greater through FBA, as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Multi-Family Residential Unit</td>
<td>$1,865</td>
</tr>
<tr>
<td>New Single Family Residential Unit</td>
<td>$2,331</td>
</tr>
</tbody>
</table>

It is anticipated that these fee amounts will satisfy the RTCIP requirement, that an average $2,000 per non-exempted residential unit will be collected in FY 2009 for future funding of RAS improvements.

Listed in Attachment 2, “Communities in Which RTCIP Impact Fee Will Be Imposed Upon Non-Exempt Residential Units,” are communities where construction of a new non-exempted residential unit will require the payment of the RTCIP development impact fee.

Listed in Attachment 3, “Communities in which RTCIP Impact Fee Will Not Be Imposed Upon Non-Exempt Residential Units,” are communities which are contributing FBA impact fees in an amount greater than $2,000 average per residential unit and which have therefore demonstrated a Maintenance of Effort in financing the RAS.
Exemptions

The RTCIP program exempts the following residential units from the impact fee:

- New moderate, low, very low and extremely low income residential units as defined in Health & Safety Code Sections 500.79.5, 50093, 50105,50106, and by reference in Government Code Section 65585.1;
- Government/public buildings, public schools and public facilities;
- Rehabilitation and/or reconstruction of any legal residential structure and/or the replacement of a previously existing residential unit;
- Development projects subject to development agreements prior to the effective date of the TransNet Ordinance (May 28, 2004) that expressly prohibit the imposition of new impact fees, however if the terms of the development agreement are extended beyond July 1, 2008, the requirements of the RTCIP shall apply;
- Guest dwellings;
- Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
- Kennels and catteries established in conjunction with an existing residential unit;
- The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption;
- Residential units that have been issued a building permit prior to July 1, 2008; and,
- Condominium conversions.

Affordable Housing Exemption

The San Diego Housing Commission has provided an estimate of 7,965 future units which would be developed through 2030 and would be exempt from payment of the RTCIP fee. The Commission estimate is based upon consideration of the following methods and assumptions:

1. Due to inclusionary housing requirements 10% of all new construction units would be affordable;
2. The pattern and amount of affordable development through 2030 would look like the pattern/number of affordable units developed through 2008; and,
3. Commission knowledge of proposed projects/development constraints on a community by community basis.

The final number of affordable housing units, estimated by the Housing Commission and included in estimates for units subject to the RTCIP, was based upon an analysis of the three methods identified above.

For purposes of definition, Housing Commission employed the definition of affordable units to be exempted from the fee as all units that meet the affordability requirements of the Inclusionary Ordinance (Municipal Code 142.1309) by providing on-site units and moderate income units consistent with Health and Safety Code Section 50093.
RTCIP Revenue Projections

Approved public facilities financing plans utilize a methodology which projects full community development at 2020 or 2030, depending on the latest census data available when the financing plan was prepared. Utilizing 2030 for purposes of estimating the number of single family residential building permits which will be issued in any given fiscal year beginning July 1, 2008, excluding affordable housing and Maintenance of Effort communities’ residential permits, it is estimated that an average single family residential building permit activity of 100 to 125 units will result in the annual generation of $233,100 to $291,375 in RTCIP revenues for FY 2009.

Due to the variation in the magnitude of multi-family units from a duplex to a several hundred unit development, phasing of building permit issuance for construction of large scale developments, and to the imposition of fees upon the date of building permit issuance, it is extremely difficult to estimate multi-family RTCIP revenue. Additionally, with the downturn in housing construction, previous years’ activity are not reliable indicators of future residential construction activity.

For the initial year of RTCIP fee assessment and collection, it is projected that minimal multi-family building permits will be issued and that revenues collected will be programmed in FY 2010. Should a large scale development generate significant revenue, project appropriations could be proposed for Council approval mid fiscal year.

Additionally, communities which fund RAS improvements through payment of FBA will continue to pay an equivalent of $2,000 per residential unit or higher through FBA payment upon building issuance.

Selection of RTCIP Projects

The selection of the proposed projects that may be fully or partially funded by the RTCIP are based upon the RTCIP eligibility criteria and the City Council approved CIP Prioritization Policy. RTCIP impact fee revenues must be expended on improvements to the RAS. The RAS is defined as meeting one of the 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.

Once a roadway has been identified as a RAS, as designated in the Regional Transportation Plan, then the RTCIP impact revenues may be used for any capital costs associated with improving the RAS including costs associated with:

- Arterial widening, extensions, and turning lanes;
- Traffic signal coordination and other traffic improvements;
- Reconfigured freeway-arterial interchanges;
- Railroad grade separations; and
- Expanded regional express bus service.

Revenues collected through the Funding 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.

**Maintenance of Effort**

Demonstrated on Attachment 4, “RTCIP Maintenance of Effort,” is the analysis of maintenance of effort contributed by identified communities where infrastructure is financed through FBA.

**Use of Revenues**

As discussed in Selection of RTCIP Projects, impact fee revenues must be expended on improvements to the RAS in a manner consistent with the expenditure priorities in the most recently adopted RTP. Based on the criteria provided, Engineering and Capital Improvements Department created a list of eligible CIP and Planning projects in need of funding, (see Attachment 5) and categorized them based on the Council Policy on “Prioritizing Transportation and Drainage CIP Projects.” The qualified project categories that best fit the RTCIP criteria are new roadways, roadway widening, roadway reconfigurations and traffic signals, and improvements required for regional express bus and rail transit. As revenues are collected, these projects will be selected based on their priority scores among the planning, design and construction phases. According to the Council Policy, a minimum of five percent (5%) of transportation resources will be allocated to projects in the planning phase, a minimum of thirty percent (30%) to projects in the design phase, and a minimum of sixty-five percent (65%) to projects in the construction phase. We will attempt to adhere to these percentages as we move forward with the selection of projects.

**FISCAL CONSIDERATIONS:**

With the implementation of the RTCIP Program, effective July 1, 2008, revenue will be collected and deposited into a special interest bearing fund for appropriation to transportation projects as identified as eligible under RTCIP criteria and the CIP Prioritization Policy.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

The Regional Transportation Congestion Improvement Program report was approved by the Land Use and Housing Committee on March 12, 2008.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

By April 1, 2008, the City of San Diego’s proposed Regional Transportation Congestion Improvement Program will be submitted to SANDAG’s Independent Taxpayers Oversight Committee for review.
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

All property owners with new residential building activity which is not exempted through affordable housing or Maintenance of Effort provisions will be required to pay a RTCIP fee of $2,331 for each new single family unit and $1,865 for each new multi-family unit.

David Jarrell  
Deputy Chief of Public Works

William Anderson, FAICP  
Deputy Chief Operating Officer:  
Executive Director of City Planning and Development

Attachments:  1. Nexus Study for TransNet Regional Transportation Congestion Improvement Program  
2. Communities in Which RTCIP Impact Fee Will Be Imposed Upon Non-Exempt Residential Units  
3. Communities in Which RTCIP Impact Fee Will Not Be Imposed Upon Non-Exempt Residential Units  
4. RTCIP Maintenance of Effort  
5. RTCIP Projects List

Note: Due to the size of Attachment 1, only a limited distribution was made. A copy is available for review in the Office of the City Clerk.
RESOLUTION NUMBER R- ______________

DATE OF FINAL PASSAGE ______________

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING AND ADOPTING THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM, ASSOCIATED NEXUS STUDY AND DEVELOPMENT IMPACT FEES.

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, the purpose of the RTCIP and the associated development impact fee [RTCIP Impact Fee] is to ensure new development directly invests in the region’s transportation system to offset the negative impact of growth on congestion and mobility; and

WHEREAS, the RTCIP provides for the collection of an RTCIP Impact Fee per new dwelling unit to ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial Systems [RAS] and related transportation facility improvements, as identified and defined in SANDAG’s most recently adopted Regional Transportation Plan [RTP]; NOW, THEREFORE,

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

1. Finding the above recitals are true, correct, and incorporated by reference herein.

2. Approving and adopting the Regional Transportation Congestion Improvement Impact Fee Nexus Study [Nexus Study] attached hereto as Exhibit A.
3. Identifying the purpose of the RTCIP Impact Fee as follows: SANDAG policy as expressed through the TransNet Extension Ordinance and Expenditure Plan (Commission Ordinance 04-01) is that new development shall contribute towards the RAS through the RTCIP. Finding the purpose of the RTCIP Impact Fee is to implement this policy.

4. Finding the Nexus Study establishes a reasonable relationship between the RTCIP Impact Fee’s use and the type of development project on which the RTCIP Impact Fee is imposed.

5. Finding the RTCIP Impact Fee will fund expanded facilities on the RAS to serve new development; these facilities include: roadway widening; roadway extension; traffic signal coordination and other traffic improvements; freeway interchanges and related freeway improvements; railroad grade separations; and improvements required for regional express bus and rail transit.

6. Finding the City of San Diego will restrict the RTCIP Impact Fee revenues to capital projects that expand capacity on the RAS to serve new development; that improvements funded by the RTCIP Impact Fee will expand a region-wide arterial system accessible to the additional residents associated with new developments; and that SANDAG determined the planned projects identified in the Nexus Study will expand the capacity of the RAS to accommodate the increased trips generated by new development; thus there is a reasonable relationship between the use of the fee revenues and the residential types of new development that will pay the fee.

7. Finding the Nexus Study establishes a reasonable relationship between the need for the RAS and related transportation facility improvements (as defined in the RTP) and the type of development project on which the RTCIP Impact Fee is imposed.
8. Finding new dwelling units are indicators of the demand for transportation improvements needed to accommodate growth; that as additional dwelling units are created, the occupants of these structures generate additional vehicle trips and place additional burdens on the transportation system; that the need for the RTCIP Impact Fee is based on SANDAG transportation model projections of growth that show an increase in vehicle hours of delay on the RAS primarily as a result of new development even with planned improvements to that system; thus providing a reasonable relationship between the residential development and the need for improvements.

9. Finding the Nexus Study establishes a reasonable relationship between the amount of the RTCIP Impact Fee and the cost of the RAS and related transportation facility improvements (as defined in the RTP) attributable to the development on which the RTCIP Impact Fee is imposed.

10. Finding the reasonable relationship between the RTCIP Impact Fee for residential development and the cost of the facilities attributable to that development is based on the estimated vehicle trips the development will add to the RAS; and that the fee for a residential development is based on the number and type of new dwelling units; thus, the RTCIP Impact Fee schedule ensures a reasonable relationship between the RTCIP Impact Fee for residential development and the cost of the RAS improvements facilities attributable to that development.

11. Approves and adopts the RTCIP and associated RTCIP Impact Fee.

12. Approves and directs the RTCIP Impact Fees be imposed and collected in accordance Report to the City Council, No. 08-__________, including Attachments 2 & 3 thereto setting forth the communities in which RTCIP Impact Fees will and will not be imposed upon non-exempt residential units.
13. Approves and authorizes the establishment of a separate interest bearing fund 30319 for the deposit of the RTCIP Impact Fees.

14. Authorizes and directs the Auditor and Comptroller to receive RTCIP Impact Fees and deposit them into fund 30319.

15. Declares the RTCIP Impact Fee shall become effective sixty days after the final adoption of this Resolution.

BE IT FURTHER RESOLVED, that this activity is not subject to CEQA pursuant to State Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By

Jana L. Garmo
Deputy City Attorney

JLG:als
04/02/08
Or:Dept:Facilities Financing
R-2008-808
MMS#6074

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

ELIZABETH S. MALAND
City Clerk

By ____________________
Deputy City Clerk

Approved: ____________________
(date)

Jerry SANDERS, Mayor

Vetoed: ____________________
(date)

Jerry SANDERS, Mayor

-PAGE 4 OF 4-
March 26, 2008

San Diego Association of Governments
Independent Taxpayer Oversight Committee
401 B Street, Suite 800
San Diego, CA 92101

Re: Regional Transportation Improvement Congestion Program (RTCIP)

The City of San Marcos Public Facilities Financing (PFF) Plan is consistent with the Regional Transportation Improvement Congestion Program (see attach Ordinance and Resolution). Established in 1990, and updated in 1992 and 2003, the City’s program collects exactions from developers for each newly constructed residential and commercial unit within the City. The funds collected are used for public facilities that fall within the following facility categories:

1. Circulation Streets
2. State Route 78 Interchanges
3. Drainage Facilities
4. NPDES
5. Technological Improvements
6. Parks
7. Habitat Conservation Program

The Circulation Streets facility category provides funding for street circulation improvements, traffic system management and traffic signals. These improvements fall within the guidelines provided under the RTCIP and those circulation streets are consistent with the Regional Arterial System (RAS). Developers are required to pay $6,121 per single-family unit and/or $3,672 per multi-family unit. All dollar amounts have been adjusted upward in accordance with the Construction Cost Index and will continue to be adjusted in the future. The payments required for both types of residential construction far exceed the $2,000 requirement of the RTCIP.

Starting July 1, 2008, the City will extract $2,000 from the fees currently being collected under the Circulation Street facility category of the PFF Program into a separate account to fund improvements along the Regional Arterial System (RAS) and in accordance with Section 9 of the TransNet Extension Ordinance. San Marcos is committed to using those funds, along with PFF, TransNet, other local funds and leveraged State/Federal funds to improve the RAS streets within our City. Attached is a summary of upcoming projects from our 7-year Capital Improvement Program.

CITY COUNCIL:
Jim Desmond, Mayor        Hal Martin, Vice-Mayor        Mike Preston        Chris Orlando        Rebecca Jones

Printed on 30% post-consumer recycled paper
If you have any questions or need any additional information please contact me at 760.744.1050 ext. 3235.

Sincerely,

[Signature]

Mike Edwards
City Engineer

Enclosures

Cc: Paul Vo; Principal Civil Engineer; Liliane Serio, Finance Director,
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Grand Avenue Bridge</td>
<td>On Discovery between Craven Road and Grand Avenue - construct 4-lane arterial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and between Grand Avenue to Discovery Street - 6-lane arterial</td>
</tr>
<tr>
<td>23</td>
<td>Barham Drive Widening</td>
<td>From Woodland Parkway to Upper Street – widen Barham Drive to secondary arterial standards</td>
</tr>
<tr>
<td>27</td>
<td>McMahr Street Improvements</td>
<td>On McMahr Road, from San Marcos Blvd to north side of San Marcos Creek; reconstruct road to arterial street standards.</td>
</tr>
<tr>
<td>30</td>
<td>San Marcos Boulevard Street Improvements</td>
<td>San Marcos Boulevard: Between Rancho Santa Fe Road to Bent Avenue; widen road to a 6-lane prime arterial.</td>
</tr>
</tbody>
</table>
ORDINANCE NO. 2003-1203

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, CALIFORNIA (i) UPDATING THE PUBLIC FACILITIES FINANCING (PFF) PLAN FOR CITYWIDE FACILITIES AND PUBLIC FACILITIES AND (ii) ESTABLISHING AND IMPOSING DEVELOPMENT IMPACT FEES FOR THE FACILITIES IDENTIFIED IN THE UPDATED PLAN AND (iii) ADOPTION OF NEGATIVE DECLARATION

WHEREAS, the Development Services Department has prepared and circulated a Negative Declaration (ND 02-622) with respect to the matter as required by law;

WHEREAS, the CITY COUNCIL of the CITY OF SAN MARCOS, CALIFORNIA (the "City Council"), in accordance with the freedom afforded to charter cities generally and by the Charter of the City of San Marcos, does specifically ordain as follows:

SECTION 1. Findings and Determinations. The City Council hereby makes the following legislative findings and determinations:

A. In 1988, the voters of the City of San Marcos, California adopted an ordinance establishing a public facilities approach to growth management within the City (Proposition R, which is codified as Chapter 20.12 of the San Marcos Municipal Code).

B. As a result of Proposition R, on August 4, 1990, the City adopted Ordinance No. 90-856 and Resolution No. 90-3508. Ordinance No. 90-856 established the City's first Public Facilities Financing (PFF) Plan, and Resolution No. 90-3508 established the amount of the public facility fees.
C. The 1990 Public Facilities Financing Plan was updated in 1991 to include revised cost estimates for the public facilities to be financed under the Plan. The 1991 update led to the creation of the Public Facilities Financing Plan (Revised) dated February 21, 1992 (the “1992 Plan”).

D. The City’s public facilities approach to growth management requires that adequate public facilities and services must be in place prior to or consistent with development in order to accommodate the needs, demands and burdens of new development on the remainder of the community.

E. The continuing lack of public facilities and services in the City creates a severe negative impact on the various public facility networks and systems within the City, resulting in conditions which are hazardous and/or detrimental to the public health, safety and welfare of the people of San Marcos.

F. Because the various public facilities and service networks within the City and system are integrated, a failure or shortfall in public facilities or services in one portion of the City creates burdens and adverse health and welfare impacts on other portions of that same network or system elsewhere in the City.

G. In order to effectively implement the City’s General Plan and to manage the projected growth of residential, commercial, industrial, office and business park development and to mitigate the impacts of new
development on the City, it is necessary to require that all new development bear the current estimated cost of providing public facilities and services needed to serve the development and to mitigate the impacts created by that new development.

H. City staff, in consultation with MuniFinancial/Willdan, professional engineering, planning and financial consultants, prepared and submitted to the City Council an update of the 1992 Plan containing a revised public facilities and financing plan, supporting technical data identifying and updating the public facilities and improvements required to support future development within the City and identifying and updating the allocation of public facilities costs for Citywide facilities and services (the "2003 Update").

I. The 2003 Update takes into the account the completion of the San Marcos Traffic Model Study, which includes updated projections and trip generation data, and the results of numerous cumulative impact analyses completed after the 1992 Plan.

J. The 2003 Update further takes into account that the costs of public facilities and improvements have changed since the adoption of the 1992 Plan due to the completion of some facilities, changes in the scope and cost of other facilities, the receipt of federal grant monies, changes in projected land use quantities and the application of an inflation index to ensure that cost estimates remain current. For streets and intersections,
additional projects were identified in the 2003 Update following the completion of an updated traffic analysis. The new projects resulted from the use of traffic forecasting as well as increased trips from projected new development. Additionally, the 2003 Update takes into account cost increases due to higher costs for land acquisition, more stringent design criteria and stricter environmental requirements and provides the necessary documentation and analysis to provide full allocation of costs to future development or redevelopment in the event other funding sources are not available to reduce cost allocation attributable to development.

K. The Development Services Department has prepared, circulated for public review, and the City Council has reviewed and approved a Negative Declaration (ND 02-622) regarding the public facilities and financing plan and the imposition of the revised public facilities fees set forth in the 2003 Update.

L. On October 14, 2003, the City Council held a duly noticed public hearing to consider the updated plan, the staff recommendation regarding the updated plan, the negative declaration and the fees established by this Ordinance.

M. The documents and other evidence supporting the revised public facilities fees were on file in the City Clerk and were available for public review commencing September 10, 2003.
N. The City Council, on October 14, 2003, considered and approved a Negative Declaration (ND 02-622) regarding the proposed PFF fee increase.

O. There is reasonable relationship between the residential, commercial, industrial, office and business park development within the City of San Marcos and the public facilities and service improvements which will be financed by the various fees established and imposed by this Ordinance. The development will benefit from the facilities to be constructed and the burden of new development on the City will be mitigated in part by the payment of the fee. The public facilities identified in the plan have been sized and located in a manner that is consistent with the City General Plan. The method by which the public facilities fee established by this Ordinance has been allocated to new development is based upon the same type of methodology used to determine the size, nature and location of the facilities needed to accommodate the new development. In addition, where there is an existing public facilities deficiency, the City has allocated the funding obligation in a manner that new development will not be required to pay for current deficiencies.

P. For the reasons set forth in the 2003 updated Citywide Public Facilities Financing plan (the “2003 Plan” or the “2003 Public Facilities and Financing Plan”) and in the reports and other data relied upon and referenced in the 2003 Plan and based upon the City’s General Plan, and
the matters presented to the City Council at the public hearing at which this Ordinance was considered and the laws and policies of the City related to the development of property, the City Council makes the following additional legislative findings and determinations:

1. The public facilities described in the 2003 Plan are required in order to accommodate development of property within the City. The facilities have been planned and identified to provide the level of service required by the City's General Plan. The estimated costs of the proposed facilities are based upon standard engineering practices and are reasonably determined. The facilities described in the 2003 Plan are consistent with the City's General Plan. The facilities described in the 2003 Plan are necessary to allow development of properties within the City and to mitigate the impact resulting from the development of those properties. Existing development has contributed to the installation of facilities sufficient to accommodate the existing development. To the extent a shortfall in the level of service of existing facilities is currently present, the City proposes to remedy the shortfall by general revenue and has not allocated the cost of the shortfall to new development. Therefore, each property should contribute to the cost of the facilities as it develops or redevelops to a more intense or dense use type. The fees established by this Ordinance are reasonably and fairly apportioned based upon the benefit conferred
upon each property, upon the need for the facilities created by the
development of property either separately or cumulatively with
other development, or other reasonable method which attributes a
portion of the cost of facilities and services to new development.

2. There is a reasonable relationship between the uses of the fee for
the construction or acquisition of the public facilities for which the
fee is levied and the development of the property within the City of
the reasons set forth in the 2003 Plan and for the further reason
that the facilities to be financed by the fee are needed for the
proper functioning of the City's public facilities and services
network. The public facilities to be financed, in part, by the PFF are
of a nature that all areas and land uses in the City will benefit from
the provision of the facilities.

3. There is a reasonable relationship between the construction of the
facilities and the various land uses for the property set forth on the
City's General Plan for the reason set forth in the 2003 Plan.

4. The amount of the fees to be collected pursuant to this Ordinance
shall not exceed the estimated cost of providing the facilities. If, at
any time, it appears that the amount of the fees will exceed the
estimated cost of the proposed facilities, including all administrative
and incidental costs, then the fees shall be adjusted accordingly. In
the event other funding sources as outlined in the 2003 Plan are
not available based upon annual review, the fees may be adjusted to the level required based upon the technical analysis in the 2003 Update.

Q. The City Council has determined, based upon evidence presented in connection with establishment of the fees imposed by this Ordinance and from the various reports and other information received by the City Council in the course of its business, that imposition of the fees to finance all or part of the public facilities and service improvements is necessary in order to protect the public safety and welfare and to ensure effective implementation of the City’s General Plan.

SECTION 2. Purpose and Intent.

(a) It is the policy of the City of San Marcos to:

1. Provide quality housing opportunities for all economic sectors of the community;

2. Provide a balanced community with adequate commercial, industrial, office and business park, recreational and open space areas to support the residential areas of the City;

3. Require that public facilities and improvements meeting City standards and General Plan requirements be available, or the financing of the facilities assured, concurrently with the need created by new development;
4. Balance the housing needs of the region against the public service needs of City residents and available fiscal and environmental resources;

5. Ensure that all development is consistent with the City’s General Plan;

6. Control of the timing and location of development by tying the pace of development to the provision of public facilities and improvements as required by Chapter 20.12 of the San Marcos Municipal Code;

7. (a) Assure a high quality of life to all members of the San Marcos community by requiring that new development and redevelopment pay for public facilities and improvements, as set forth in the Public Facilities Financing Plan adopted by this Ordinance.

(b) This Ordinance is adopted for the reasons set forth in Section 1 hereof to ensure the implementation of the policies stated in Section 2(a) to ensure that no development occurs without providing for adequate facilities and improvements and to continue the quality of life in San Marcos.

SECTION 3. Adoption of 2003 Plan. The 2003 Public Facilities and Financing Plan as amended by the City Manager and on file with the City Clerk is hereby approved. It
is the intention of the City Council to implement the 2003 Plan by establishing development impact fees to pay for a portion of the various public improvements necessary to accommodate new development and redevelopment in the City. The fees established pursuant to this Ordinance are based upon engineering and financial studies and are calculated to be equal to or less than the cost of the improvements. In order to ensure certainty in the implementation of the 2003 Plan, the budgeting of the capital improvements, and to ensure that public facilities and service improvements are available concurrently with the development in the City, the fees established by this Ordinance shall be paid before the issuance of building permits for each development project unless otherwise specified in this Ordinance. The fees shall be deposited into a Public Facilities Account, or other appropriate account established by the City Manager, and expended only for the purposes set forth in this Ordinance. The City Manager is authorized to establish various accounts or funds for the various facilities and service improvements identified in this Ordinance and to periodically make expenditures from the accounts or funds for the purposes set forth herein, in accordance with the 2003 Plan or any applicable capital improvement plan or budget adopted by the City Council. The fees established by this Ordinance shall, unless otherwise specifically provided, be in addition to the requirements imposed by other City laws, policies, regulations or requirements relating to the construction or financing of the construction of improvements within subdivisions or developments. The 2003 Plan adopted hereby may be amended from time to time by City Council resolution after a public hearing, to include annual facility cost adjustments based on industry standard cost index (Engineering News Record); and based on the City Manager's determination, that other
funding sources are no longer available, or have been reduced, and no longer available to reduce facility costs allocated to future development and redevelopment.

SECTION 4. Compliance with Ordinance

(a) No development permit shall be approved unless the approving authority finds that the permit is consistent with the 2003 Public Facilities Financing Plan adopted by this Ordinance. To assure consistency with the 2003 Plan, the approving authority may impose any condition of approval necessary to implement the 2003 Plan.

(b) Except as otherwise provided by law, no building permit or occupancy permit for any development project shall be issued, and no person shall build, use, redevelop or occupy any project without first paying the fee established by this Ordinance, or otherwise complying with the provisions of this Ordinance.

SECTION 5. Establishment of Fees

(a) **Citywide Public Facilities Fee.** A Citywide Public Facilities Fee is hereby established for each development project in the City in the amounts and categories as set forth in the 2003 Plan. The amount of each fee established by this Section is based upon the estimated cost of each facility or improvement designated for funding, all or in part, by public facilities fees in the 2003 Plan adopted by this Ordinance.

(b) **Adjustments to Fee.** The City Council shall consider adjustments in the estimated cost of improvements to reflect changes in the Engineering News Record
Ordinance No. 2003-1203
Page 12

Construction Index or other cost indications acceptable to the City Council. After the amount of each public facilities fee initially established by this Ordinance, the amount of each fee shall be set by the City Council from time to time after a public hearing, published notice of which shall be given ten (10) days before the hearing by publication in a newspaper of general circulation pursuant to Government Code Section 6082(a), and by mailing of notice fourteen (14) days before the hearing to persons who have filed a written request for notice with the City Clerk. The request for written notice shall be valid one (1) year from the date it is filed. Further adjustments may be necessary due to changes in the availability of other funding sources to reduce facility costs and resultant fees for new future development.


(a) The City Council declares that payment of the fees established and imposed by Section 5 of this Ordinance and the installation of the facilities and improvements identified in the 2003 Plan are necessary to achieve the policies established by this Ordinance and to implement the City’s General Plan. If the fees are not paid or the facilities or improvements are not installed, the public health, safety and welfare will suffer because there will be insufficient facilities and improvements to accommodate development. This finding is based upon Chapter 20.12 of the San Marcos Municipal Code and the evidence presented at the public hearings on this Ordinance.
(b) If any condition imposed as a condition of a development permit or building permit pursuant to this chapter is protested, then the permit shall be suspended during the period of the protest.

SECTION 7. Exemptions. The following developments shall be exempt from the fee established by Section 5 of this Ordinance:

(1) Governmental or public facilities projects by public entities other than the City of San Marcos. The City, and other public entities to the extent the City is lawfully able to impose such a requirement, shall install improvements necessary to accommodate the governmental or public facility according to the standards established for private development.

(2) Public elementary and secondary schools and private schools that meet the requirements contained in California Education Code Section 48222, or its successor, so that attendance at such school complies with the California compulsory education requirements.

(3) Projects by nonprofit entities for structures and uses for youth or senior citizens recreation, educational, guidance or day care programs, but only to the extent that the fees established by Section 5 cannot be imposed on such projects.
(4) The conversion of existing mobile home parks to condominiums or similar forms of ownership whereby the mobile home park will remain substantially the same following conversion.

(5) In order to ensure that imposition of the fee does not prevent the development of public service projects, the City Council, on a case by case basis, may (but is not required to) waive all or any part of the fees established by Section 5 for any project which serves a specific public purpose or need and which involves direct City or Redevelopment Agency participation in the development.

SECTION 8. Projects Subject to a Development Agreement. Where public facilities and improvements are installed by a developer pursuant to a development agreement, the City Council may waive all or part of the fees established by Section 5 of this Ordinance in consideration of the obligations of the developer set forth in the development agreement.

Section 9. Calculation and Collection of Required Fees.

(a) The Developmental Services Department shall be responsible for the calculation and collection of the fees required by this Ordinance. For projects requiring a building or occupancy permit, the calculation shall be made at the time of application for the first permit for the project. For projects not requiring a permit, the calculation shall be made at the time of the final legislative approval for the project. Such approvals include, but are not limited to, final
zoning approvals, final subdivision approvals and approvals of Conditional Use Permits and Special Use Permits.

(b) The fees adopted by this Ordinance and as calculated and established in the 2003 Plan are based upon specific development characteristics and intensities of uses, as set forth in detail in the Plan. When (i) a land use is not classified in the 2003 Plan (including, but not limited to, churches, greenhouses and storage yards) or (ii) a proposed development project is for a more intense use than evaluate din the 2003 Plan (including, by way of example only, 10-story office buildings), the Development Services Department shall calculate the appropriate fee by consulting the applicable San Diego Association of Governments (SANDAG) traffic generation table, converting the proposed use to Equivalent Dwelling Units (EDUs) and imposing the appropriate fee. In the alternative or in addition to the above calculation, the Development Services Department may conduct an environmental review of the proposed project to determine the appropriate fee for the project.

SECTION 10. Payment of Fees. The payment of fees required by this Ordinance shall be made according to the following procedures:

(a) Payment Procedure for Non-Residential Development Projects. Fees required by this Ordinance from developers of non-residential projects may be paid in either of the following ways at the discretion of the City Manager:
i. The total of all fees may be paid at the time that the City issues a building permit for the development project; or

ii. At least fifty percent (50%) of the total of all fees required by this Ordinance may be paid at the time that the City issues a building permit for the development period. The balance of the fees, plus interest on that balance as provided in Subsection (f) of this Section, shall be paid in three (3) equal annual installments. Should an Applicant elect to pay the fees as provided in this subsection 92), the full amount of all fees required by this Ordinance shall be secured by execution of an irrevocable letter of credit, or other security instrument acceptable to the City, prior to the issuance of a building permit for the project.

(b) Payment Procedure for Phased Non-Residential Development Projects. If a non-residential development project will be constructed in phases and separate building permits will be issued for each phase, fees imposed pursuant to this Ordinance may be made separately for each phase of the project so that the amount paid upon issuance of a building permit will be limited to the construction in each phase. A developer choosing this option shall not have the choice of paying fees under subsection 9(a)(2).

(c) Payment Procedure for Residential Development Projects. Fees required by this Ordinance from a dwelling unit developer shall be paid at the time of issuance of each building permit. The City Council finds that collection of the fees under this Ordinance at the time of issuance of building permits is necessary to provide certainty to
the City's capital facilities budget and to allow the City to find that public facilities will be available concurrently with need as required by Chapter 20.12 of the San Marcos Municipal Code. The City Council finds that it has previously approved a capital facilities budget and five year capital facilities plan which appropriates funds to construct public facilities and improvements or to reimburse the City or others for the construction of facilities or improvements from public facilities fees which have been or will be collected from developers of development projects pursuant to this Ordinance or other resolutions or ordinances of the City.

(d) **Special Procedure for Alterations or Additions.** The fee for alterations or additions to non-residential structures shall be apportioned to the addition or alteration and imposed only where the addition or alteration changes the potential for use of the structure or results in the ability to accommodate a more intense operation of an existing use, or results in making the structure suitable for re-occupancy or use under the City building code. In the case of a residential structure, the fee for additions or alterations shall be apportioned to the addition or alteration and shall be imposed only where the addition or alteration results in increase in habitable area of fifty percent (50%) or more over the habitable area of the original structure. Notwithstanding the foregoing, where an alteration or addition requiring a permit is being made to a structure on which PFF have not been imposed by the City previously, the entire fee applicable to such a structure shall be paid at the time of issuance of the permit.

(e) **Projects not requiring building permits.** For development projects not requiring a building permit but requiring a zoning or subdivision permit or approval including, but not
limited to, Conditional Use Permits and Special Use Permits, the fee shall be paid at the
time of issuance of the final zoning or subdivision approval for the project. By way of
example only, the fee established by this Ordinance shall be paid upon approval of a
Conditional Use Permit for an outdoor storage yard.

(f) Interest. Whenever payment of interest is required under this Section, the
interest shall be calculated at the rate the City earns on its investments and shall also
include interest at a rate equal to the percentage increase in the fees as a result of the
most recent annual adjustment of the fees made by the City.

SECTION 11. Use of Fees. The fees collected pursuant to this Ordinance shall be
deposited in a separate account or accounts as designated by the City Manager and
shall be expended only for the following purposes:

(a) To pay for the construction, including incidental expenses, of facilities or
improvements by the City, or to reimburse the City for facilities or
improvements installed by the City with funds from other resources;

(b) Subject to a reimbursement agreement approved by the City Council, to
reimburse developers or subdividers of property who have installed all or a
portion of a facility or improvement identified in a Public Facilities
Financing Plan and budgeted for construction through public facilities fees,
provided that the facility would not otherwise be provided by the developer
or subdivider as a requirement of development or subdivision;
(c) To repay indebtedness incurred by the City to construct the facilities or improvements should the City Council determine to incur such indebtedness; and

(d) To reimburse the City for the cost of engineering and administrative services to develop the Public Facilities Financing Plans and construct the facilities or improvements.

SECTION 12. Construction of Facilities by a Developer or Subdivider. The City may require, as a condition of approval of a subdivision or development project, that the subdivider or developer contract or finance the construction of all or a portion of the facilities or improvements identified in an approved budget or plan for financing through PFF, or to dedicate land for parks or other purposes. If such a requirement is imposed, the developer or subdivider may receive a credit against the fee imposed by this Ordinance in an amount equal to the actual cost of construction of the facilities or improvements as verified by the City Engineer and approved by the City Manager after consideration of the City's Capital Improvement Program priorities, availability of funds, developer obligations related to conditions of developer's entitlements, and public health and safety considerations. Unless authorized by the City Manager, the fee credit shall not exceed the amount of PFF fee paid by the developer for that specific category fee, i.e., circulation streets installed by developer shall receive credit for circulation streets component paid by developer. In this event, the developer may be eligible for reimbursement from other developers in accordance with the City's reimbursement ordinance.
SECTION 13. Definitions. For the purposes of this Ordinance, the following words or phrases shall be construed as defined in this Section, unless from the context it appears that a different meaning is intended.

(a) "Building Permit" means a permit required by and issued pursuant to the Uniform Building Code as adopted by reference by the City.

(b) "Development project" or "development" means any activity described in Section 66000(a) of the Government Code; any use to which land is put, building or other alteration of land and construction incident thereto; or any activity, construction or redevelopment which results in or may result in the physical alteration of land requiring an approval or permit under Chapter 17.08 or Titles 19 or 20 of the San Marcos Municipal Code including, but not limited to, Conditional Use Permits and Special Use Permits.

(c) "Facilities" means any parks, open space, or recreational areas or structures or equipment providing for police, fire, library or governmental services, identified in a public facilities financing plan.

(d) "Improvement" includes traffic controls, streets and highways, including curbs, gutters and sidewalks, bridges, over-crossings, street interchanges, flood control or storm-drain facilities, water facilities and lighting facilities.

(e) "Governmental or Public Facilities" means publicly owned buildings and structures used for the purposes of conducting City, County, State or Federal
Government business. Such facilities shall include, but not be limited to, city halls, police and fire stations, offices, equipment yards, sanitation facilities, schools, recreation centers, and similar facilities. Private development projects leasing publicly owned land shall not be considered governmental or public facilities.

(f) "Occupancy Permit" means an entitlement to occupy or use a building granted pursuant to Chapters 17.04 and 17.08 of the San Marcos Municipal Code.

SECTION 14. Procedure for Fee Waiver or Reduction. Any developer who, because of the nature or type of uses proposed for a development project, contends that application of the fee imposed by this Ordinance is unconstitutional, or unrelated to purposes for which the fee is imposed or to the burdens of the development, may apply to the City Manager for a waiver or reduction of the fee. The application shall be made in writing and filed with the City Clerk not later than ten (10) days after the notice of the public hearing on the development permit application for the project is given, or if no development permit is required, at the time of filing of the building permit application or application for any other type of development approval. The application shall state in detail the factual basis for the claim of waiver or reduction. The City Manager shall consider the application within thirty (30) days after its filing and shall announce his decision in writing and shall deliver the decision to the developer by certified first class mail. The decision of the City Manager shall be final unless the decision is appealed to
the City Council by written appeal filed with the City Clerk within fifteen (15) days from
the date it is mailed. If an appeal is filed, it shall be heard and determined by the City
Council within thirty (30) days of the date of the first regular City Council meeting
following the filing of the appeal. The decision of the City Council shall be final. If a
reduction or waiver is granted, any change in the project shall subject the development
to payment of the fee. The procedure established by this Section is in addition to any
other procedure authorized by law for protesting or challenging the fee imposed by this
Ordinance.

**SECTION 15. Authority.** This Ordinance is adopted pursuant to the City's
constitutional police and taxing powers and pursuant to Government Code Section
66000 *et seq.*

**SECTION 16. Periodic Review.** Prior to July 1 of each year, during the budget review
process, the City Council shall review the status of compliance with this Ordinance, and
the degree to which fees collected pursuant to this Ordinance are mitigating impacts of
development project. Not later than five (5) years after the effective date of this
Ordinance, the City Council shall consider a report by the City Manager reviewing the
fee formula established to implement the provisions of this Ordinance and determine
whether any adjustments in the fee formula are warranted.

**SECTION 17. Severability.** If any section, subsection, sentence, clause or phrase of
the Ordinance codified in this chapter for any reason held to be invalid or
unconstitutional by the decision of any court of competent jurisdiction, such decision
shall not affect the validity of the remaining portions of the Ordinance codified in this Chapter. The City Council declares that it would have passed the Ordinance codified in this Chapter and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any part hereof be declared invalid or unconstitutional.

SECTION 18. This Ordinance shall be effective sixty (60) days following its adoption. Within fifteen (15) days following its adoption, the City Clerk shall publish this Ordinance, or the title thereof, as a summary as required by state law.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of San Marcos, California, on the 14th day of October, 2003.

AND THEREFORE ADOPTED at a regular meeting of the City Council of the City of San Marcos, California, held on the 28th day of October, 2003, by the following vote:

AYES: COUNCILMEMBERS: HARRIS, MARTIN, PRESTON, THIBADEAU, SMITH
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

F. H. "Corky" Smith, Mayor
City of San Marcos

ATTEST:

Susie Vasquez, City Clerk
City of San Marcos

APPROVED AS TO FORM

Helen Holmes Peak, City Attorney
City of San Marcos
RESOLUTION NO. 2003-6217

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS SETTING THE AMOUNT OF THE PUBLIC FACILITIES FEE IMPOSED BY THE ORDINANCE ADOPTING A PUBLIC FACILITIES PLAN FOR CITYWIDE FACILITIES AND ESTABLISHING AND IMPOSING DEVELOPMENT IMPACT FEES FOR CERTAIN FACILITIES IDENTIFIED IN THE PLAN

WHEREAS, the CITY COUNCIL of the CITY OF SAN MARCOS, CALIFORNIA resolves as follows:

SECTION 1. Findings and Determinations. The City Council hereby makes the following legislative findings and determinations:

a) The voters of the City of San Marcos, California adopted Ordinance 88-799 establishing a public facilities approach to growth management (Proposition R; currently codified as Chapter 20.12 of the San Marcos Municipal Code) within the City.

b) The public facilities approach to growth management requires that adequate public facilities and services must be in place prior to or concurrent with development in order to accommodate the needs, demands and burdens of new development.

c) The lack of public facilities and services in the City creates a severe negative impact on the various public facility networks and systems within the City, resulting in conditions which are hazardous and/or detrimental to the public health, safety and welfare of the people of San Marcos.

d) Because the various public facilities and service networks within the City and system are integrated, a failure or shortfall in public facilities or services in one portion of the City creates burdens and adverse health and welfare impacts on other portions of that same network or system elsewhere in the City.
e) In order to effectively implement the City's General Plan and to manage the projected growth of residential, commercial and industrial development and to mitigate the impacts of new development and redevelopment on the City, it is necessary to require that all new development and redevelopment bear the cost of providing public facilities and services reasonably needed to serve the development and to mitigate the impacts created by that development. As development occurs, developers have been required to provide public facilities and improvements, and land dedications, and to pay certain capital facilities, in lieu, and impact fees pursuant to established ordinances, policies and practices of the City and other local public agencies, including but not limited to, requirements imposed by school districts, water districts, sewer districts and fire districts. Despite these requirements, there are facilities which are necessary in order to accommodate new development which have not or cannot be provided through ordinary development requirements. Therefore, the City Council has previously found that new development and redevelopment should pay a public facilities fee to help defray the cost of providing the public facilities and services which are not otherwise provided by developers as a requirement of development. Further, the City Council finds that present and projected future sources of City revenue are insufficient to fund the facilities and services identified in the various plans.

f) The City has undertaken to have prepared a comprehensive study of public facilities (the 2003 Update) to be funded on a Citywide basis by public facilities fees.
g) City staff, in consultation with Willdan Associates and Municipal Finance Administration, professional engineering planning, and financial consultants have prepared and submitted to the City Council the public facilities and financing plan and supporting technical data (2003 Update) for the identification of public facilities requirements and the allocation of public facilities costs for the purposes of determining a Citywide public facilities fee. The facilities shown in the 2003 Update will generally be provided as a requirement of development. Facilities identified in the Citywide plan will be provided by a combination of requirements on development, the public facilities fee established by this ordinance and by other revenue sources.

h) On October 14, 2003 the City Council held a duly noticed public hearing to consider the plan, the staff recommendation regarding the plan, the negative declaration and the fees to be imposed on new development to implement the public facilities plan and Chapter 20.12 of the San Marcos Municipal Code.

i) On October 14, 2003 the City Council introduced Ordinance No. 2003-1203 establishing and imposing a public facilities fee and requiring that the amount of that fee be established by City Council resolution. Ordinance No. 2003-1203 was adopted on October 14, 2003 , the same date as the adoption of this resolution. This resolution sets the amount of the public facilities fee pursuant to Ordinance No. 2003-1203.

j) The documents and other evidence supporting the 2003 Update of Public Facilities Fees were on file in the office of the City Clerk and available for public review commencing September 10, 2003.
k) The City Council, on October 14, 2003, considered and approved a negative declaration and its supporting documentation regarding the proposed fee increase.

l) There is reasonable relationship between the commercial, industrial, office/professional, business park and residential development within the City of San Marcos and the public facilities, services, and improvements which will be financed by the various fees established and imposed by this Ordinance. The development will benefit from the facilities to be constructed and the burden of new development on the City will be mitigated in part by the payment of the fee. The public facilities identified in the plan have been sized and located in a manner which is consistent with the City's General Plan. The method by which the public facilities fee established by this ordinance has been allocated to new development is based upon the same type of methodology used to determine the size, nature and location of the facilities needed to accommodate the new development. In addition, where there is an existing public facilities deficiency, the City has allocated the funding obligation in a manner that new development will not be required to pay for current deficiencies.

m) For the reasons set forth in the 2003 Update of the Citywide Public Facilities Financing Plan and in the reports and other data relied upon and referenced in those plans and based upon the City's General Plan, and the matters presented to the City Council at the public hearing at which this resolution was considered and the laws and policies of the City relating to development of property, the City Council makes the following additional legislative findings and
determinations:

1) The public facilities described in the 2003 Update are required to order to accommodate development of property within the City. The facilities have been planned and identified to provide the level of service required by the City's General Plan. The estimated costs of the proposed facilities are based upon standard engineering practices and are reasonably determined. The facilities described in the plan are consistent with the City's General Plan. The facilities described in the Plan are necessary to allow development and redevelopment of properties with the City and to mitigate the impact resulting from the development of those properties. Existing development has contributed to the installation of facilities sufficient to accommodate the existing development. To the extent a shortfall in the level of service of existing facilities is currently present, the City proposes to remedy the shortfall by general revenue and has not allocated cost of the shortfall to new development. Therefore, each property should contribute to the cost of the facilities as it develops or redevelops to a more intense use type. The fees established by this Ordinance are reasonably and fairly apportioned based upon the benefit conferred upon each property, upon the need for the facilities created by the development of property either separately or cumulatively with other development, or other reasonable method which attributes a portion of the cost of facilities and services to new development.

2) There is a reasonable relationship between the use of the fee for the
construction or acquisition of the public facilities for which the fee is levied and the development of the property within the City for the reasons set forth in the plans, and for the further reason that the facilities to be financed by the fee are needed for the proper functioning of the City's public facilities and services network. The public facilities to be financed, in part, by the public facilities fee, are of a nature that all areas and land uses in the City will benefit from the provision of the facilities.

3) There is a reasonable relationship between the construction of the facilities and the various land uses for the property set forth on the City’s General Plan for the reasons set forth in the plans.

4) The amount of the fees to be collected pursuant to this resolution shall not exceed the estimated cost of providing the facilities. If, at any time, it appears that the amount of the fees will exceed the estimated cost of the proposed facilities, including all administrative and incidental costs, then the fees shall be adjusted accordingly.

n) The City Council has determined, based upon evidence presented in connection with establishment of the fees imposed by this resolution and from the various reports and other information received by the City Council in the course of its business, that imposition of the fees to finance all or part of the public facilities and service improvements is necessary in order to protect the public safety and welfare and to ensure effective implementation of the City’s General Plan.

o) With regard to the various component parts of the public facilities fee, the City
Council finds that there is a reasonable relationship between the amount of the fee and the cost of the improvements to be provided because the amount of the fee was determined using projected costs of providing the facilities and improvements for which the fee is imposed based upon standard methods of calculating those costs as set forth in the various plans and reports referred to herein.

p) With regard to reduction in facility cost allocation and fees related to future development and redevelopment based on current and projected availability of other funding sources, the City may revise future development and redevelopment's share based upon the analysis contained in the 2003 Update of the Public Facilities Finance Plan if these other funding sources are not available.

q) With regard to the various component parts of the public facilities fee, the City Council finds, based upon the various reports and plans presented to it in connection with the public facilities plans and fee, that there is a reasonable relationship between the amount of the fee, the various facilities, services or improvements to the funded by the fee and the various types of development for the following reasons:

SR-78: Improvements to the interchanges of various City streets with SR-78 are a necessary component of the City's circulation system. All new development will contribute to the need for the interchange improvements and will benefit from the improved circulation system of which the interchanges are a part. The need for the interchanges has been established in the Circulation
Element of the City's General Plan using the traffic generation rates set forth in the SANDAG traffic generation study and applying those generation rates to the various land use categories in the general plan to establish an estimate of the future traffic needed to be accommodated by the circulation system when considered in conjunction with other relevant street system planning considerations. The same traffic generation rates have been used in the various public facilities plans to allocate the cost of those improvements to new development. The Council finds that using average trip generation rates as developed by the SANDAG studies and applying those averages to various broad land use categories is a fair and reasonable method of allocating the cost of the improvements to future development taking into consideration that the precise type of land use which may be built within the City is speculative and that, particularly in non-residential land use categories, uses once established are subject to change.

**Circulation Element Streets:** The circulation element streets identified in the public facilities plan to be funded by the public facilities fees are a necessary component of the City's circulation system. The need and sizing of those streets has previously been determined in the Circulation Element of the City's General Plan. As set forth in the paragraph above relating to SR-78 improvements, the need and sizing of the streets has been determined using the same traffic generation information and land use projections as was used to spread the cost of the facilities to new development. The Council further finds that, because the circulation system of the City was designed using broad land
use categories, it is reasonable to allocate the cost of those facilities to new
development and redevelopment based on broad land use categories,
particularly in consideration of the fact that precise land uses are subject to
change over time.

**Parks:** The park improvements to be funded by the public facilities fees are
various community parks which will provide recreational opportunities to the
public. The need for the parks and the amount of park acreage per 1,000
persons population has previously been established by the City Parks Master
Plan. The cost of the parks has been reasonably allocated by spreading the
projected future cost of land acquisition and park land development to
residential development using average cost and population generation factors.
Although the Council recognizes that there is a certain usage of City parks by
persons who do not reside in the City but may work in the City, the Council
finds that the principle need for new park is the result of population increases
attributable to residential development.

**GIS:** The Council finds that all land in the City will benefit and generate a
need for the GIS in equal amounts regardless of land use category. Therefore,
the cost of that system has been allocated equally to the various land use
categories. The fee has been apportioned on a per acre basis with the
exception of single family residential development which has been allocated on
a per dwelling unit basis.

**Drainage:** The need for drainage facilities has been established by the 1990
Master Drainage Study prepared for the City. Pursuant to that study, the City
has been divided into various drainage areas and the cost of the facilities needed to accommodate the drainage needs within each drainage area has been allocated to that drainage area on a per acre basis without regard to land use type. There is a reasonable relationship between the drainage facilities and development because development increases runoff and retards the natural ability of the land to absorb storm and surface waters, further, the runoff and surface water diversion resulting from development is generally the same regardless of the type of use for which the property is developed. By establishing the fee on a flat rate per acre for all property within a drainage basin, the costs of remedying the drainage concerns are fairly apportioned based on the need for the facilities created by the new development and on the benefit conferred upon the new development from the construction of the facilities.

National Pollutant Discharge Elimination System (NPDES): The Federal Clean Water Act and the San Diego Regional Water Quality Control Board require municipalities to control the discharge of storm water runoff related to existing and new development, to include redevelopment. The cost and allocation of necessary Citywide infrastructure has been apportioned accordingly based upon review of developed (existing) and undeveloped acreage, and impacts created by existing and new development, in the City as described in the 2003 Public Facilities Plan prepared by City staff and consultants. By establishing the fee on a flat rate per acre, the costs of compliance with applicable federal, state, and local regulations is fairly and reasonably apportioned.
Habitat Conservation Program: Acquisition of land for conservation purposes is necessary to comply with habitat preservation and protection requirements of federal, state and local agencies to comply with federal and state Endangered Species Acts and the Natural Communities Conservation Planning Act of 1992. The City Sub-area Plan implements the Multiple Habitat Conservation Plan (MHCP) and forms the basis for the City to gain increased regulation of habitat preservation within the City which will result in increased City responsibility and control of the development process resulting in benefit to new and existing development. Successful adoption of the MHCP by the City and approval by the applicable federal and state agencies is dependent upon acquisition of certain habitat lands within the City which are identified in the Public Facilities Plan prepared by City staff and consultants as described in the plan. The City finds that acquisition of habitat as identified in the plan is necessary to mitigate City-wide impacts of development and funding of the acquisition should be based upon allocation of cost to both existing and future development on a per acre basis.

r) The City Council has set the amount of the public facilities fee in accordance with the provisions of Ordinance No. 2003-1203. The amount of the fees may be adjusted annually based on changes in facilities costs and changes in the availability of other funding sources.

SECTION 2. Amount of Public Facilities Fee. The amount of the public facilities fee for new single-family residential development, multi-family residential development, commercial development, office/professional development, light industrial development,
industrial development and business park development shall be the total of the SR-78 fee component, parks fee component, GIS fee component, circulation streets component, drainage component, NPDES component and habitat conservation component, as set forth in Exhibit A attached hereto and made a part hereof. The 2003 Update has analyzed cost allocation to existing development, future development and redevelopment and shall be used to adjust the amount of the public facilities fees based upon the City Manager's determination that facility costs (due to construction cost change) or change in the availability of other funding sources requires the adjustment.

SECTION 3. Special Credit Against Park Fee Component. Whenever a developer is required as a condition of development approval to dedicate to the City land for park purposes or to provide improvements or equipment to park land, and the park land which is dedicated, improved or equipped is how in the public facilities plan for funding by the park component of the public facilities fee, the developer shall be entitled to a credit against the park fee component of the public facilities fee for the fair market value of the land determined at the time the condition is imposed or for the value of the improvements or equipment as determined at the time of the acceptance of the improvements or equipment by the City. The amount of the credit shall be determined by the City Manager. This provision shall not apply to trails, open space or other park land which is not identified for funding by the public facilities fee. If the amount of credit is less than the value of the land, improvements or equipment, the developer shall be entitled to a reimbursement agreement pursuant to the City's reimbursement ordinance and policies.

SECTION 4. Fee Additional to Previously Established Fees. The fee set by this
resolution is additional to previously established reimbursement or other fees which may be applicable to a development project.

SECTION 5. Effective Date. This resolution shall be effective immediately upon adoption, provided, however, that the fee set by this resolution shall be imposed on development commencing 60 days following the effective date of Ordinance No. 2003-1203. The City Manager is authorized to provide an implementation schedule.

SECTION 6. Limitations. This resolution is subject to the restrictions and requirement of Ordinance No. 2003-1203. The sole purpose of this resolution is to implement Ordinance No. 2003-1203 by setting the amount of the Citywide Public Facilities Fee imposed on new development by that ordinance.

NOW, THEREFORE, the City Council of the City of San Marcos resolves as follows:

PASSED, APPROVED, and ADOPTED by the City Council of the City of San Marcos this 14th day of October, 2003, by the following roll call vote:

AYES: COUNCILMEMBERS: HARRIS, MARTIN, PRESTON, THIBADEAU, SMITH
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

F.H. "Corky" Smith, Mayor
City of San Marcos

ATTEST:

Susie Vasquez, City Clerk
City of San Marcos
## PUBLIC FACILITY FINANCING PLAN

### 2003 PFF Update Fees

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### DRAINAGE COSTS BY ACRE

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AGENDA ITEM # 17
RESOLUTION TO ADOPT THE RTCIP MITIGATION FEE PURSUANT TO SECTION 16.26.050 OF THE SANTEE MUNICIPAL CODE.

Gary Halbert/Development Services

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.

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.

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

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

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 considere 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

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnolia Ave – Chubb Ln to Braverman Dr</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Mast Blvd – Fanita Pkwy to Carlton Hills</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>Mast Blvd – Cuyamaca St to Magnolia Ave</td>
<td>$983,000</td>
</tr>
<tr>
<td>Mission Gorge Rd – Riverview Pky to Magnolia</td>
<td>$1,657,000</td>
</tr>
<tr>
<td>Woodside Ave – Magnolia Ave to SR 67</td>
<td>$1,311,000</td>
</tr>
<tr>
<td>Mast Blvd – median enhancements</td>
<td>$1,250,000</td>
</tr>
</tbody>
</table>

**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.
ORDINANCE NO. ______

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF Santee, California,
AMENDING Santee MUNICIPAL CODE CHAPTER 16.26

WHEREAS, the TransNet Extension Ordinance, approved in 2004 by voters in San Diego County, established the Regional Transportation Congestion Improvement Program (RTCIP) that requires local agencies to collect a fee from each new housing unit for the improvements to the Regional Arterial System (RAS); and

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, the Mitigation Fee Act, California Government Code sections 66000 through 66025, establishes a procedure which cities must follow to establish, increase or impose development impact fees; and

WHEREAS, the City Council intends by this ordinance to adopt a RTCIP impact fee in accordance with the TransNet Extension Ordinance and the Mitigation Fee Act,

NOW, THEREFORE, the City Council of the City of Santee does ordain as follows:

SECTION 1. Findings.

In accordance with the Mitigation Fee Act, the City Council of the City of Santee hereby finds and determines all of the following:

A. The purpose of the RTCIP Mitigation Fee adopted pursuant to Section 2 of this ordinance is to ensure that future development contributes its proportional share of the funding needed to pay for the Regional Arterial System and related transportation facility improvements, as defined in the most recently adopted Regional Transportation Plan adopted by the San Diego Association of Governments (“SANDAG”).

B. All revenues from the RTCIP Mitigation Fee adopted pursuant to Section 2 of this ordinance shall be expended solely for the purpose of funding the Regional Arterial System and related transportation facility improvements, as defined in SANDAG’s most recently adopted Regional Transportation Plan.

C. Based on its independent review and verification of the “Nexus Study for Transnet Regional Transportation Congestion Improvement Program” dated September 5, 2006, prepared on behalf of SANDAG (“Nexus Study”), the City Council finds that the facts and evidence establish that there is a reasonable relationship between the use to
which revenues from the RTCIP Mitigation Fee will be put pursuant to Section 2 of this ordinance and the types of development for which the fee is charged. These relationships are described in more detail in the Nexus Study.

D. Based on its independent review and verification of the Nexus Study, the City Council finds that the facts and evidence establish that there is a reasonable relationship between the need for the Regional Arterial System and related transportation facility improvements, as defined in SANDAG's most recently adopted Regional Transportation Plan, and the types of development for which the fee is charged. These relationships are described in more detail in the Nexus Study.

E. The facts and evidence further establish that there is a reasonable relationship between the amount of the fees collected and the costs of Regional Arterial System and related transportation facility improvements, as defined in SANDAG's most recently adopted Regional Transportation Plan. This relationship is described in more detail in the Report.

F. Notice has been provided in accordance with Sections 6062, 66002, 66016(a), 66018 and 65090 of the California Government Code.

G. This ordinance is consistent with the City's General Plan.

SECTION 2. Santee Municipal Code Chapter 16.26 is amended as follows:

Section 16.26.030 Definitions

Add the following definitions:

R. "RTCIP" means the Regional Transportation Congestion Improvement Program as established by the San Diego Association of Governments.

S. "Regional Arterial System" (RAS) means the network of arterials that provide critical links for the region as defined in San Diego Association of Governments (SANDAG) latest adopted Regional Transportation Plan (RTP).

Section 16.26.040 Development Impact Fees

Add the following fee:

E. "RTCIP Mitigation Fee" is for improvements to the Regional Arterial System.

Section 16.26.050 Fee rates.

Add/modify the following definitions:
ORDINANCE NO.

C. The development impact fees, exclusive of the RTCIP mitigation fee, shall automatically be adjusted for inflation on July 1 of each year. The inflation adjustment shall be two percent or based on the previous calendar years increase in the San Diego Consumer Price Index (CPI-U: All Items) as published by the Bureau of Labor Statistics, which ever is higher.

D. Pursuant to the TransNet Extension Ordinance, RTCIP mitigation fees shall be automatically adjusted for inflation on July 1 of each year beginning in 2009. The inflation adjustment will be two percent or based on the Caltrans highway construction cost index, whichever is higher.

Section 16.26.070 Use of fees.

Add/modify the following definitions:

A. All public facility benefit fees, drainage fees, RTCIP mitigation fees, traffic signal fees and traffic mitigation fees collected pursuant to this Chapter shall be placed into separate accounts for each fee type. All such revenue shall be expended solely for land acquisition, construction or engineering necessary for the installation of the public facility, or reimbursement for land acquisition, construction or engineering of the public.

D. All revenue for the RTCIP mitigation fees shall be expended solely on improvements to the Regional Arterial System.

Add the following sections:

Section 16.26.600 RTCIP Impact Fee Program

Section 16.26.610 Determination of fees.

A. The RTCIP mitigation fee for single-family residential property shall be the product of the actual number of dwelling units and the fee rate (dollars per dwelling unit) for the respective land uses of HL, R-1, R-1-A and R-2 in the Santee area of benefit.

B. The RTCIP mitigation fee for multi-family residential property shall be the product of the actual number of dwelling units and the fee rate (dollars per dwelling unit) for the respective land uses of R-7, R-14, R-22, and R-30 zones in the Santee area of benefit.

SECTION 3. This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to California Public Resources Code section 21080(b)(13) and California Code of Regulations, Title 14, Chapter 3 ("CEQA
ORDINANCE NO.

Guidelines”) section 15276, because it implements the regional RTCIP program. City staff is directed to file a Notice of Exemption.

SECTION 4. This ordinance shall take effect 60 days after its adoption. The City Clerk shall certify as to the adoption of this ordinance and shall cause a summary thereof to be published within fifteen (15) days of the adoption in a newspaper of general circulation in the City and shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, as required by law.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Santee, California, held on the 9th day of April, 2008. ADOPTED at a Regular Meeting of said City Council held on the 23rd day of April, 2008, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED

________________________________________
RANDY VOEPEL, MAYOR

ATTEST:

________________________________________
LINDA A. TROYAN, MMC, CITY CLERK
RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, ADOPTING DEVELOPMENT IMPACT FEE RATES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, the City of Santee’s Development Impact Fee Ordinance establishes development impact fee provisions and makes all appropriate findings required by California Government Code Section 66000 et seq., which findings are incorporated herein by reference; and

WHEREAS, the City Council of the City of Santee has adopted an ordinance establishing a RTCIP impact fee in accordance with the TransNet Extension Ordinance, approved in 2004 by voters in San Diego County, and the Mitigation Fee Act; and

WHEREAS, it is necessary to establish and maintain development impact fees to properly implement the goals and objectives of the General Plan; and

WHEREAS, the rate of the RTCIP Mitigation Fee is established herein by reference to the “Nexus Study for Transnet Regional Transportation Congestion Improvement Program” dated September 5, 2006, prepared on behalf of SANDAG for the RTCIP program, which the City Council has independently reviewed and verified; and

WHEREAS, the rate of the existing Traffic Mitigation Fee is reduced hereby by a proportional amount to the total cost of traffic improvements which will be funded by the new RTCIP Mitigation Fee, estimated to be twenty-two percent (22%).

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, after considering the evidence presented at the public hearing, as follows:

Section 1: The City Council does hereby establish the following development impact fees:

<table>
<thead>
<tr>
<th></th>
<th>Single Family Residential</th>
<th>Multi-family Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HL</td>
<td>R1</td>
</tr>
<tr>
<td>Traffic Mitigation Fee</td>
<td>$2,857</td>
<td>$2,857</td>
</tr>
<tr>
<td>RTCIP Mitigation Fee</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

Section 2: The Traffic Mitigation Fee shall be adjusted annually based upon the provisions of Santee Municipal Code Section 16.26.050(C). The RTCIP Mitigation Fee shall be adjusted annually based upon the provisions of Santee Municipal Code Section 16.26.050(D).
RESOLUTION NO. _____

Section 3: These fee rates shall take effect on the effective date of the Ordinance establishing the RTCIP Mitigation Fee.

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 23rd day of April, 2008, by the following roll call vote to wit:

AYES:
NOES:
ABSENT:

APPROVED:

RANDY VOEPEL, MAYOR

ATTEST:

LINDA A. TROYAN, MMC, CITY CLERK
STAFF REPORT
CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: David Ott, City Manager
MEETING DATE: March 12, 2008
ORIGINATING DEPT: City Attorney’s Office
SUBJECT: Establishing the Solana Beach Regional Transportation Congestion Improvement Plan (RTCIP) Ordinance Introduction

BACKGROUND:
The City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the County of San Diego, and the seventeen other cities situated in San Diego County (County). Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in the County (the "regional system") could be made up in part by a transportation uniform mitigation fee on future residential development.

As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act. This Nexus Study, which is attached to this Report, establishes a link between the potential fee and the impacts created by certain categories of development. The voter approval established the ability to levy the fee and created the exemptions that the City is required to establish (i.e. condo conversions).

DISCUSSION:
The Nexus Study shows that future development within County and the cities therein will result in traffic volumes exceeding the capacity of the regional system, as it presently exists. The City Council has been further informed and advised, and, based on the Nexus Study, can find that if the capacity of the regional system is not enlarged, the result will be substantial traffic congestion in all parts of County and the City, with unacceptable levels of service throughout the County by 2030.

Absent implementation of a regional transportation congestion improvement program ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will

CITY COUNCIL ACTION:


AGENDA ITEM #11
be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around County and the City.

The purpose of this Ordinance is to set up a fee program, mandated by SANDAG, to require residential development to reimburse the City for traffic congestion improvement projects that will help relieve congestion caused by development. Upon review of the Nexus Study, the City Council can find that future development within the County and City will substantially adversely affect the regional system, and that unless such development contributes to the cost of improving the regional system, the regional system will operate at unacceptable levels of service.

The Nexus Study also allows the Council to find that the failure to mitigate growing traffic impacts on the regional system within County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional system will adversely affect the public health, safety and welfare.

The City Council can further find and determine that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

The Nexus Study shows there is a reasonable and rational relationship between the need for the improvements to the regional system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional system. Such development will benefit from the regional system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

The Nexus Study shows that the cost estimates set forth in the Study are reasonable cost estimates for constructing the regional system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements. The City Council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional system.

The approval of this Ordinance allows the City to hold a public hearing and approve development impact fees to meet the SANDAG requirements for the local costs of the regional transportation congestion improvement program. The staff will return to the
Council at the second meeting in April to propose a fee implement the RTCIP program in Solana Beach to meet the July 1, 2008 deadline. The minimum fee required, and justified by the study, is $2,000.00 per new residence. The City may impose a higher fee as long as the Nexus Study or a locally funded study shows greater impacts that justify the higher fee. Staff will be making a recommendation for a higher fee at the April hearing than the minimum fee recommended due to the cost of impacts found in Solana Beach.

CEQA COMPLIANCE STATEMENT:
The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 (b) (3) of the State CEQA Guidelines.

FISCAL IMPACT:
Adoption of the fee program will allow the City to recover costs that would otherwise be absorbed by the General Fund or divert other transportation funds that could be used for other eligible projects. The City will be required to place the amount of $2,000.00 per residence into RTCIP funds regardless of whether it charges the fee.

WORKPLAN: N/A

OPTIONS:
- Approve staff recommendation.
- Approve staff recommendation with alternative amendments / modifications.
- Provide direction.

DEPARTMENT RECOMMENDATION:
Staff recommends that the City Council:

1. Read the title, waive further reading and introduce Ordinance No. 383 adopting a Transportation Uniform Mitigation Fee Program for the purpose of defraying cost of constructing Planned Regional Transportation Facilities.

MANAGER'S RECOMMENDATION:
Approve Department Recommendation

David Ott, City Manager

Attachments:
1. Ordinance No. 383
2. RTCIP Impact Fee Nexus Study, September 6, 2006, San Diego Association of Governments
ORDINANCE NO. 383

AN ORDINANCE ADOPTING CHAPTER 15.48 OF THE SOLANA BEACH MUNICIPAL CODE ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAYING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by local ordinance a requirement for the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City of Solana Beach has not heretofore established development impact fees for those purposes described herein, reflecting an appropriate fee taking into consideration construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and procedures, for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that fees permitted by the police power and California Government Code sections 66483 and 66484 are appropriate.

THE CITY COUNCIL OF THE CITY OF SOLANA BEACH DOES ORDAIN AS FOLLOWS:

SECTION 1. The City of Solana Beach finds that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061 (b) (3), General Rule, as follows: “The activity is covered by the General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have an effect on the environment, the activity is not subject to CEQA.”
SECTION 2. Chapter 15.48 of Title 15 of the Solana Beach Municipal Code, consisting of sections 15.48.010 through 15.48.070, inclusive, is hereby added to read as follows:

15.48.010 Title.

This chapter shall be known as the "Solana Beach Regional Transportation Congestion Improvement Program Ordinance."

15.48.020 Findings.

In adopting this chapter, the city council of the city of Solana Beach finds and determines that:

A. The city is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the city, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional arterial system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the city participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The city council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional arterial system as it presently exists.

C. The city council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the city, with unacceptable levels of service throughout San Diego County by 2030.

D. The city council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional arterial system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the city.

E. The city council has reviewed the Nexus Study, and finds that future development within the county and city will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving
the regional arterial system, the regional arterial system will operate at unacceptable levels of service.

F. The city council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the city will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

G. The city council further finds and determines that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

H. The city council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

I. The city council further finds and determines that the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

J. The city council further finds that the cost estimates set forth in the Nexus Study are reasonable cost estimates for the facilities that comprise the regional arterial system, and that RTCIP fee program revenues to be generated by new development will not exceed the total fair share of these costs.

K. The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional arterial system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements.

L. The city council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional arterial system.
M. The city council adopts the Nexus Study and incorporates it in this chapter as though set forth in full.

15.48.030 Definitions.

For the purpose of this chapter, the following words, terms and phrases shall have the following meanings:

"Commission" means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

"Development project" or "project" means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as "mixed use" development, including the issuance of a permit for construction.

"Low income residential housing" means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

"Multifamily residential property" means property, which, under the current city land use plan or any specific plan, is designated as ER, LR, LMR, MR, MHR, HR, C (Mixed Use) or SC (Mixed Use) in Title 17 of the Solana Beach Municipal Code, with or without any overlay, or equivalent.

"Nexus Study" means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 et seq., which Nexus Study is on file in the city clerk's office.

"Residential dwelling unit" means a building or portion thereof used by one family and containing but one kitchen, which is designed primarily for residential occupancy including single-family and multifamily dwellings. "Residential dwelling unit" shall not include hotels or motels.

"RTCIP administrative plan" means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the city clerk's office.

"SANDAG" means the San Diego Association of Governments, a joint powers agency consisting of the city, the county of San Diego, and the eighteen cities situated in San Diego County.
“Single-family residential unit” means each residential dwelling unit in a development on property, which, under the current city land use plan or any specific plan, is designated as ER, LR, LMR, MR, MHR, or HR in Title 17 of the Solana Beach Municipal Code, with or without any overlay, or equivalent.

15.48.040 Establishment of the transportation uniform mitigation fee.

A. Adoption. The schedule of fees shall be adopted by resolution approved by the city council (“resolution”).

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time. The Nexus Study is applicable to specific residential construction impacts in Solana Beach, including but not limited to those referenced in Table A1 of the Study within the boundaries of the city. Nothing herein prevents the city from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the city. The amount of fees adopted under this Ordinance may also exceed the amount allowed by the Nexus Study based on further studies prepared by the city or SANDAG that justifies an increased amount.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional arterial system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009.

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study.

E. Applicability. The RTCIP shall apply to all new development projects within the city, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the Solana Beach Regional Transportation Congestion Improvement Program ("RTCIP") Fee:

1. Low income residential housing;

2. Government/public buildings, public schools and public facilities;
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;

4. All new, rehabilitated, and/or reconstructed non-residential structures.

5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;

6. Guest dwellings, as defined in Title 17 of the Solana Beach Municipal Code;

7. Additional residential units located on the same parcel pursuant to the provisions of any agricultural zoning classifications set forth in Title 17 of the Solana Beach Municipal Code;

8. Kennels and catteries established in connection with an existing residential unit and as defined in Title 17 of the Solana Beach Municipal Code;

9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;

10. Residential units that have been issued a building permit prior to July 1, 2008; and

11. Condominium conversions.

G. Credit. Regional arterial system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.

   a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG’s Regional Arterial System and/or that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.

   b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the city in consultation with the developer.
c. The amount of the development fee credit shall not exceed the revenue requirements of the city's most current funding program (determined by the most current unit cost assumptions) for its share of the regional arterial system or actual costs, whichever is less.

2. Local Tier.

a. The city shall compare facilities in local fee programs against the regional arterial system and eliminate any overlap in its local fee program except where there is a recognized financing district has been established.

b. If there is a recognized financing district established, the city may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

15.48.050 Reimbursements.

Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the city, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

15.48.060 Procedures for the levy, collection, and disposition of fees.

A. Authority of the Public Works Department. The director of public works, or his/her designee, is authorized to levy and collect the RTCIP fee and make all determinations required by this chapter.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a certificate of occupancy is issued for the development project or upon final inspection, whichever come first (the "payment date"). However, this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the time application is made for a building permit and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her RTCIP fee obligation. If the developer makes only a partial payment prior to the payment date, the amount of the fee due shall be based on the RTCIP fee schedule in place on the payment date. The fees shall be calculated according to fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.
2. The fees required to be paid shall be the fee amounts in effect at the time of payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The city shall not enter into a development agreement, which freezes future adjustments of the RTCIP Fee.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. Accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the city or deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act.

D. Appeals. Appeals shall be filed with the city council in accordance with the provisions of RTCIP Administrative Plan and administrative rules adopted by Resolution of the city council. Issues subject to appeal shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The finance director, or his/her designee, shall prepare and deliver to the executive director of SANDAG and to the Independent Taxpayer Oversight Committee (ITOC), periodic reports as will be established under section 15.48.070 of this chapter.

15.48.070 RTCIP fee administrator.

A. The director of public works is appointed as the administrator of the transportation uniform mitigation fee program. He or she, or designee, is authorized to receive all fees generated from the RTCIP fee within the city, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer’s RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. The city shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed two percent of the annual net amount.
of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3. The City Council of the City of Solana Beach hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this ordinance to be published pursuant to the provisions of Government Code section 36933.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Solana Beach, California, on the 12th day of March, 2008; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, on the ___ day of ______________, 200__, by the following vote:

| AYES: | Councilmembers – |
| NOES: | Councilmembers – |
| ABSTAIN: | Councilmembers – |
| ABSENT: | Councilmembers – |

JOE G. KELLEJIAN, Mayor

APPROVED AS TO FORM: 

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk
RTCIP IMPACT FEE NEXUS STUDY

SEPTEMBER 5, 2006

PREPARED FOR THE
SAN DIEGO ASSOCIATION OF GOVERNMENTS

MuniFinancial
A WILLDAN COMPANY

WITH CAMBRIDGE SYSTEMATICS

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13
AGENDA REPORT

Department: Community Development
Prepared By: Patrick Johnson, Deputy City Manager
Prepared By: Robin Putnam, Projects Manager
Approved By: Rita L. Geldert, City Manager
Meeting Date: May 8, 2007

Item No: PA13

SUBJECT: STREET AND TRAFFIC SIGNAL DEVELOPMENT IMPACT FEE UPDATE

RECOMMENDATION:
1. Conduct a public hearing to receive public testimony regarding the proposed Arterial Street Improvements and Traffic Signal Development Impact Fee; and
2. Adopt City Council Resolution No. 2007- , adopting the proposed Arterial Street Improvements and Traffic Signal Development Impact Fee.

PRIOR ACTION: On March 13, 1989, adopted City Council Ordinance 89-6, reflecting various development impact fee increases (Vote: 5-0):

On October 12, 1993, adopted City Council Resolution No. 93-131, establishing, increasing, and imposing development impact fees as a condition of approval on development projects (Vote: 4-1, Williams opposed).


On June 14, 2005, adopted City Council Resolution No. 2005-150, approving the updated Park Development Impact Fees (Vote: 4-1, Lopez opposed).

STATEMENT ON THE SUBJECT: A majority of the City's Development Impact Fees have not been comprehensively updated in over fourteen years. As a result, the City contracted with Citygate Associates to assess the financial practices and strategies of the City of Vista. This included reviewing the plans and information available to determine the appropriate method of evaluating each Impact Fee. The preliminary evaluation of the Impact Fees by Citygate Associates has resulted in the creation of a schedule that details when each of the fees will be reviewed and at that point a determination can be made of whether to recommend changing a fee. Instead of doing a comprehensive study involving all the fees at one time, Citygate and City staff are addressing each fee individually as the fee information and supporting documentation becomes available.

Arterial Street Improvements and Traffic Signal Development Fees
The Arterial Street Improvements and Traffic Signal Development Fees are intended to provide for future needs based on development through the year 2030. Future development will result in the need for street widening or

ACTION: Adopted City Council Resolution No. 2007-69, amended to: 1) phase in the new fees incrementally over a one-year period as follows: 1/3 in July 2007, 1/3 in January 2008, and 1/3 in July 2008; and 2) grandfather in the projects that submitted planning applications prior to July 1, 2006, and that have shown due diligence in processing their project. Vote: 4-1 (Lopez opposed)

Tracking No. 4099-07-05

MAY 08 2007  ITEM P H 3
SUBJECT: STREET AND TRAFFIC SIGNAL DEVELOPMENT IMPACT FEE UPDATE

intersection improvements to accommodate additional traffic and the need for new traffic signals. The impact fees are calculated for a single citywide service area and apply to all new development in the city.

The Arterial Street Improvement and Traffic Signal Fees have been reviewed in detail by City staff, Citygate Associates, and the Building Industry Association (BIA), and the following items have been developed: arterial street segments, intersection improvements and traffic signals projects list, the associated costs for those projects, the current number of average daily trips (ADT) for each affected street segment and the current level of service for each intersection proposed for improvement. Then, anticipated ADT’s for year 2030 were provided to assess the number of trips attributable to future development. This information establishes a nexus between future development and the need for the improvements. Finally, street segments and intersections that are currently operating at unacceptable levels of service were removed from the list of projects to be funded by future development as these improvements are not attributable to future development.

The Arterial Street Improvement and Traffic Signal Fees were originally adopted in 1989. At that time it was thought that Vista would be less competitive with surrounding cities in attracting quality residential, industrial, and particularly commercial development if the City implemented fees that provided for full cost recovery. Therefore, for economic reasons, the fees adopted were less than the amount the City should have adopted to recover the street improvement costs attributable to new development. For example, the charge per trip in 1989 for commercial properties was recommended at $60, however the City Council adopted a charge of $10 per trip to keep the fees low in an effort to attract quality commercial development.

The fees are based on estimated trips for residential, commercial and industrial development. Vista, like other cities in San Diego County uses the San Diego Association of Governments (SANDAG) Vehicular Traffic Generation Rates for the San Diego Region as the baseline for specific use average trip generation (Exhibit 2). The current fees are not sufficient to fund the necessary street segment, intersection improvements and traffic signals attributable to new development within the City. The proposed fee per trip is $287.64. Exhibit 3 provides a comparison of street improvement and traffic signal impact fees for the cities along the Highway 78 corridor for different types of uses.

In April 2006, City staff began notifying potential developers who requested fee information that an increase in Street and Signal Fees would be proposed to the City Council. Staff provided each new applicant who requested a fee quote with the anticipated street and signal fees. This proactive approach was intended to make sure that there were no surprises to the development community since the proposed fee represented a significant increase over the fees Vista had been charging over the past fourteen years. The fee quotes given out to developers were actually 25% higher than what is actually being proposed. The higher quote was based on initial conservative fee calculations, which have since been reduced.

Staff is proposing to “grandfather” in those applicants who submitted planning applications prior to April 1, 2006, and have diligently pursued resubmittal and processing of their projects. The reason for this recommendation is to avoid negative financial impacts on diligent applicants who began the process prior to the provision of updated fee estimates.

Building Industry Association
City staff and Citygate Associates have met with representatives from the Building Industry Association (BIA) over the last twelve months and more frequently over the past three months to include the BIA in the discussions of the fee update and to explain the methodology of the proposed fee. The meetings were informative and useful in making sure that open communication was achieved. Many changes were made to the study in response to issues and concerns raised by BIA representatives. After a final review of the basis for the fee and methodology to establish the fee, the BIA had six remaining requests: 1) phase in the new rate over a period of time; 2) grandfather all projects with an application deemed completed as of the effective date of the fee when their application was deemed complete; 3) provide credit for improvements made and credit for existing development; 4) provide periodic impact fee adjustments; 5) update the City’s General Plan; and 6) offset the fees based on other revenue the City receives if it becomes apparent that the fees are curtailing commercial and office development.
MEETING DATE: May 8, 2007  PAGE: 3

SUBJECT: STREET AND TRAFFIC SIGNAL DEVELOPMENT IMPACT FEE UPDATE

In addressing the first issue, it was explained to the BIA that staff is not proposing to phase in the rates because this will only reduce the amount of revenue the City needs to collect for future development’s share of transportation improvement costs, which are justified in the study. If the City Council chooses to phase in the fee, the City will once again need to supplement future development impact fees as inadequate revenue will be collected to provide the future arterial street and signal improvements needed to accommodate new development.

Regarding the grandfathering request, City staff has proactively notified developers of the pending fee increase for the past twelve months. It is recommended that applicants who submitted their planning applications prior to April 1, 2006, and have diligently pursued re-submittal and processing of their projects be assessed the current fees at the time of building permit issuance to ensure adequate notice. The BIA’s recommendation only applies to a few projects that actually have applications deemed complete and staff’s recommendation will accommodate more projects that may not technically have complete applications.

As for the third issue, the report already contained language to provide credits to developers for improvements made and for existing development, however City staff accepted all of the BIA’s proposed wording modifications and incorporated the wording into section two of the report.

The fourth issue deals with making impact fee adjustments as facilities and improvements are constructed. The BIA asked that the City freeze the cost basis of the completed facilities or improvements in the fee calculation at no more than its actual cost of construction, as well as update the impact fees a minimum of every two years based on construction cost changes as measured by the Engineering News Record (ENR). The City agreed to update the fees annually based on the construction cost index of the ENR, however staff does not recommend updating the impact fees a minimum of every two years. This process would very time consuming and costly to basically update your impact fee report a minimum of every two years. Staff is recommending updating the impact fees every three years as will be the schedule with the Park Fees and all future fees.

The BIA requested that prior to adopting the entire fee, the City update the General Plan and Circulation Element. City staff plans on bringing an agreement to update the General Plan to the City Council on May 22. The update will take approximately 24 months to complete.

The sixth and last issue requested by the BIA was to offset the fees based on other revenue the City receives if it becomes apparent that the proposed fees are curtailing commercial and office development. It was suggested that the City use direct or indirect sales tax revenue such as sales tax, TransNet, or gas tax. TransNet money is used for general road repair and projects and can only be used for signals when there is an associated street improvement. Each year the City’s street repair needs increase exponentially and if the City dedicated TransNet funding to offset Street and Signal Development Impact Fees then the General Fund would be subsidizing these fees. Much like TransNet, the City’s Gas Tax revenues have not kept pace with the City’s needs. If the City were to offset the proposed impact fee with one of the recommended funds, it would only be to the detriment of the general fund.

ALTERNATIVE: The issue of phasing the fees in over time has been raised by the BIA as well as members of the development community. The proposal from staff is not to phase the fees in over time because the City would lose millions of dollars by a phased process. However, if the City Council decides to implement a phasing program, staff would recommend that residential fees not be phased and the full amount of the fee go into effect in July 2007 per the Prop. A requirements, 50% of the increase in fees for commercial and industrial properties be established in July 2007, 25% be established in January 2008, and the remaining 25% in July 2008.

FISCAL IMPACT: It is proposed that the Arterial Street and Traffic Signal Development Fees be reviewed every three years so that each fee can be reviewed and adjusted if necessary. The attached resolution also includes a provision increasing the fees annually based on the Construction Cost Index of the Engineering News Record (ENR). In addition, it is recommended that the City recover the cost of this study through the impact fee program.

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SUBJECT: STREET AND TRAFFIC SIGNAL DEVELOPMENT IMPACT FEE UPDATE

The adjustment to include the study normally increases the fee by a very small percentage, in the case of this study, the cost is .13 percent of the fee.

The current Arterial Street Improvements and Traffic Signal Development Impact Fees are calculated for a single citywide service area encompassing the entire study area defined in the report. The proposed fee of $287.64 per ADT is intended to apply to all residential, commercial, and industrial development in the study area. The proposed increase is the direct result of not increasing the fee over the past fourteen years to compensate for the annual increase in inflation and construction costs. This fee is required for the City to collect adequate funding for necessary street and signal improvements.

In November 2004, San Diego County voters approved local Proposition A extending the TransNet ½ cent sales tax for transportation through 2048. Included in Proposition A and the TransNet Extension Ordinance is the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP is to ensure that new development directly invests in the region's transportation system to offset the negative impacts of growth on congestion and mobility. The RTCIP provides for the collection of a fee for each new dwelling unit. As of July 1, 2008, the City will need to collect an average fee of $2,071 per dwelling unit constructed to be used on regional projects and include an annual escalator to the fee. The exact amount per dwelling unit varies based on the type of residential unit. The fees calculated in this study for residential use provide for the regional component.

EXHIBITS:
1. City Council Resolution No. 2007- , approving the Arterial Street Improvements and Traffic Signals Development Impact Fee Increase
2. SANDAG Vehicular Traffic Generation Rates for the San Diego Region
3. Comparison of fees for the Highway 78 corridor cities
RESOLUTION NO. 2007-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISTA, CALIFORNIA, APPROVING AN INCREASE FOR THE ARTERIAL STREET IMPROVEMENTS AND TRAFFIC SIGNAL DEVELOPMENT IMPACT FEES

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, the City Council now has received a report and recommendation entitled "Analysis and Update of Development Impact Fees" ("Impact Fee Report") from the City's financial consultant for the increase and imposition of the impact fees described in such Report ("Fees"), a copy of which has been made available for public inspection and is on file in the Office of the City Clerk; and

WHEREAS, Section 2 of the Impact Fee Report provides language that offers credits to developers for improvements made and for existing development; and

WHEREAS, 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; and

WHEREAS, the City Council hereby finds and determines:

A. The purpose of the 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.

B. The revenue from the 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 April 17, 2007.

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

EXHIBIT 1
NOW, THEREFORE, it is hereby resolved as follows:

1. The above recitals and findings are hereby adopted.

2. The Analysis and Update of Development Impact Fees for the City of Vista dated April 17, 2007 is hereby adopted.

3. The Arterial Street Improvements and Traffic Signal Development Impact Fees, as identified and described on "Exhibit A", attached hereto and made part hereof, are hereby established and/or increased and imposed on all development projects in the manner described therein. The amount of the Fees, subject to annual adjustment, shall be in the amount set forth in Part 5.I. of the Impact Fee Report and shall be imposed in the manner described in Part 5.G. of the Impact Fee Report, inclusive of any adjustments, set-offs, or credits provided in the report. Said Fees shall become effective 60 days following the date of adoption of this Resolution. An exception from the increase in fees shall apply to project applications submitted prior to April 1, 2006, provided that the Community Development Director has determined that the project application has been pursued diligently and without interruption.

4. The Arterial Street Improvements and Traffic Signal Development Impact Fees shall be increased annually from the effective date 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 anniversary date of this resolution to the comparable ENR published for the preceding year.

5. The City Treasurer is hereby authorized and directed to deposit and maintain all revenues received from said 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 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.
6. The City Manager or her designee is hereby authorized and directed to secure payment of and to collect the Fees identified on Exhibit A in the manner provided by state law, and in such amounts as provided for herein.

PASSED AND ADOPTED by the City Council of the City of Vista, at a regular meeting thereof held on the _______ day of __________, 2007, by the following vote:

AYES:

NOES:

ABSTAIN:

MORRIS B. VANCE, MAYOR

APPROVED AS TO FORM:
Darold Pieper, City Attorney

ATTEST:
Marci Kilan, City Clerk

By: _______________________________ By: _______________________________
CITY OF VISTA
IMPACT FEE
STUDY

April 17, 2007
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5. Streets Signals Impact Fees

A. Fees Addressed in this Chapter
B. Service Area
C. Demand Variable
D. Level of Service
E. Methodology
F. Facility Needs
G. Cost per Trip
H. Projected Revenue
I. Recovery of Study Cost

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EXECUTIVE SUMMARY

The City of Vista engaged Citygate Associates to prepare this study to analyze the impacts of development on certain capital facilities, and to calculate development impact fees and fees in lieu of park land dedication based on that analysis. This report documents the data, methodology, and analysis supporting those calculations. The methods used to calculate impact fees in this study are intended to satisfy all legal requirements governing such fees, including provisions of the U.S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code §§ 66000, et seq.), and the Quimby Act (Government Code § 66477). As noted in Chapter 1, any fees or contributions paid to the City by developers pursuant to a development agreement or a reimbursement agreement are exempt from the provisions of the Mitigation Fee Act.

A. ORGANIZATION OF THE REPORT

Chapter 1 of this report provides an overview of impact fees. It discusses legal requirements for establishing and imposing such fees, as well as methods used in this study to calculate impact fees. Chapter 2 discusses implementation of the impact fee program, including findings, procedures and legal requirements for establishing and imposing impact fees under the Mitigation Fee Act. Chapter 3 contains data on existing and future development in the City. Chapter 4 contains the analysis and calculations supporting park and recreation impact fees and fees in lieu of park land dedication under the Quimby Act.

B. DEVELOPMENT DATA

Figures for existing population and dwelling units used in this study are based on 2004 SANDAG data. Figures for future population and dwelling units are based on SANDAG forecasts for 2030. The study area for this report is the area within the existing City and its sphere of influence. The City's population is forecasted to grow by approximately 14% between 2004 and 2030, creating a need for substantial investment in new capital facilities.

C. PARKS AND RECREATION IMPACT FEES AND FEES IN-LIEU OF PARK LAND DEDICATION

Chapter 4 of this report calculates impact fees for park improvements and specialized recreation facilities. That chapter also calculates fees that may be charged to developers in-lieu of park land dedication. The impact fees for parks and recreation facilities are based on the cost necessary for the City to maintain its existing per-capita investment in parks and recreation facilities. Fees in-lieu of park land dedication are calculated using a formula specified in the Quimby Act, and are based on the ratio of park acreage to population.

Fees calculated in Chapter 4 are summarized in Table ES.1, on the next page. Those fees are intended to represent the maximum amounts justified by the data used in this study.
Table ES.1
Summary of In-Lieu and Impact Fees for Parks and Recreation

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Dev Units</th>
<th>Fee per Unit Park Land</th>
<th>Fee per Unit Park Improvmts</th>
<th>Fee per Unit Rec Facilities</th>
<th>Total Fees per Unit</th>
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<tr>
<td>Residential, Single-Family</td>
<td>DU</td>
<td>$2,477.97</td>
<td>$2,150.18</td>
<td>$1,177.51</td>
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<tr>
<td>Residential, Multi-Family</td>
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<td>$2,462.53</td>
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<td>Residential, Mobile Home</td>
<td>DU</td>
<td>$1,667.42</td>
<td>$1,446.85</td>
<td>$792.34</td>
<td>$3,906.61</td>
</tr>
</tbody>
</table>

1 Units of development. DU = dwelling unit
2 See Table 4.5, Chapter 4
3 See Table 4.6, Chapter 4
4 See Table 4.7, Chapter 4

Table ES.2 shows the fees from Table ES.1 increased by 1.62% to recover the cost of the parks and recreation impact fee study over five years. That adjustment assumes the study will need to be updated after five years. The percentage is derived by dividing the study cost by anticipated impact fee revenue over the next five years. The cost recovery adjustment is discussed in Chapter 4 (see Table 4.10).

Table ES.2
Summary of In-Lieu and Impact Fees for Parks and Recreation - Adjusted to Recover Study Cost

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Dev Units</th>
<th>Fee per Unit Park Land</th>
<th>Fee per Unit Park Improvmts</th>
<th>Fee per Unit Rec Facilities</th>
<th>Total Fees per Unit</th>
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</thead>
<tbody>
<tr>
<td>Residential, Single-Family</td>
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<td>$2,518.09</td>
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<td>Residential, Multi-Family</td>
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<td>Residential, Mobile Home</td>
<td>DU</td>
<td>$1,694.42</td>
<td>$1,470.28</td>
<td>$805.17</td>
<td>$3,969.87</td>
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</table>

1 Units of development. DU = dwelling unit
2 Fees from Table ES.1 increased by 1.58% to recover study cost. See Table 4.10, and discussion in Chapter 4

D. IMPACT FEES FOR STREET IMPROVEMENTS AND TRAFFIC SIGNALS

Chapter 5 of this report calculates impact fees for street improvements and traffic signals. Those impact fees are based on future development's calculated share of the cost of specific improvements and traffic signals shown in the report. Impact fees are calculated separately for regional and local improvements to allow coordination with the SANDAG regional transportation impact fee program.

The fees calculations in Chapter 5 result in a fee rate rather than a fee schedule, so no schedule of fees is shown in this Executive Summary. That approach was selected because there is considerable variation in trip generation rates for different types of development, especially in the commercial category. Adopting a fee rate allows the actual impact fees imposed on a project to be tailored to the project's specific trip generation characteristics.
The total impact fee rate calculated in Chapter 5 for regional and local street improvements and signals is $287.64 per average daily trip (ADT). A typical single family dwelling generates 10.0 ADT per day, which translates to an impact fee of $2,876.40 per single family dwelling unit. Impact fees for other types of development would be based on the number of trips generated.

Chapter 5 also calculates the percentage by which the fee must be increased to recover the cost of the impact fee study. That calculation assumes the study will need to be updated after five years. The percentage is derived by dividing the study cost by anticipated impact fee revenue over the next five years. The resulting percentage is 0.13%, which means the impact fee rate shown above would have to be increased by $0.37 to $288.01 per ADT to recover the study cost over five years. The cost recovery adjustment is discussed in Chapter 5 (see Table 5.7).
RESOLUTION NO. 2008-

A RESOLUTION OF THE CITY COUNCIL OF THE CHARTERED CITY OF VISTA, CALIFORNIA, CONFIRMING VISTA'S REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM COMMITMENTS

WHEREAS, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinances and Expenditure Plan (Proposition A); and

WHEREAS, Proposition A provided for a 40 year extension of the half cent sales tax to fund the Regional Transportation Congestion Improvement Program (RTCIP); and

WHEREAS, the RTCIP outlines countywide transportation facility and service projects which include improvements to the Regional Arterial System (RAS), which includes certain designated streets in the City of Vista; and

WHEREAS, for Vista to qualify for its share of Proposition A funding, the City must establish a program or mechanism that provides $2,000 per new residential unit for the purpose of funding the RAS; and

WHEREAS, the fee per residential unit is required to be adjusted annually by the Engineering Construction Cost Index; and

WHEREAS, pursuant to Resolution No. 2007-69, the fees and the associated expenditure per residential unit will be adjusted annually by the Engineering Construction Cost Index; and

WHEREAS, the required $2,000 per residential unit must be used for improvements to streets included in the RAS, as defined in SANDAG’s most recent Regional Transportation Plan adopted November 30, 2007; and

WHEREAS, the City of Vista commits to set aside $2,000 per residential unit from the Street and Traffic Signal Development Fees adopted on May 8, 2007, by Resolution No. 2007-69; and

WHEREAS, The City of Vista commits to spend the $2,000 per residential unit on improvements to streets included in the RAS; and

WHEREAS, the City is required to submit its expenditure plan and financial records for the $2,000 per new residential unit annually for review and audit by July 1 of every year beginning July 1, 2009, under the oversight of the Independent Taxpayers Oversight Committee.
NOW, THEREFORE, BE IT RESOLVED as follows:

1. The above recitals are true and correct and incorporated herein.

2. The City of Vista will submit its expenditure plan and financial records for the $2,000 per residential unit annually for review and audit by July 1 of every year beginning July 1, 2009, under the oversight of the Independent Taxpayers Oversight Committee.

PASSED AND ADOPTED at a meeting of the City Council held on the 8th day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

MORRIS B. VANCE, MAYOR

APPROVED AS TO FORM:
Darold Pieper, City Attorney

By:_____________________________________

ATTEST:
Marci Kilian, City Clerk

By:_____________________________________

By:____________________________________
COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, FEBRUARY 27, 2008

MINUTE ORDER NO. 11

SUBJECT: ADMINISTRATIVE ITEM:
SECOND CONSIDERATION AND ADOPTION OF ORDINANCE:
AMEND ORDINANCE RELATED TO THE TRANSPORTATION
IMPACT FEE AND ADOPT A RESOLUTION FUNDING
REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT
PROGRAM DISTRICTS: ALL)

OVERVIEW:
On January 30, 2008 (2), the Board of Supervisors introduced Ordinance for further Board
consideration and adoption on February 27, 2008.

The California Environmental Quality Act (CEQA) was changed in 2002 as a result of a
court case which eliminated the “de minimus” exception to the requirement that development
projects consider cumulative impacts. In response to this change in State law, on
April 20, 2005 (10), your Board adopted an interim Transportation Impact Fee (TIF) to
provide developers a mechanism for complying with requirements of CEQA related to
identification and mitigation of cumulative traffic impacts. The program allows developers
to contribute a fair share to fund infrastructure improvements needed to serve their projects.
TIF funds, when combined with public funds to correct existing capacity deficiencies, help to
ensure the public has a transportation system that operates at an acceptable level of service
throughout the unincorporated County.

On November 7, 2007 (1), your Board directed the Chief Administrative Officer to address a
series of questions about the TIF, incorporate these findings into the County’s TIF review,
and bring back TIF program recommendations to encourage commercial and industrial
development in the unincorporated areas of San Diego County.

This item is a request to adopt an ordinance amending the Transportation Impact Fee
Ordinance. Amendments will allow for 1) reduced TIF rates and simplified process for
determining the fee for commercial and industrial projects, 2) reduced or marginally
increased TIF rates for residential projects, 3) inclusion of freeway interchange ramps, and 4)
clarified language related to road network elements and reimbursement agreements.

The net result of these proposed actions is an average 40% reduction in TIF rates for non-
residential development projects and a significantly simplified procedure for determining a
project’s fee. For residential projects, proposed rate changes range from a reduction of 28%
to an increase of 3.5% or less. Adjustments similar to those used for non-residential uses
were applied where possible. To simplify and expedite determination of a non-residential
project fee, the following changes are proposed:
• The fee will be calculated in one step by multiplying the proposed project’s gross floor area by a cost per square foot.

• The number of non-residential land uses for which trip generation rates are proposed will be reduced from over 100 to six to reduce the subjectivity associated with determining the applicable trip generation factor.

• Non-residential rates will be reduced across the board rather than requiring a project-by-project offset calculation based on engineering estimates of eligible direct mitigation improvements.

This item also includes a resolution providing for Regional Transportation Congestion Improvement Program funding to confirm compliance with the TransNet Extension Ordinance approved on November 2, 2004. Starting on July 1, 2008, the County must exact $2,000 from new developments for each newly constructed residential unit in the unincorporated areas to fund the Regional Transportation Congestion Improvement Program. Collection of TIF as proposed will satisfy the County’s obligations under this Program, so no new fee or fee increase associated with the requirement is necessary. Once approved, this resolution will be submitted to SANDAG’s Independent Taxpayer Oversight Committee for review by April 1, 2008.

FISCAL IMPACT:
N/A

RECOMMENDATION:
CHIEF ADMINISTRATIVE OFFICER
Adopt Ordinance entitled:

AN ORDINANCE TO AMEND THE SAN DIEGO COUNTY CODE RELATED TO THE TRANSPORTATION IMPACT FEE

ACTION:
ON MOTION of Supervisor Jacob, seconded by Supervisor Slater-Price, the Board took action as recommended, adopting Ordinance No. 9919 (N.S.) entitled: AN ORDINANCE TO AMEND THE SAN DIEGO COUNTY CODE RELATED TO THE TRANSPORTATION IMPACT FEE; Direct Chief Administrative Officer to report back to the Board of Supervisors within 30 days.

AYES: Cox, Jacob, Slater-Price
NOES: Roberts, Horn
State of California)  
County of San Diego)  §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

THOMAS J. PASTUSZKA  
Clerk of the Board of Supervisors

By ___[Signature]___  
Marvice E. Mazyck, Deputy
AN ORDINANCE TO AMEND THE SAN DIEGO COUNTY CODE RELATED TO THE TRANSPORTATION IMPACT FEE

The Board of Supervisors of the County of San Diego ordains as follows:

Section 1. The Board of Supervisors finds and determines that it is necessary to amend Sections 77.204, 77.207, and 77.208, 77.209, 77.210, 77.211, 77.213, 77.214, 77.215 and 77.217; to add Sections 77.208.1 and 77.208.2 and 77.210.1; and to repeal Section 77.212 of the San Diego County Code pertaining to the Transportation Impact Fee. The amendments made by this ordinance are intended to adjust language in the Transportation Impact Fee Ordinance.

Section 2. Section and 77.204 of the San Diego County Code of Regulatory Ordinances is hereby amended to read as follows:

SEC. 77.204. DEFINITIONS.

Whenever the following words are used in this Division, they shall have the meaning ascribed to them in this section.

(a) AGRICULTURE means farming, crop production, or raising of poultry or livestock. Agricultural uses in this ordinance do not include residential facilities.

(b) APPLICANT means developer or person seeking a development permit.

(c) BUILDING PERMIT means a permit required by and issued pursuant to the Uniform Building Code.

(d) CONSTRUCTION means design, performance of estimates, environmental assessments and studies, determination of fees, acquisition of right-of-way, administration of construction contracts and actual construction.

(e) COUNTY means the County of San Diego, State of California.

(f) COUNTY HEARING BODY means the County of San Diego, Board of Supervisors, Planning Commission, or any other official, board, or commission designated by the County for decision-making on discretionary actions.

(g) DEVELOPER means the owner or developer of a development seeking a development permit.

(h) DEVELOPMENT PERMIT means any discretionary permit, entitlement, approval for a development project, or any ministerial permit, including building permit, associated with the generation of traffic issued under any ordinance of the County.

(i) DEVELOPMENT PROJECT or DEVELOPMENT means any activity described in Cal. Gov't Code §66000 of the Mitigation Fee Act.
(j) DPW DIRECTOR means the County Director of the Department of Public Works, or his or her designee.

(k) FEE means the fee as set forth in Section 77.208 of this Division.

(l) FREEWAY RAMP means the interchange freeway ramps identified in the “County of San Diego Transportation Impact Fee Report Update” date January 2008.

(m) FURNITURE STORE means a commercial facility for the sale of moveable articles such as tables, chairs, sofas, desks, or cabinets required for use or ornament in a residence, office, or the like.

(n) GENERAL COMMERCIAL includes but is not limited to shopping centers, strip development and commercial clusters, retail sales facilities including grocery stores and department stores, convenience stores, auto sales and repair facilities, hardware and lumber stores, gardening and nursery stores, eating and drinking establishments including fast food restaurants, and any other retail uses other than furniture stores that are not specifically included in other TIF category definitions.

(o) GENERAL INDUSTRIAL means facilities for manufacturing, processing, assembling, distribution services, laboratories for research and development, construction equipment sales and repair, and any industrial use other than warehouse and storage that are not specifically included in other TIF category definitions.

(p) WAREHOUSING AND STORAGE means all types of warehouses or facilities with the primary purpose being to provide storage space.

(q) NON-RESIDENTIAL means development that does not include residential uses.

(r) OFFICE means facilities for administrative or professional services and includes but is not limited to hospitals, medical clinics, insurance sales, banks, savings and loans, and real estate services.

(s) RESIDENTIAL means development composed of single-family dwellings, multifamily attached homes, condominiums and apartments, lodging including hotel rooms and time-share units, mobile homes, facilities for housing agricultural workers, retirement communities, and congregate care facilities for persons unable to care for themselves.

(t) SCHOOLS mean institutions for instruction in a particular skill or field.

(u) TIF means Transportation Impact Fee.

(v) SELECT INDUSTRIAL means industrial uses such as quarries, mining operations, concrete & asphalt plants, borrow pit operations, or landfills that have minimal buildings but generate traffic.
(vw) TIF AREA means the area lying within the boundaries designated on the TIF Area Map.

(wx) TIF AREA MAP means a map showing the boundaries of each TIF Area. The TIF Area Map may be changed or periodically updated by action of the Board of Supervisors. The TIF Area Map is included as Figure 1 of the TIF Reports.

(xy) TIF FACILITIES means the transportation facilities, or portions thereof, including intersections and traffic signals, identified in the TIF Reports, or future County approved alternatives that substantially fulfill the transportation needs identified and represented by a listed facility.

(yz) TIF REGION means the area lying within the boundaries designated on the TIF Region Map.

(zaa) TIF REGION MAP means a map showing the boundaries of each TIF Region. The TIF Region Map may be changed or periodically updated by action of the Board of Supervisors. The TIF Region Map is included as Figure 2 of the TIF Reports.

(aaab) TIF REPORTS means the “Fallbrook and Ramona Transportation Impact Fee Report” and the “County of San Diego Transportation Impact Fee Report” both dated January 2005 and adopted by the Board of Supervisors on April 13, 2005. Additionally, TIF REPORTS include the “County of San Diego Transportation Impact Fee TIF Program Update” dated January 2008. These reports shall be changed or periodically updated by action of the Board of Supervisors pursuant to Section 77.213 of this Division. The current adopted reports are on file with the Clerk of the Board.

(abac) WINERY means an establishment for producing wine and may include wine tasting rooms.

Section 3. Section 77.207 and 77.208 of the San Diego County Code of Regulatory Ordinances are hereby amended to read as follows:

SEC. 77.207. ESTIMATED COSTS.

The Board of Supervisors also finds that the total estimated costs effective through September 2004 and updated annually each January starting in January 2006, for all TIF Facilities within each said TIF Area are as set forth in the TIF Reports.

SEC. 77.208. FEE ESTABLISHED.

Pursuant to Cal. Gov't Code §§ 66000 et seq. of the Mitigation Fee Act, the fee set forth in said TIF Reports and Alternative Fee Schedules adopted by action of the Board of Supervisors shall be paid by development within the TIF Areas established herein.
ERRATA for January 30, 2008 Item 2
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Instructions for estimating a project's TIF can be found on a link at:

Section 4. Section 77.208.1 and 77.208.2 of the San Diego County Code of Regulatory
Ordinances is hereby added to read as follows:

SEC. 77.208.1. RESIDENTIAL TIF FEES

The following are the Residential TIF Fees:

<table>
<thead>
<tr>
<th>TIF AREA</th>
<th>COST PER SINGLE FAMILY DETACHED (SFD) RESIDENTIAL UNIT</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>Freeway Ramp</td>
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<td>Desert</td>
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<td>$150</td>
</tr>
<tr>
<td>Julian</td>
<td>$3</td>
</tr>
<tr>
<td>Lakeside (includes Pepper Dr- Bostonia)</td>
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<tr>
<td>Mountain Empire</td>
<td>$3</td>
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<tr>
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<td>Pendleton-De Luz</td>
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</tr>
<tr>
<td>Rainbow</td>
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</tr>
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<td>Ramona</td>
<td>$3</td>
</tr>
<tr>
<td>San Dieguito</td>
<td>$41</td>
</tr>
</tbody>
</table>
To determine the TIF for other residential land uses other than single-family detached (SFD) residential units, the following formula shall be used:

(1) Multi-family attached home, condominium, apartment, lodging including hotel rooms and time-share units, and accessory apartment (granny flat): 67% of SFD fee per unit

(2) Mobile home, agricultural labor residential (non-primary residence), and retirement community: 33% of SFD fee per unit

(3) Congregate Care Facility for persons unable to care for themselves: 20% of SFD fee per unit

Mixed-use development incorporating non-residential and residential uses shall have the non-residential TIF computed as shown in Section 77.208.2, and the total TIF amount shall be the non-residential TIF amount plus the applicable unit costs for any residential units. Adjustment of fees may be made pursuant to Section 77.213 of this Division.

Credits and reductions for residential development:

After calculation of a development’s total residential TIF, applicants can subtract amounts including but not limited to the following credits and reductions:

Direct Impact Mitigation:

For residential developments, applicants may receive credit up to their total TIF obligation for direct impact mitigation improvements to a TIF facility. For direct impact improvement costs greater than the total TIF obligation, a reimbursement agreement for cash or credit will be allowed prior to construction of the improvements pursuant to Section 77.210, Section 77.210.5, and Section 77.211. Allowable costs for TIF facility improvements include Design, Civil Engineering, Soils Engineering, Landscape Architecture, Surveying, Bonds, Construction Management and Inspection, Permits, Off-Site Environmental Mitigation and associated costs for monitoring, Acquisition of Off-Site Right-of-Way, Utility Engineering/Coordination, Environmental Consulting, and other project costs as allowed by the DPW Director in addition to construction costs. On-Site Right-of-Way and On-Site Environmental Mitigation are not eligible for TIF credit. Direct impact mitigation eligible for TIF credit shall include improvements which result in capacity improvements to a TIF facility including but not limited to new road
construction, widening of an existing road, construction or improvement of intersections, through lanes and turn lanes, and construction or modification of signalization at intersections.

Alternative TIF Facilities:

For residential developments, applicants that can demonstrate in a traffic study approved by the County that their direct improvements constructed on a non-TIF facility will reduce trips and increase capacity of TIF facilities may receive credit toward their project’s TIF obligation. An example of an alternative TIF facility could be a non-TIF road that runs parallel to a TIF facility. If improvements on the parallel non-TIF road can be shown to remove trips from or otherwise enhance operation of the parallel TIF facility, then the non-TIF improvements may be eligible for TIF credit. These improvements on alternative TIF facilities that increase capacity of TIF facilities may be considered for credit in the same way as Direct Impact Mitigation on TIF facilities.

Previously Mitigated Residential Project:

Residential development projects which have mitigated cumulative impacts prior to implementation of the TIF may receive credit toward the TIF. Project applicants requesting adjustment of the adopted fee must have completed a cumulative traffic study and already fully mitigated cumulative impacts. Applicants claiming exemption from the fee must demonstrate to the County that all cumulative impacts were clearly identified, through a cumulative traffic study, and fully mitigated through physical improvements or contribution to future road network improvements in an amount equal to the fee. Projects that analyzed cumulative impacts through a cumulative traffic study and mitigated for cumulative impacts may submit previous traffic studies to the County for consideration of a TIF credit. Amount of credit granted will be proportional to past mitigation compared to mitigation required by TIF. If the project has changed from the time of original approval so that the proposed use is now more impactive to traffic, applicants must pay a portion of the TIF equal to the cumulative impact increase. If the project mitigated to the full extent of the TIF required mitigation, then full credit up to the project’s TIF obligation will be granted.

For approved projects with identified cumulative mitigation measures that have not yet been implemented, the County may, at its option and, upon further environmental review if necessary, require either completion of the originally identified mitigation or payment of the TIF.

Opt out:

In lieu of paying the TIF, a developer may choose to prepare cumulative traffic studies in accordance with the new CEQA guidelines then in effect, which no longer recognize de minimus findings, and construct appropriate mitigation. The cumulative traffic analysis must be approved by the DPW Director of or his designee prior to construction of such mitigation.
SEC. 77.208.2. NON-RESIDENTIAL TIF FEES

The following are Non-Residential General Commercial TIF Fees:

General Commercial TIF fee = Cost per 1,000 Square Foot multiplied by the Facility Floor Square Footage divided by 1,000

<table>
<thead>
<tr>
<th>TIF AREA</th>
<th>COST PER 1,000 SQUARE FOOT FOR GENERAL COMMERCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freeway Ramp</td>
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<td>Alpine</td>
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<td>Fallbrook</td>
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<tr>
<td>Lakeside (includes Pepper Dr- Bostonia)</td>
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<tr>
<td>Ramona</td>
<td>$9</td>
</tr>
</tbody>
</table>
To determine the TIF for other non-residential commercial and industrial land uses other than general commercial, the following formula shall be used:

1. Furniture Stores: 14% of general commercial fee
2. General Industrial: 37% of general commercial fee
3. Storage, Warehousing, Wineries, Non-residential Agricultural: 14% of general commercial fee
4. Offices: 56% of general commercial fee
5. Schools and Government/Institutional: 32% of general commercial fee

The non-residential TIF fee shall be computed based on the applicable TIF rate for the primary use of a building or the primary use of each individual storefront for mixed use buildings. Ancillary or support spaces such as management offices in a retail store, storage space in an office building, or offices in an industrial facility will not be separated for computing the TIF. Mixed use buildings with distinct and separate storefronts for multiple businesses will have their TIF computed based on the applicable TIF rate of each distinct and separate storefront. For example, a strip mall with retail stores and office uses such as a bank and a medical office would be charged the general commercial rate for the retail stores and the offices TIF rate for the bank and medical office. Mixed-use development incorporating non-residential and residential uses shall have the residential TIF computed as shown in Section 77.208.1, and the total TIF amount shall be the non-residential TIF amount plus the applicable unit costs for any residential units. Adjustment of fees may be made pursuant to Section 77.213 of this Division.

Credits and reductions for non-residential development.

Direct Improvement Credits for non-residential developments have already been included in the County’s overall program for non-residential TIF rates, so direct improvement costs shall not be used as a TIF credit or reduction for non-residential development.

Previously Mitigated Non-Residential Project:
Non-residential development projects which have mitigated cumulative impacts prior to implementation of the TIF may receive credit toward the TIF. Project applicants requesting adjustment of the adopted fee must have completed a cumulative traffic study and already fully mitigated cumulative impacts. Applicants claiming exemption from the fee must demonstrate to the County that all cumulative impacts were clearly identified, through a cumulative traffic study, and fully mitigated through physical improvements or contribution to future road network improvements in an amount equal to the fee. Projects that analyzed cumulative impacts through a cumulative traffic study and mitigated for cumulative impacts may submit previous traffic studies to the County for consideration of a TIF credit. Amount of credit granted will be proportional to past mitigation compared to mitigation required by TIF. If the project has changed from the time of original approval so that the proposed use is now more impactful to traffic, applicants must pay a portion of the TIF equal to the cumulative impact increase. If the project mitigated to the full extent of the TIF required mitigation, then full credit up to the project’s TIF obligation will be granted.

For approved projects with identified cumulative mitigation measures that have not yet been implemented, the County may, at its option and, upon further environmental review if necessary, require either completion of the originally identified mitigation or payment of the TIF.

Select Industrial:

Some select industrial uses generate traffic but do not construct facilities of a size that will generate a TIF payment to adequately mitigate for the project’s traffic impacts. These select industrial uses include but are not limited to: quarry operations, mining operations, borrow pit operations, landfill operations, and concrete and asphalt production facilities including batch plants. For these industrial uses, they shall perform a traffic study to determine the traffic impacts of their project. The traffic study shall specifically convert heavy vehicle trips to Passenger Vehicle Equivalent trips. These industrial projects’ TIF payment shall be calculated using the applicable total cost-per-trip from the table below multiplied by the expected number of average daily trips (ADT) their project will generate. Credits and reductions shall be as shown for non-residential developments in Section 77.208.2. Costs in the table below will be updated annually as shown in Section 77.213 Adjustment of Fees.

TIF Payment = Cost/trip X Number of Average Daily Trips

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<thead>
<tr>
<th>TIF AREA</th>
<th>COST PER TRIP FOR SELECT INDUSTRIAL USES</th>
</tr>
</thead>
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### ERRATA for January 30, 2008 Item 2
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**Projects in Process in Early 2008**

For non-residential projects processing building permits through the County and that have direct impact traffic mitigation on a TIF Facility, the County will allow these projects time to adjust to the TIF ordinance changes. For non-residential projects with direct impact improvements on a TIF Facility and for which fees for an expired building plan check were paid on or before February 29, 2008 regardless of whether they obtain their building permit prior to the effective date of this ordinance update, these projects may:
(1) Calculate their TIF payment and credit for direct impact mitigation against their TIF payment based on the TIF ordinance in effect on January 1, 2008, or;

(2) Calculate their TIF payment based on the 2008 TIF Ordinance Amendment.

Opt out:

In lieu of paying the TIF, a developer or group of developers may choose to prepare cumulative traffic studies in accordance with the new CEQA guidelines in effect, which no longer recognize de minimus findings, and construct appropriate mitigation. The cumulative traffic analysis must be approved by the DPW Director or his designee prior to construction of such mitigation. Developers may use finance district funding to satisfy cumulative impact requirements, including TIF requirements.

Section 5. Section 77.209 and 77.210 of the San Diego County Code of Regulatory Ordinances are hereby amended to read as follows:

SEC. 77.209. PAYMENT OF FEES.

The fees required pursuant to this Division are intended to mitigate cumulative traffic impacts and shall be paid to the County as a condition of approval of a development permit, including a building permit. For development projects that require both discretionary and building permits, the fees shall be paid no later than time of building permit issuance. If the fee is paid prior to the time of building permit issuance and the amount of the fee increases, then the additional fee amount must be paid before the building permit is issued. If the fee is paid prior to time of building permit issuance and the amount of the fee is reduced, then at the time the building permit is issued, a TIF refund will be provided to the applicant. Once a building permit is issued, the amount of the fee is set and will not be adjusted by subsequent increases or decreases to the TIF rates. In the case of discretionary permits that will not involve a building permit but which will generate additional traffic, payment of the fee shall be recommended as a condition of permitting to the decision-making body that would approve such permit.

SEC. 77.210. DEVELOPER CONSTRUCTION OF TRANSPORTATION FACILITIES.

For direct impact mitigation improvement costs on a TIF facility for residential projects, a developer is entitled to compensation and may request a credit for its TIF obligation and a reimbursement for allowable costs greater than the project's TIF obligation. Whenever a developer of a residential or non-residential development project would be required by application of County ordinance or policy, as a condition of approval of a development permit to construct or finance the construction of a portion of a TIF Facility in addition to their direct impact mitigation, the County may impose an additional requirement that the developer install the improvements with supplemental size, length or capacity in order to ensure efficient and timely construction of the transportation facilities.
network. Similarly, when residential or non-residential development project impacts create an accelerated need for transportation improvements in addition to the project’s direct improvements, the County may require accelerated construction of TIF Facilities to assure project conformance with California Environmental Quality Act (CEQA). If such a requirement for supplemental or accelerated facilities is imposed, the developer will be entitled to compensation for eligible construction costs that exceed the total TIF fee required for the developer’s project. The developer may request cash reimbursement, or a credit against current or future TIF fees, for work to be done or paid for by the developer, and said request shall be submitted in writing to the DPW Director prior to construction of the improvements. The County will enter into either a cash reimbursement agreement as shown in Section 77.21O.5 or a credit reimbursement agreement as shown in Section 77.211 with the developer prior to construction of the improvements.

(a) The reimbursement request shall contain a description of the project with a detailed cost estimate that itemizes those allowable costs of the construction attributable to construction of TIF Facilities and excludes any work attributable to non-TIF facilities. Estimated cost of the facility will be based on the County’s current-year Department of Public Works Unit Price List. The estimate is preliminary and the amount of reimbursement or credit against fees is subject to final determination by County’s designee. Additional information shall be provided to the County by the developer upon request of the County.

(b) The developer is also required to:

i. Prepare plans and specifications for approval by the County;

ii. Secure and dedicate any right-of-way required for the transportation facility project;

iii. Secure all required permits and environmental clearances necessary for the transportation facility project;

iv. Provide performance bonds for 100 percent of the value of the transportation facility project;

v. Pay all fees and costs for construction of the transportation facility project.

(c) The County will not be responsible for any of the up-front costs of constructing the transportation facility project. The developer shall advance all necessary funds to construct the transportation facility project. Allowable reimbursable costs include cost of Design, Civil Engineering, Soils Engineering, Landscape Architecture, Surveying, Bonds, Construction Management and Inspection, Permits, Off-Site Environmental Mitigation and associated costs for monitoring, Acquisition of Off-Site Right-of-Way, Utility Engineering/Coordination, Environmental Consulting, and other project costs as allowed by the DPW Director in addition to construction costs. On-Site Right-of-Way and On-Site Environmental Mitigation will not be reimbursed.
(d) The developer shall make all reasonable efforts to secure at least three qualified and responsible bids for work to be done and shall award the construction contract to the lowest qualified bidder. In the event three or more qualified and responsible bids cannot be obtained, then the developer may still award the construction contract if the DPW Director determines the lowest qualified bid is reasonable. Should the construction contract be awarded to a qualified bidder who did not submit the lowest bid for the transportation facility project portion of the contract, the developer will only receive Transportation Impact Fee reimbursement or credit based on the lowest responsible bid for the transportation facility portion of the contract. The developer is allowed to combine the supplemental work with other work being completed for the project in order to obtain the most competitive bids, but costs of the TIF improvement must be segregated within such bids.

(e) All bids must be reviewed by the County prior to contract award. If the lowest bid received exceeds the total estimated cost of the facility, the County may require the developer to obtain a revised bid or, if necessary, submit a redesign of the facility to bring the cost into the estimated range. If the total actual cost of construction is less than the total estimated cost of the facility, then the developer shall be reimbursed for his actual allowable costs.

(f) When all TIF facility improvement work has been completed to the satisfaction of the County, the developer shall submit verification of payments made for the construction of the transportation facility project to the County. The County’s designee shall make the final determination relative to expenditures that may be eligible for credit or cash reimbursement.

(g) If the amount of the applicable credit is less than the deferred fee obligation and the TIF Fee is otherwise due and payable, then the developer shall have 30 days to pay the deferred fee. If the deferred fees are not paid within the 30-day period, the County may make a demand against the security and apply the proceeds to the fee obligation.

(h) Prevailing Wage is Applicable. Current applicable prevailing wage is required to be paid for all construction work under either a Cash Reimbursement Agreement or a Credit Reimbursement Agreement, and bid documents for construction of the Improvements shall include a requirement that such prevailing wages be paid.

Section 6. Section 77.210.1 of the San Diego County Code of Regulatory Ordinances is hereby added to read as follows:

SEC.77.210.1 DEVELOPER REIMBURSEMENT AGREEMENT CASH PAYMENTS

For Developer Reimbursement Agreements for cash reimbursement as described in Sec 77.210, the maximum term of any reimbursement agreement shall be twenty-five (25) years or until reimbursements or credits have been issued in full, whichever occurs first. After twenty-five years, the agreement will expire regardless of whether or not necessary
TIF revenues have been collected to reimburse all costs. Cash reimbursements for Developer Reimbursement Agreements will be made from available TIF funds as follows:

(a) Payments shall be made quarterly within 21 days after the end of each calendar quarter from available freeway ramp, local or regional TIF revenue in the applicable TIF Account.

(b) Definitions for Cash Reimbursement Payments.

   i. Available TIF Revenue means TIF Fees paid into the applicable local or regional TIF Account during a calendar quarter plus any accumulated TIF Revenue remaining from prior to the quarter.

   ii. Developers TIF Reimbursement means payment from the applicable local or regional TIF Account due and payable to Developers pursuant to Reimbursement Agreements for which Reimbursement Amounts have been determined prior to or during the calendar quarter.

   iii. County TIF Reimbursement means TIF-eligible project costs during a calendar quarter for TIF Facility projects being accomplished by the County.

   iv. Quarterly TIF Payments means Developer TIF Reimbursements and County TIF Reimbursements that become due for a calendar quarter (January 1 to March 31, etc).

(c) Proportionality of Cash Reimbursements to Developers and to the County.

   i. If eligible Developers or County TIF Reimbursements are both less than 50% of the Available TIF Revenue, then Developers and County shall each be fully reimbursed.

   ii. If both Developers and County have eligible TIF reimbursements that exceed 50% of a quarter’s Available TIF Revenue, then 50% of the revenue shall be allocated to Developers and 50% to County.

   iii. If either Developers or County have eligible TIF Reimbursements that are less than 50% of the Available TIF Revenue and the other has eligible TIF Reimbursements that exceed 50% of the Quarter’s Available TIF Revenue, then the one having less than 50% shall receive full reimbursement and the other shall receive up to the amount due from all remaining Available TIF Revenue regardless of whether it exceeds 50%.

(d) Proportionality of Quarterly Reimbursements of available TIF Revenue among multiple Developers

   i. For determining payments, 50% of TIF Revenue available for reimbursements to Developers shall be allocated based on the Initial Amount Owed to each Developer and
50% shall be allocated based on Initial Ratio of Actual Cost of Improvements to TIF Obligation.

ii. Initial Amount Owed. Allocation to each Developer for whom payment are due each quarter shall be abased on the ratio for the Developer’s initial Reimbursement Amount to the total of all Developers’ initial Reimbursement Amounts for whom payments are due for the quarter. As an example, if there are three developers eligible for TIF Reimbursements from a TIF Account for a particular quarter, and the initial Reimbursement Amounts for Developers A, B, and C are $5,000,000, $15,000,000, and $30,000,000 respectively, then 50% of available TIF revenue to be allocated to Developers shall be proportioned as follows:

Developer A receives $5 million/$50 million = 10%

Developer B receives $15 million/$50 million = 30%

Developer C receives $30 million/$50 million = 60%

iii. Initial Ratio of Actual Cost to Improvements to TIF Obligation. Allocation to each Developer for whom payments are due each quarter shall be based on the ratio of the Developer’s Actual Cost of Improvements to that Developer’s TIF Obligation. For example, if there are three developers eligible for TIF Reimbursements from a TIF Account for a particular quarter, and the initial ratio of Actual Cost of Improvements to TIF Obligation are as follows:

Developer A  
Initial Actual Cost of Improvements = $5 million
TIF Obligation = $2.5 million
Ratio = $5 million/$2.5 million = 2

Developer B  
Initial Actual Cost of Improvements = $55 million
TIF Obligation = $1 million
Ratio = $55 million/$1 million = 15

Developer C  
Initial Actual Cost of Improvements = $30 million
TIF Obligation = $10 million
Ratio = $30 million/$10 million = 3

Then the remaining 50% of available TIF revenue to be allocated to developers shall be proportioned as follows:
Developer A = \frac{2}{(2 + 15 + 3)} = 10\% \\
Developer B = \frac{15}{(2 + 15 + 3)} = 75\% \\
Developer C = \frac{3}{(2 + 15 + 3)} = 15\% 

(e) Adjustments to Unpaid Reimbursement Balance. Upon each anniversary of the date that the first reimbursement payment became due under a Reimbursement Agreement, the unpaid balance shall be adjusted to reflect the lesser of an annual interest rate of 2% or increases, if any, in the Los Angeles Construction cost Index (CCI), referenced in Section 77.213, but annual interest shall be no less than 1%. The balance adjustment shall commence on the date the Reimbursement Amount became due and end on the date on which the final Incremental Reimbursement Payment is received by the Developer. All reimbursement payments will be provided to the Developer at the address provided in the Reimbursement Agreement, and the address may be changed in writing by the Developer.

(f) Prevailing Wage is Applicable. Current applicable prevailing wage is required to be paid for all construction work under the Agreement, and bid documents for construction of the improvements shall include a requirement that such prevailing wages be paid.

Section 7. Section 77.211 of the San Diego County Code of Regulatory Ordinances is hereby amended to read as follows:

SEC. 77.211. DEVELOPER TIF CONSTRUCTION CREDITS.

When a transportation facility, or portion thereof, as described in the TIF Reports, or when an alternative TIF Facility as described in Section 77.208.1 is constructed by the developer through a written agreement with the County as described in Section 77.210, the County shall grant either cash reimbursements as shown in Section 77.210.5 or construction credits. Construction credits will be limited to the total actual allowable costs. When a developer chooses to receive construction credits, the developer must request credit reimbursement from the County to initiate this process, and the terms of construction credit issuance will be described in a written credit reimbursement agreement between the developer and the County. The County will incrementally apply credit which the developer has accrued against the developer’s TIF obligations in lieu of collecting the required Transportation Impact Fees as each building permit is issued based upon the fee schedule in effect at the time of the building permit issuance. Construction credits are transferable, at the holder’s sole and absolute discretion, but may only be applied within the same TIF Region in which the facilities were constructed. TIF Facility credit will not be given for non-TIF facilities, unless such facilities are approved by County as an alternative to a listed TIF facility.

Section 8. Section 77.212 of the San Diego County Code of Regulatory Ordinances is hereby repealed:
Section 9. Section 77.213, 77.714, and 77.215 of the San Diego County Code of Regulatory Ordinances are hereby amended to read as follows:

SEC. 77.213. ADJUSTMENT OF FEES.

The fees established by Section 77.208.1 and Section 77.208.2 hereof have been established based in part on estimated costs to construct TIF Facilities as of September 2004 and updated annually starting in January 2006. The amount of the fee shall be adjusted annually on January 1st of each year. Said adjustment shall be based on the following criteria:

(a) The one-year change (from September to September) in the Los Angeles Construction Cost Index as determined by Engineering News Record published by McGraw Hill Publishing Company, or any successor thereof, or an increase of 2.0%, whichever is more. The Board of Supervisors shall review the fee annually as required by Government Code Section 66006 and the adjustments shall not exceed the percentage increase set forth in the Los Angeles Construction Cost Index or an increase of 2.0%, whichever is more. Adjustments to the fees based upon the Construction Cost Index shall be automatic and shall not require further action of the Board of Supervisors.

(b) Changes in the type, size, location or cost of the transportation facilities (if any) to be financed by the fee, changes in land use designations in the County's general plan, and upon other sound engineering, financing and planning information. Adjustments to the fees resulting from the above reviews may be made by resolution amending the fee schedules contained in the TIF Reports and subject to the notice and public meeting requirements of Government Code Section 66016.

The Board of Supervisors may reduce the fee by up to 50% for a specific project if it determines there are public financial benefits that warrant such a reduction, and funding to replace the excused fee amounts is committed as part of such action. The Board of Supervisors may create a zone of “reduced impact fees” to encourage growth within that area by supplementing public funds to replace fees in the same amount that would have been collected as such growth occurred.

SEC. 77.214. USE OF FEES.

Fees collected hereunder in satisfaction of the local portion of the total TIF rate, as set forth in Section 77.208.1 and Section 77.208.2 of this Division, shall be segregated into a TIF Facilities fund with an interest-bearing account established for each TIF Area, and the funds therein and interest accruing thereto shall be expended solely for the construction or reimbursement for construction of TIF Facilities within the TIF Area from which the fees comprising the fund were collected. Fees collected hereunder in satisfaction of the regional portion of the total TIF rate, as set forth in Section 77.208.1 and Section 77.208.2 of this Division, shall be segregated into a TIF Facilities fund with an account established for each TIF Region, and the funds therein and interest accruing thereto shall be expended solely for the construction or reimbursement for construction of
TIF Facilities within the TIF Region from which the fees comprising the fund were collected. These fees may also be used to reimburse the County for TIF Facilities constructed by the County with funds from other sources. Fees collected hereunder in satisfaction of the freeway/interchange ramps portion of the total TIF rate, as set forth in Section 77.208.1 and Section 77.208.2 of this Division, shall be segregated into a TIF Facilities fund with an account established for each TIF Freeway/Interchange Ramp Region, and the funds therein and interest accruing thereto shall be expended solely for the construction or reimbursement for construction of TIF Freeway/Interchange Ramp Facilities within the TIF Region from which the fees comprising the fund were collected.

TIF Facilities and funds shall be identified in a Department of Public Works Detailed Work Program, which includes capital improvements and other transportation related expenditures. The TIF facilities within the Detailed Work Program (DWP-TIF) will be presented for Board approval as part of the annual budget approval process. TIF Facilities funds within the DWP-TIF will not be co-mingled with other project funds to ensure that revenues and expenditures are solely and exclusively used for TIF Facility construction. However, these funds may be augmented by other sources, if available, in order to complete TIF Facility projects.

Expenditure for interim improvements that provide incremental progress and measurable benefits, such as increased capacity or traffic flow, will be allowed. These interim improvements will be consistent with the long-term objectives of full TIF facility construction as determined by the DPW Director. When recommended by the DPW Director, interim improvements will be identified in the DWP-TIF and expenditures from the TIF Facilities funds will be authorized commensurate with DWP-TIF approval. In selecting which specific road improvements shall be recommended, priority shall be given to those roads that serve projects that have paid impact fees.

SEC. 77.215. APPLICABILITY.

This Division shall apply to all development permits, including building permits, associated with the generation of traffic through new construction or expansion of an existing facility that add square footage space to a facility, as determined by the County. However, examples of building permits to which this Division shall not apply, include but are not limited to:

(a) Alterations, improvements, or additions to an existing single family dwelling, or rebuilding of a destroyed single family dwelling that does not change its classification of occupancy.

(b) Apartment to condominium conversions.

(c) Interim or Temporary Use Permits of three years or less complying with requirements of Section 77.217.

(d) Permitted Home businesses such as child day care in a residential unit and other business uses allowed within a residence.
(e) Tenant Improvements to existing non-residential facilities including changes of occupancy or changes in use for an existing facility.

(f) Minor expansions to existing non-residential facilities. Minor expansions for purposes of this ordinance refer to expansions that increase the total floor space of a facility by no more than 1,000 square feet. Expansions of greater than 1,000 square feet would require payment of TIF for all additional floor space beyond the initial 1,000 square foot expansion. For example, an existing facility that expands from 10,000 square feet to 20,000 square feet would have a TIF obligation based on 9,000 square feet. To prohibit incremental expansions to avoid payment of the TIF, any prior expansions over the preceding five years will be considered part of the current expansion.

(g) Rebuilding of a destroyed non-residential facility that does not increase floor space greater than 1,000 square feet. Expansions of greater than 1,000 square feet would require payment of TIF for all additional floor space beyond the initial 1,000 square foot expansion.

(h) Uncovered outdoor areas for tables or seating for a café or restaurant that do not require a building permit.

(i) Accessory buildings such as non-commercial garages, barns, sea containers, workshops at residences, and non-residential agricultural buildings (agricultural labor dwellings are not exempt).

(j) Signs, water tanks, propane tanks, other liquid tanks, fuel pumps including gasoline station pumps, wells, or similar structures.

The Director of Public Works is authorized to prepare and maintain a list of all permits types to which the fee will apply.

This Division shall not exempt any new development except as required by state or federal law. In cases where a development is specifically exempt by law from this Division, but said development has transportation impacts required to be mitigated by CEQA, the County can accept TIF payment for mitigation purposes.

The requirement of this chapter shall not apply to projects for which fees for an unexpired building plan check were paid on or before March 29, 2005 regardless of whether they obtain their building permit prior to the effective date of this ordinance.

Section 10. Section 77.217 of the San Diego County Code of Regulatory Ordinances is hereby amended to read as follows:

SEC. 77.217. WAIVER.

A development which is designed and intended as a temporary use (3 years or less) and which is conducted in facilities which are, by their nature, short-term interim facilities
such as a portable or modular building (including mobile homes, trailers, etc.) may apply to the DPW Director for a TIF fee waiver. The DPW Director shall have the authority to grant such waivers.

Section 11. Effective Date. This Ordinance shall take effect and be in force sixty (60) days after the date of its passage, and before the expiration of fifteen (15) days after its passage, a summary shall be published once with the names of the members voting for and against the same in S.D. Commerce, a newspaper of general circulation published in the County of San Diego.

PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of San Diego this 27th day of February, 2008.

GREG COX
Chairman, Board of Supervisors
County of San Diego, State of California

The above Ordinance was adopted by the following vote:

AYES: Cox, Jacob, Slater-Price, Roberts, Horn

ATTEST my hand and the seal of the Board of Supervisors this 27th day of February, 2008.
THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By Nancy Vizcarra
Nancy Vizcarra, Deputy

No. 9919 (N.S.)
02-27-2008 (11)
ORDINANCE NO. 9712 (N.S.)

AN ORDINANCE REPEALING EXISTING TITLE 7, DIVISION 7 OF THE SAN DIEGO COUNTY REGULATORY CODE AND ADOPTING NEW TITLE 7, DIVISION 7 RELATED TO TRANSPORTATION IMPACT FEES – ALTERNATIVE APPORTIONMENT

The Board of Supervisors of the County of San Diego ordains as follows:

Section 1. The Board of Supervisors finds and determines that it is necessary to repeal the existing ordinance titled Bridge Crossings and Major Thoroughfares and replace it with a new ordinance titled Transportation Impact Fees. This new ordinance will enable implementation of the County’s Transportation Impact Fee programs for the purpose of assessing and collecting fees from future development to offset the costs of constructing planned transportation facilities necessary to accommodate increased traffic generated by future development consistent with §§ 66000 et seq. of the California Government Code (Mitigation Fee Act). This ordinance will apply to development for residential, commercial and industrial land uses, and any others associated with the generation of traffic. The existing ordinance shall be repealed, as it will be rendered obsolete by this new replacement ordinance.
Section 2. Existing Title 7, Division 7 of the San Diego County Regulatory Code is hereby repealed:

TRANSPORTATION IMPACT FEES

SEC. 77.201. TITLE.

This Division shall be known as the Transportation Impact Fee (TIF) Ordinance and may be cited as such.

SEC. 77.202. PURPOSE.

The purpose of this Division is to make provision for assessing and collecting fees as a condition of approval of a subdivision map or prior to issuance of a development permit, including a building permit, to defray the actual or estimated costs of constructing planned transportation facilities necessary to accommodate increased traffic generated by future development consistent with §§ 66000 et seq. of the California Government Code (Mitigation Fee Act). Application of this fee will include, but is not limited to, development for residential, commercial and industrial land uses.

The fees collected pursuant to this Division are to fund identified transportation facilities, or portions thereof, that will provide increased road capacity necessitated by the cumulative impacts of future development. The transportation facilities for which these fees are collected are identified as "TIF Facilities" in the adopted TIF Reports. Further studies, including environmental review, may show superior alternative facilities that also provide the needed increased capacity. Once such studies are completed, fees collected under this Division may be used to fund those superior alternative facilities.

Development projects required to provide transportation improvements that are not part of an identified TIF Facility, will be required to construct those improvements, in addition to payment of the TIF.

SEC. 77.203. FINDINGS.

The Board of Supervisors, consistent with §§ 66000 et seq. of the Mitigation Fee Act, finds that:

1. The further development of property within the County, as detailed on the Transportation Impact Fee (TIF) Area Maps, will require the construction of additional transportation facilities.

2. The fees established herein are based upon estimated costs of identified transportation facilities, or portions thereof, the costs of which have been apportioned to each TIF Area based on relative vehicular volumes attributable to future development.

3. There is a reasonable relationship between construction of identified transportation facilities, or portions thereof, and the additional vehicular trips attributable to future development.

4. There is a reasonable relationship between the need for identified transportation facilities, or portions thereof, and the future development.

5. There is a reasonable relationship between the amount of the fee and the cost of transportation facilities, or portions thereof, attributable to future development.
6. The imposition of Transportation Impact Fees on all new development associated with the generation of new traffic within the TIF Areas is necessary in order to protect the public health, safety and welfare and in order to assure effective implementation of the County's General Plan.

SEC. 77.204. DEFINITIONS.

Whenever the following words are used in this Division, they shall have the meaning ascribed to them in this section.

(a) "Applicant" means developer or person seeking a development permit.

(b) "Building permit" means a permit required by and issued pursuant to the Uniform Building Code.

(c) "Construction" means design, performance of estimates, environmental assessments and studies, determination of fees, acquisition of right-of-way, administration of construction contracts and actual construction.

(d) "County" means the County of San Diego, State of California.

(e) "County hearing body" means the County of San Diego, Board of Supervisors, Planning Commission, or any other official, board, or commission designated by the County for decision-making on discretionary actions.

(f) "Developer" means the owner or developer of a development seeking a development permit.

(g) "Development permit" means any discretionary permit, entitlement, approval for a development project, or any ministerial permit, including building permit, associated with the generation of traffic issued under any ordinance of the County.

(h) "Development project" or "development" means any activity described in § 66000 of the Mitigation Fee Act.

(i) "DPW Director" means the County Director of the Department of Public Works, or his or her designee.

(j) "Equivalent dwelling unit" or "EDU" means a unit of measure representative of the estimated number of average daily vehicular trips associated with a single family residential dwelling. Equivalent dwelling units for non-single family land uses are based on a comparison of relative average daily vehicular trip rates, as identified and summarized in the TIF Reports.

(k) "Fee" means the fee as set forth in Section 77.208 of this Division.

(l) "TIF" means Transportation Impact Fee.

(m) "TIF Area" means the area lying within the boundaries designated on the TIF Area Map.

(n) "TIF Area Map" means a map showing the boundaries of each TIF Area. The TIF Area Map may be changed or periodically updated by action of the Board of Supervisors. The TIF Area Map is included as Figure 1 of the TIF Reports.

(o) "TIF Facilities" means the transportation facilities, or portions thereof, identified in the TIF Reports, or future County approved alternatives that substantially fulfill the transportation needs identified and represented by a listed facility.
(p) "TIF Region" means the area lying within the boundaries designated on the TIF Region Map.

(q) "TIF Region Map" means a map showing the boundaries of each TIF Region. The TIF Region Map may be changed or periodically updated by action of the Board of Supervisors. The TIF Region Map is included as Figure 2 of the TIF Reports.

(r) "TIF Reports" means the "Fallbrook and Ramona Transportation Impact Fee Report" and the "County of San Diego Transportation Impact Fee Report" both dated January 2005 and adopted by the Board of Supervisors on April 13, 2005. These reports shall be changed or periodically updated by action of the Board of Supervisors pursuant to Section 77.213 of this Division. The current adopted reports are on file with the Clerk of the Board.

(s) "Alternative Fee Schedules" means the fees described in the report entitled Alternative Fee Schedules with Pass-by Trips Addendum to TIF Reports, dated March 2005 and adopted by the Board of Supervisors on April 13, 2005. These may be changed or periodically updated by action of the Board of Supervisors. The current adopted reports are on file with the Clerk of the Board.

SEC. 77.205. TIF AREAS ESTABLISHED.

TIF Areas for the County are hereby established. Said TIF Areas are depicted upon the TIF Area Map and any amendments thereto.

SEC. 77.206. PLANNED TRANSPORTATION FACILITIES.

The Board of Supervisors hereby finds that future development projects will require the construction of identified transportation facilities, or portions thereof, or alternatives thereto described in the TIF Reports. Said transportation facilities, or portions thereof, shall hereinafter be referred to as "TIF Facilities." The Board of Supervisors further finds that future development projects within each said TIF Area will be benefited by construction of the TIF Facilities proposed. The listed facilities and their alternatives represent future needs and are not proposed projects. To become a Proposed Improvement Project requires a complete study of alternative routes, environmental review, and approval by the Board of Supervisors as part of the DPW detail-work program.

SEC. 77.207. ESTIMATED COSTS.

The Board of Supervisors also finds that the total estimated costs effective through September 2004, for all TIF Facilities within each said TIF Area are as set forth in the TIF Reports.

SEC. 77.208. FEE ESTABLISHED.

Pursuant to §§ 66000 et seq. of the Mitigation Fee Act, the fee set forth in said TIF Reports and Alternative Fee Schedules adopted by action of the Board of Supervisors shall be paid by development within the TIF Areas established herein.
The fee shall be based on the following:

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<td>Bonsall</td>
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<td>Valley Center</td>
<td>$2,282</td>
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Fees for land uses not explicitly identified in the Alternative fee schedules will be based on estimated trip rates published in the Addendum and the “Other” land use category of the applicable fee schedule. If an applicant can adequately quantify the number of vehicular trips associated with his project, by way of a traffic study or other method approved by the County, he may request calculation of the fee based on the project-specific trip rate and “Other” land use category of the applicable fee schedule. In such cases, the DPW Director shall have the authority to grant or deny such requests.

Unless otherwise approved in writing by the County’s designee, equivalent dwelling units shall be based on those land uses identified on the approved subdivision map or development permit.

Commercial development that exceeds 30,000 square feet in total proposed floor space, may prepare both a fee amount calculated based upon square footage rates in adopted fee schedule, and a project-specific trip generation exhibit and fee calculation using the “Other” land use category of the applicable alternative fee schedule. The lesser of the two amounts shall be the project’s impact fee.

Adjustment of fees may be made pursuant to Section 77.213 of this Division.
SEC. 77.209. PAYMENT OF FEES.

The fees required pursuant to this Division are intended to mitigate cumulative traffic impacts and shall be paid to the County as a condition of approval of a development permit, including a building permit. For development projects that require both discretionary and building permits, the fees shall be paid at time of building permit issuance. In the case of discretionary permits that will not involve a building permit, but which will generate additional traffic, payment of the fee shall be recommended as a condition of permitting to the decision-making body that would approve such permit.

SEC. 77.210. DEVELOPER CONSTRUCTION OF TRANSPORTATION FACILITIES.

Whenever a developer of a development project would be required by application of County ordinance or policy, as a condition of approval of a development permit to construct or finance the construction of a portion of a TIF Facility, the County may impose an additional requirement that the developer install the improvements with supplemental size, length or capacity in order to ensure efficient and timely construction of the transportation facilities network. Similarly, when development project impacts create an accelerated need for transportation improvements, the County may require accelerated construction of TIF Facilities to assure project conformance with California Environmental Quality Act (CEQA). If such a requirement is imposed, the developer will be entitled to compensation for eligible construction costs that exceed the total development impact fee required for the developer’s project. The developer may request reimbursement, or a credit against fees, for work to be done or paid for by the developer and said request shall be submitted in writing to the DPW Director. The County will enter into a reimbursement agreement with the developer and grant either a cash reimbursement or credit against the fee otherwise levied by this Division on the development project, or some combination thereof.

(a) The reimbursement request shall contain a description of the project with a detailed cost estimate that itemizes those costs of the construction attributable to the TIF Facility and excludes any work attributable to non-TIF facilities. The estimate is preliminary and the amount of reimbursement or credit against fees is subject to final determination by County’s designee. Additional information shall be provided to the County by the developer upon request of the County.

(b) The developer is also required to:

i. Prepare plans and specifications for approval by the County;

ii. Secure and dedicate any right-of-way required for the transportation facility project;

iii. Secure all required permits and environmental clearances necessary for the transportation facility project;

iv. Provide performance bonds for 100 percent of the value of the transportation facility project (the County shall give full credit against payment of the TIF for the cost of any TIF Facility work covered by the performance bond);

v. Pay all fees and costs for construction of the transportation facility project.

(c) The County will not be responsible for any of the costs of constructing the transportation facility project. The developer shall advance all necessary funds to construct the transportation facility project. Cost includes cost of Civil Engineering, Soils Engineering, Landscape Architecture, Surveying, Utility Engineering/Coordination, and Environmental Consulting in addition to construction costs.
(d) The developer shall secure at least three qualified and responsible bids for work to be done and shall award the construction contract to the lowest qualified bidder. Should the construction contract be awarded to a qualified bidder who did not submit the lowest bid for the transportation facility project portion of the contract, the developer will only receive Transportation Impact Fee reimbursement or credit based on the lowest responsible bid for the transportation facility portion of the contract. The developer is allowed to combine the supplemental work with other work being completed for the project in order to obtain the most competitive bids, but costs of the TIF improvement must be segregated within such bids.

(e) All bids must be reviewed by the County. If the lowest bid received exceeds the total estimated cost of the facility as set out in the TIF Reports, the County may require the developer to obtain a revised bid or if necessary, submit a redesign of the facility to bring the cost into the estimated range. If the total actual cost of construction is less than the total estimated cost of the facility, the County shall allow the developer full credit for the cost savings.

(f) When all work has been completed to the satisfaction of the County, the developer shall submit verification of payments made for the construction of the transportation facility project to the County. The County’s designee shall make the final determination relative to expenditures that may be eligible for credit or cash reimbursement.

(g) If the amount of the applicable credit is less than the deferred fee obligation and the TIF Fee is otherwise due and payable, then the developer shall have 30 days to pay the deferred fee. If the deferred fees are not paid within the 30-day period, the County may make a demand against the security and apply the proceeds to the fee obligation.

SEC. 77.211. CONSTRUCTION CREDITS.

When a transportation facility, or portion thereof, as described in the TIF Reports, is constructed by the developer, either as a requirement of a development permit or by written agreement with the County, the County shall grant either construction credits or a cash reimbursement to the developer for eligible construction costs. In most cases, the County’s preferred reimbursement mechanism will be use of construction credits. The developer must request reimbursement from the County to initiate this process. The terms of construction credit issuance will be described in a reimbursement agreement between the developer and the County.

The County will either: (1) incrementally apply credit which the developer has accrued in lieu of collecting the required Transportation Impact Fees as each building permit is issued, based upon the fee schedule in effect at the time of the building permit issuance; or (2) convert excess credit into equivalent dwelling units (EDU) at the applicable fee rate in effect at the time of conversion, for developer’s use against future development impact fee obligations within the same TIF Region in which the facilities were constructed.

Credit will be limited to the total actual construction cost, provided, however, any credit in excess of the estimated TIF Facility cost must be pre-approved by the County prior to construction and conform to Section 77.210 of this Division. An applicant may, with the approval of the County, also receive credit for cost overruns or change orders that result in a total construction cost in excess of the cost originally estimated for the TIF Facility.
Construction credits are transferable, at the holder’s sole and absolute discretion, but may only be applied within the same TIF Region in which the facilities were constructed. As referenced in Section 77.202 and Section 77.210(a) of this Division, no TIF Facility credit will be given for non-TIF facilities, unless such facilities are approved by County as an alternative to a listed facility.

SEC. 77.212. CASH REIMBURSEMENT.

When a transportation facility, or portion thereof, as described in the TIF Reports, is to be constructed by the developer, the County may (as an alternative to issuance of construction credits) provide a cash reimbursement to the developer for eligible actual costs. Actual costs can include cost of Civil Engineering, Soils Engineering, Landscape Architecture, Surveying, Utility Engineering/Coordination, and Environmental Consulting in addition to physical construction costs. The developer must request reimbursement from the County to initiate this process. The terms of reimbursement will be described in a reimbursement agreement between the developer and the County.

Reimbursement from the appropriate TIF Facilities fund shall be made only as fees are collected in connection with the development of other property in the same TIF Area in which said facilities were constructed, or when funds are otherwise available as determined by the County. Cash reimbursement will be limited to the actual construction cost of the TIF Facility, provided, however, reimbursement for any cost in excess of the estimate TIF Facility cost must be pre-approved by the County prior to construction and conform to Section 77.210 of this Division.

As referenced in Section 77.202 and Section 77.210(a) of this Division, no TIF Facility reimbursement will be given for non-TIF facilities. No developer shall receive cash reimbursement from the appropriate TIF Facility fund until all developers who have previously executed reimbursement agreements payable from the same fund have been fully reimbursed or until such agreements have expired. The maximum term of any reimbursement agreement shall be twenty-five (25) years.

SEC 77.212.5 REIMBURSEMENT OR PAYMENT OF FEES THROUGH FORMATION OF ASSESSMENT DISTRICT

In addition to any other reimbursement provision of this division, applicants shall have the option of seeking an assessment district under the Statewide Community Infrastructure Program (SCIP) or any similar assessment district program to finance (A) any fees required pursuant to this Division or (B) the construction of any TIF Facilities or portions thereof as required by the County. Through the SCIP, fees are funded by tax-exempt bonds and an applicant can be either reimbursed for fees paid to the County pursuant to this Division or the fees can be paid directly with bond proceeds.

SEC. 77.213. ADJUSTMENT OF FEES.

The fees established by Section 77.208 hereof have been established based in part on estimated costs to construct TIF Facilities as of September 2004. The amount of the fee shall be adjusted, starting on January 1, 2006, and on each January 1st there-after. Said adjustment shall be based on the following criteria:

(a) The one-year change (from September to September) in the Los Angeles Construction Cost Index as determined by Engineering News Record published by McGraw-Hill Publishing Company, or any successor thereof. The Board of Supervisors shall review the fee annually as required by Government Code Section 66006 and the adjustments shall not exceed the percentage increase set forth in the Los Angeles Construction Cost Index. Adjustments to the fees based upon the Construction Cost Index shall be automatic and shall not require further action of the Board of Supervisors.
(b) Changes in the type, size, location or cost of the transportation facilities (if any) to be financed by the fee, changes in land use designations in the County's general plan, and upon other sound engineering, financing and planning information. Adjustments to the fees resulting from the above reviews may be made by resolution amending the fee schedules contained in the TIF Reports and subject to the notice and public meeting requirements of Government Code Section 66016.

The Board of Supervisors may reduce the fee by up to 50% for a specific project if it determines there are public financial benefits that warrant such a reduction, and funding to replace the excused fee amounts is committed as part of such action. The Board of Supervisors may create an area of “reduced impact fees” to encourage growth within that area by supplementing public funds to replace fees in the same amount that would have been collected as such growth occurred.

SEC. 77.214. USE OF FEES.

Fees collected hereunder in satisfaction of the local portion of the total TIF rate, as set forth in Section 77.208 of this Division, shall be segregated into a TIF Facilities fund with an interest-bearing account established for each TIF Area, and the funds therein and interest accruing thereto shall be expended solely for the construction or reimbursement for construction of TIF Facilities within the TIF Area from which the fees comprising the fund were collected. Fees collected hereunder in satisfaction of the regional portion of the total TIF rate, as set forth in Section 77.208 of this Division, shall be segregated into a TIF Facilities fund with an account established for each TIF Region, and the funds therein and interest accruing thereto shall be expended solely for the construction or reimbursement for construction of TIF Facilities within the TIF Region from which the fees comprising the fund were collected. These fees may also be used to reimburse the County for TIF Facilities constructed by the County with funds from other sources.

TIF Facilities and funds shall be identified in a Department of Public Works Detailed Work Program, which includes capital improvements and other transportation related expenditures. The TIF facilities within the Detailed Work Program (DWP-TIF) will be presented for Board approval as part of the annual budget approval process. TIF Facilities funds within the DWP-TIF will not be co-mingled with other project funds to ensure that revenues and expenditures are solely and exclusively used for TIF Facility construction. However, these funds may be augmented by other sources, if available, in order to complete TIF Facility projects.

Expenditure for interim improvements that provide incremental progress and measurable benefits such as increased capacity or traffic flow, will be allowed. These interim improvements will be consistent with the long-term objectives of full TIF facility construction as determined by the DPW Director. When recommended by the DPW Director, interim improvements will be identified in the DWP-TIF and expenditures from the TIF Facilities funds will be authorized commensurate with DWP-TIF approval. In selecting which specific road improvements shall be recommended, priority shall be given to those roads that serve projects that have paid impact fees.

SEC. 77.215. APPLICABILITY.

This Division shall apply to all development permits, including building permits, associated with the generation of traffic, as determined by the County. However, examples of building permits to which this Division shall not apply, include but are not limited to: alterations or additions to an existing single
family dwelling, or rebuilding of a destroyed single family dwelling that does not change its classification of occupancy; permits for accessory buildings such as garages, barns, workshops, agricultural buildings; and building permits for signs, tanks, wells or similar structures. The Director of Public Works is authorized to prepare and maintain a list of all permits types to which the fee will apply.

This Division shall not exempt any new development except as required by state or federal law. In cases where a development is specifically exempt by law from this Division, but said development has transportation impacts required to be mitigated by CEQA, the County can accept TIF payment for mitigation purposes.

Upon the effective date of this ordinance, if approved, project applicants for permits requesting adjustment of the adopted fee, other than as provided for in section 77.208, must have completed a cumulative traffic study and already fully mitigated cumulative impacts. Applicants claiming exemption from the fee must demonstrate to the County that all cumulative impacts were clearly identified, through a cumulative traffic study, and fully mitigated through physical improvements, or contribution to future road network improvements in an amount equal to the fee. However, if the project has changed from the time of original approval so that the proposed use is now more impacting to traffic, applicants must pay a portion of the TIF equal to the cumulative impact increase. For approved projects with identified cumulative mitigation measures that have not yet been implemented, the County may, at its option and, upon further environmental review if necessary, require either completion of the originally identified mitigation, or payment of the TIF.

The requirement of this chapter shall not apply to projects for which fees for an unexpired building plan check were paid on or before March 29, 2005 regardless of whether they obtain their building permit prior to the effective date of this ordinance.

SEC. 77.216. APPEAL.

Notwithstanding any other provision of this Division, the applicant as defined in this Division shall, as a part of the development permit process, have the right to present evidence to the DPW Director to demonstrate that the fee calculation and/or amount of fee established by the Board of Supervisors is incorrect or inequitable as applied in such case. The applicant shall have the burden of demonstrating any inaccuracy or inequity by serving on the DPW Director engineering studies and cost estimates necessary to support the applicant’s contentions.

If the applicant is processing an application for which the TIF fee is a condition of approval, the studies and cost estimates must be served on the DPW Director no later than thirty (30) days prior to approval of the project. The DPW Director shall then make a recommendation regarding fee adjustment to the County hearing body. Upon review of the DPW Director’s recommendation, the hearing body shall have the authority to change the amount of fee when it finds the amount so established is incorrect or inequitable in the specific case. The decision of the County’s hearing body shall be final, and any additional appeals shall be in accordance with the County subdivision ordinance or zoning ordinance, which ever applies to the application being processed.

If the applicant is seeking a ministerial permit, the appeal, required engineering studies and cost estimates can be served on the DPW Director anytime prior to development permit issuance. The DPW Director shall review the requested fee adjustment and shall have the authority to change the amount of fee when it finds the amount so established is incorrect or inequitable in the specific case. The decision of the DPW Director shall be final.

SEC. 77.217. WAIVER.
A development which is designed and intended as a temporary use (3 years or less) and which is conducted in facilities which are, by their nature, short-term interim facilities such as a portable or modular building (including mobile homes, trailers, etc.) may apply to the DPW Director for a waiver, reduction, or deferral. The DPW Director shall have the authority to grant such waivers, reductions, or deferrals.

**SEC. 77.218. REFUND OF FEES**

If a building permit or development permit expires, is cancelled, or is voided and if any fees paid pursuant to this Division have not been expended and no construction has taken place pursuant to such building permit or development permit, the DPW Director shall, upon written request, refund the fee and any interest earned on the fee, less any administrative costs, to the record property owner or his or her legally court appointed representative.

**SEC. 77.219. EXPIRATION.**

This Division shall be of no further force when the County determines that the amount of fees which have been collected reaches an amount equal to the cost of the transportation facilities or reimbursements.

**SEC. 77.220. EFFECTIVE DATE.**

This Division shall become effective 60 days after its adoption.

Section 4 (UNCODIFIED). Peppertree Park Specific Plan (SP 87-007). The Board of Supervisors hereby finds that the Peppertree Park Specific Plan development in the Fallbrook Community Planning Area as approved by the Board of Supervisors fully analyzed its cumulative traffic impacts and has fully mitigated those impacts through construction of portions of Peppertree Lane, South Mission Road, and other traffic-related roadway and intersection improvements included in that development’s conditions of approval. Accordingly, the Peppertree Park Specific Plan development, including any changes or amendments to that development which do not increase the number of vehicular trips from that identified in the documents supporting that development’s approval by the Board of Supervisors, is exempt from payment of any fee or fees imposed by adoption of this Transportation Impact Fees ordinance. Alpine Village Center (S99-047). The Board of Supervisors hereby finds that the Alpine Village Center Site Plan development in the Alpine Community Planning Area as approved by the Board of Supervisors fully analyzed its cumulative traffic impacts and has fully mitigated those impacts through improvements to portions of Alpine Boulevard, South Grade Road, Marshall Way, financial contributions to construction of ramp improvements on Interstate 8 at Tavern Road, and other traffic-related roadway and intersection improvements included in that development’s conditions of approval. Accordingly, the Alpine Village Center Site Plan development is exempt from payment of any fee or fees imposed by adoption of this Transportation Impact Fees ordinance.

Section 5. Operative Date. This Ordinance shall be operative on June 19, 2005.

PASSED, APPROVED AND ADOPTED this 20th day of April 2005.
Resolution of The County of San Diego Board of Supervisors
Adopting a Funding Program
for Regional Transportation Congestion Improvement Program

WHEREAS, on November 2, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (04-01) extension (TransNet Extension); and

WHEREAS, said TransNet Extension includes provisions for funding a new Regional Transportation Congestion Improvement Program (RTCIP); and

WHEREAS, for the purposes of the RCTIP, the Regional Arterial System is defined as most recent and adopted Regional Transportation Plan; and

WHEREAS, the RTCIP funding program shall ensure that future developments will contribute its share toward funding and mitigating new traffic impacts on the Regional Arterial System; and

WHEREAS, the RCTIP funding program shall be adjusted annually using applicable construction cost index; and

WHEREAS, On April 13, 2005, the County of San Diego Board of Supervisors adopted the Transportation Impact Fee Program Ordinance, as per California Government Code Sections 66000 through 66025, to fund transportation improvements needed to support traffic generated by new developments; and

WHEREAS, On January 30, 2008, the County of San Diego Board of Supervisors approved an update to said Transportation Impact Fee Program Ordinance; and

WHEREAS, the County of San Diego has held required public hearing; NOW THEREFORE

BE IT RESOLVED that pursuant to Section 9 of the TransNet extension Ordinance, the County of San Diego certifies that it will extract, starting on July 1, 2008, $2,000 from new developments for each newly constructed residential unit in the unincorporated areas of the County to the Regional Transportation Congestion Improvement Program (RTCIP).

BE IT FURTHER RESOLVED that the contribution of $2,000 per residential unit towards the RCTIP shall be adjusted annually, starting July 1, 2009, by an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record, Caltrans Highway Construction Cost Index, or similar cost of construction index. In no event, however, the increase shall be less than two percent per year.
BE IT FURTHER RESOLVED That the County of San Diego will collect this revenue as a Transportation Impact Fee (TIF) imposed on new residential units at building permit issuance.

BE IT FURTHER RESOLVED that the revenues will be expended on improvements to the Regional Arterial System projects in a manner consistent with most recent adopted Regional Transportation Plan.

BE IT FURTHER RESOLVED that the County of San Diego will submit its RCTIP funding program to the SANDAG’s Independent Taxpayer Oversight Committee as required by Section 9 of said TransNet Extension Ordinance.
COUNTY OF SAN DIEGO RTCIP ROAD PROJECTS

South Santa Fe Avenue North - North County Metro
This project will reconstruct existing South Santa Fe from a 2-lane road to a 4-lane divided road with median and bike lanes, from the City of Vista/County Line to approximately 670 feet northwest of Robertini Drive. It includes an improved at-grade-railroad crossing at the York Drive/Woodland Drive intersection.

Dye Road Extension Phase I – Ramona
This project involves the construction of a new road to extend Dye Road from Ramona Street to San Vicente Road.

Bear Valley Parkway Widening N - North County Metro
This project involves the widening of Bear Valley Parkway from San Pasqual Valley Road (State Route 78) to Boyle Avenue (Escondido City Limits).

San Vicente Road Improvements Phase I and II - Ramona
This project involves road reconstruction, and construction of a pathway on the west/south side of the road, on San Vicente Road from Warnock Drive to Wildcat Canyon Road.

Cole Grade Road – Valley Center
This project involves widening of Cole Grade Road from Horse Creek Trail to the Valley Center High School.

Lone Star Road – Otay
This project involves the construction of a new road, Lone Star Road, from Alta Road to the west for 0.5 mile.

Otay Mesa Road Widening – Otay
This project involves the widening of Otay Mesa Road from Harvest Road to Enrico Fermi Drive.
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<th>Arterial</th>
<th>Limits</th>
<th>Jurisdiction</th>
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<td>Vista-Del Sur</td>
<td>Jensen Drive to El Camino Road</td>
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<td>Vista-Sorrento Parkway</td>
<td>Sorrento Valley Boulevard to Carmel Mountain Road</td>
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<td>Wadam Boulevard</td>
<td>2nd Street to Interstate 5</td>
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<td>Washington Street</td>
<td>Pacific Highway to Park Boulevard</td>
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<td>Waring Road</td>
<td>College Avenue to Interstate 8</td>
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<td>West Bernardo Drive</td>
<td>Interstate 15 to Bernardo Center Drive</td>
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<td>West Mission Bay Drive</td>
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<td>Interstate 805 to San Miguel Road</td>
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<td>Borrego Springs/Yaqui Pass Road (5-3)</td>
<td>Palm Canyon Drive (5-22) to State Route 78</td>
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<td>Bradley Avenue</td>
<td>Wing Avenue to Winter Garden Boulevard</td>
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<td>Buckman Springs/Sunrise Highway (5-1)</td>
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<td>Buena Vista Loma Road</td>
<td>South Santa Fe Avenue to Twin Oaks Valley Road</td>
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<td>Camino del Norte</td>
<td>Rancho Bernardo Road to City of San Diego</td>
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<td>Campo Road</td>
<td>Spring Street to Sweetwater Springs/State Route 54</td>
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<td>Citracado Parkway</td>
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<td>Jamacha Road to Harbison Canyon Road</td>
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<td>Gamble Lane</td>
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<td>Jamacha Road</td>
<td>City of El Cajon to State Route 94</td>
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<td>Keyes Road (Southern Traffic Bypass)</td>
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<td>Lake Jennings Park Road</td>
<td>State Route 67 to Interstate 8</td>
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<td>Lake Wohlford Road</td>
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<tr>
<td>281 Melkose Drive</td>
<td>City of Oceanside to City of Vista</td>
<td>San Diego County</td>
</tr>
<tr>
<td>282 Mission Road (S-13)</td>
<td>Interstate 15 to State Route 76</td>
<td>San Diego County</td>
</tr>
<tr>
<td>283 Mountain Meadow Road</td>
<td>Interstate 15/Deer Springs Road to Valley Center Road</td>
<td>San Diego County</td>
</tr>
<tr>
<td>284 Montezuma Valley/Palm Canyon (S-22)</td>
<td>State Route 79 to Imperial County Line</td>
<td>San Diego County</td>
</tr>
<tr>
<td>285 Nordin Road</td>
<td>El Norte to City of San Marcos</td>
<td>San Diego County</td>
</tr>
<tr>
<td>286 Old Highway 80</td>
<td>Buckman Springs Road to Interstate 8 (In-ko-pah)</td>
<td>San Diego County</td>
</tr>
<tr>
<td>287 Old Highway 80</td>
<td>State Route 79 to Sunrise Highway</td>
<td>San Diego County</td>
</tr>
<tr>
<td>288 Old Highway 395/Champagne/ North Centre City</td>
<td>East Mission Road to City of Escondido</td>
<td>San Diego County</td>
</tr>
<tr>
<td>289 Otay Lakes Road</td>
<td>Wueste Road to State Route 94</td>
<td>San Diego County</td>
</tr>
<tr>
<td>290 Otay Mesa Road</td>
<td>City of San Diego to Loop Road</td>
<td>San Diego County</td>
</tr>
<tr>
<td>291 Paradise Valley Road</td>
<td>City of San Diego to Sweetwater Road</td>
<td>San Diego County</td>
</tr>
<tr>
<td>292 Paseo Delicias</td>
<td>El Camino del Norte to Via de la Valla</td>
<td>San Diego County</td>
</tr>
<tr>
<td>293 Rancho Bernardo Road</td>
<td>City of San Diego (west) to City of San Diego (east)</td>
<td>San Diego County</td>
</tr>
<tr>
<td>294 San Felipe Road/Overland Route (S-2)</td>
<td>County Route S-22 to Imperial County Line</td>
<td>San Diego County</td>
</tr>
<tr>
<td>295 San Vicente Road/10th Street</td>
<td>State Route 57 (Main Street) to Wildcat Canyon Road</td>
<td>San Diego County</td>
</tr>
<tr>
<td>296 Scripps Poway Parkway</td>
<td>Sicamore Canyon Road to State Route 67</td>
<td>San Diego County</td>
</tr>
<tr>
<td>297 Siem Reap Road</td>
<td>City of San Diego to Loop Road</td>
<td>San Diego County</td>
</tr>
<tr>
<td>298 South Santa Fe Avenue</td>
<td>City of Vista to City of San Marcos</td>
<td>San Diego County</td>
</tr>
<tr>
<td>299 Sunrise Highway</td>
<td>State Route 79 to Interstate 8</td>
<td>San Diego County</td>
</tr>
<tr>
<td>300 Sweetwater Road (Bonita)</td>
<td>Willow Street to City of National City</td>
<td>San Diego County</td>
</tr>
<tr>
<td>301 Sweetwater Road (Spring Valley)</td>
<td>Jamacha Boulevard to Broadway</td>
<td>San Diego County</td>
</tr>
<tr>
<td>302 Sweetwater Springs Boulevard</td>
<td>Jamacha Boulevard to State Route 94</td>
<td>San Diego County</td>
</tr>
<tr>
<td>303 Valley Center Road</td>
<td>State Route 76 to City of Escondido</td>
<td>San Diego County</td>
</tr>
<tr>
<td>304 Valley Center New Northern E to W Road</td>
<td>Cole Grade Road to Old Highway 395</td>
<td>San Diego County</td>
</tr>
<tr>
<td>305 Via de la Valla</td>
<td>City of San Diego to Paseo Delicias</td>
<td>San Diego County</td>
</tr>
<tr>
<td>306 Via Rancho Parkway</td>
<td>Del Dios Highway to City of Escondido</td>
<td>San Diego County</td>
</tr>
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<td>307 Wildcat Canyon Road</td>
<td>Mapleview Street to San Vicente Road</td>
<td>San Diego County</td>
</tr>
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<td>308 Willow Glen Drive</td>
<td>Jamacha Road to Dehesa Road</td>
<td>San Diego County</td>
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<td>309 Willows Road</td>
<td>Interstate 8 to Viejas Casino</td>
<td>San Diego County</td>
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<td>310 Winter Gardens Boulevard</td>
<td>State Route 67 to 2nd Street</td>
<td>San Diego County</td>
</tr>
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<td>311 Barham Drive</td>
<td>Twin Oaks Valley Road to Los Amigos</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>312 Border Road</td>
<td>Los Picos Road to Woodland Parkway</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>313 Bueno Creek Road</td>
<td>Twin Oaks Valley Road to Sunny Vista Lane</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>314 Discovery Street</td>
<td>San Marcos Boulevard to Twin Oaks Valley Road</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>316 Los Picos Road</td>
<td>West San Marcos Boulevard to North City Limits</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>317 Mission Road</td>
<td>Pacific Street to Bohnon Drive</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>318 San Elijo Road</td>
<td>Twin Oaks Valley Road to Rancho Santa Fe Road</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>319 Rancho Santa Fe Road</td>
<td>Mission Road to Malaga Drive</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>320 San Marcos Boulevard</td>
<td>Business Park Drive to Mission Road</td>
<td>San-Marcos</td>
</tr>
<tr>
<td>320 South Santa Fe Avenue</td>
<td>Santee Road to Pacific Street</td>
<td>San-Marcos</td>
</tr>
</tbody>
</table>
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1. INTRODUCTION AND SUMMARY

This chapter provides a summary of the study’s results and explains the background and purpose for the study. The chapter also describes the initial nexus analysis that preceded the current study.

Summary

The purpose of this study is to provide a single nexus analysis that all local agencies in San Diego County can use to adopt an impact fee and fulfill their contribution to the Regional Transportation Congestion Improvement Plan (RTCIP). This report documents the required statutory findings under California’s Mitigation Fee Act\(^1\). The nexus analysis conducted for this study finds that the impact fee required by the RTCIP of $2,000 per residential unit is justified based on the requirements of the Act.

This report is an update to the first version of this study dated September 5, 2006. The changes made in this report from the prior version are:

- Merged the mobile home land use category into the multi-family category because of the minimal amount of projected mobile home development and to simplify administration of the fee; and
- Updated unit cost inflation adjustment based on more accurate construction cost index (Caltrans highway cost index instead of a combination of several national indices).
- Clarified that the initial RTCIP fee beginning in 2008 will be $2,000 per residential unit regardless of type of unit.

The $2,000 fee per residential unit will be updated annually for cost inflation following initial adoption by local agencies in 2008.

New Development Investments in Regional Transportation

In 2004 voters in San Diego County approved a 40-year extension to TransNet, a program designed to fund improvements to the region’s transportation system first initiated in 1987. The prime component of the program is a half-cent sales tax increase that is projected to raise over $10 billion for improvements through 2030.\(^2\) Expenditure of TransNet funds is implemented through the Regional Transportation Plan (RTP), prepared by the San Diego Association of Governments (SANDAG) and updated periodically as mandated.

---

\(^1\) California Government Code, §§66000-66025.

\(^2\) San Diego Association of Governments, Draft 2007 Regional Transportation Plan (June 2007), Table 4.1, p. 4-9.
The draft 2007 RTP details the need for $58 billion in transportation improvements.³ Of that total, $27 billion in funding will come from a variety of state and federal sources. The remaining $31 billion will come from local funding sources including the TransNet sales tax extension. These amounts represent the Reasonably Expected Scenario, one of three scenarios examined in the draft 2007 RTP.⁴

In addition to the sales tax extension, the TransNet program requires implementation of a new local funding source for the draft 2007 RTP, the Regional Transportation Congestion Improvement Program (RTCIP).⁵ The purpose of the RTCIP is to ensure that new development directly invests in the region’s transportation system to offset the negative impacts of growth on congestion and mobility.

Key components of the RTCIP include:

- Beginning July 1, 2008 each local agency must contribute $2,000 from exactions imposed on the private sector for each new residence constructed in the County.
- Although the RTCIP does not specify a revenue source for this contribution, most local agencies are likely to collect this revenue as a development impact fee imposed on new dwelling units at building permit issuance.
- Revenues must be expended on improvements to the Regional Arterial System (RAS), described below, and in a manner consistent with the expenditure priorities in the most recent adopted RTP.
- The Independent Taxpayer Oversight Committee, created for the TransNet program, is responsible for reviewing local agency implementation of the RTCIP.
- If a local agency does not comply with the RTCIP the agency can lose TransNet sales tax funding for local roads.

Cities have the authority to impose impact fees under the Mitigation Fee Act contained in California Government Code sections 66000 through 66025. Counties have the same authority for their unincorporated areas. In doing so, each local agency is required to make findings demonstrating a reasonable nexus between the collection of fees, the need for facilities created by new development, and the expenditure of fee revenues to benefit new development.

**Purpose of Study**

The purpose of this study is to provide a single nexus analysis that all local agencies in San Diego County can use to adopt an impact fee and fulfill their contribution to the RTCIP. This report documents the required statutory findings under the Mitigation Fee Act.

---

³ Ibid., Table 4.3, page 4-11.

⁴ Ibid., Table 4.1, page 4-9.

Regional Arterial System

SANDAG employs a rigorous process to define the RAS. The most important criterion for determining whether to include an arterial in the RAS is the arterial’s role as a "critical link". Critical links provide direct connections between communities ensuring system continuity and congestion relief in high volume corridors. The other criteria for inclusion of an arterial in the RAS include:

- Links to areas with high concentrations of existing or future population or employment;
- Links to activity centers such as hospitals, retail centers, entertainment centers, hotels, colleges, and universities;
- Accommodate high future traffic volumes;
- Accommodate Regional Transit Vision (Red and Yellow Car service); and
- Provide access to intermodal (freight, port, military, or airport) facilities.

As of the date of the first version of this report in September 2006, the RAS included 777 route miles (not lane miles) of arterials. Figure 1 is a map of the Regional Arterial System from the adopted 2005 RTP. The RAS included both the regionally significant arterials and the other regional arterials indicated on the map. A list of arterial segments included in this version of the RAS is provided in Appendix A to this report. A list of the types of improvements that the RTCIP can fund on the RAS is discussed in the Implementation chapter of this report.

Initial RTCIP Impact Fee Calculation

SANDAG staff developed the 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 was as follows:

1. The Regional Arterial System carried 10.8 million vehicle miles traveled (VMT) in 2000 and was projected to carry 14.9 million VMT in 2030. The difference of 4.1 million VMT, or 27 percent of the 2030 VMT total was attributed to growth (4.1 ÷ 14.9 = 27 percent).

2. The entire transportation network was projected to accommodate 60.1 million vehicle miles traveled (VMT) in 2030. Of this total, 37.4 million VMT, or 62 percent, were attributed to residential development (37.4 ÷ 60.1 = 62 percent). This amount included any trip that started or ended at a home (home-work, home-school, home-college, and home-other).

3. Multiplying the results of steps #1 and #2 resulted in 16 percent of total VMT in the County in 2030 attributed to new, residential development (0.27 × 0.62 = 16 percent).

---

6 San Diego Association of Governments (SANDAG), Final 2030 Regional Transportation Plan, Mobility 2030 (February 2005), Technical Appendix 7 – Evaluation Criteria and Rankings, Table TA 7.1, p. 105.
4. As of 2000, SANDAG and local agencies had identified improvements for 710 additional lane miles to complete the Regional Arterial System. At a cost of $5.1 million per lane mile (in 2002 dollars) this equals a total cost of $3.6 billion (710 \times $5.1 million = $3.6 billion).

5. If all development, existing and new, paid a proportionate share of this cost new residential development’s share would be $593 million (0.16 \times $3.6 billion = $593 million).

6. Allocating the new residential development share over a projected increase in dwelling units of 320,000 from 2000 to 2030 yielded a cost per unit of slightly less than $2,000 ($593 million \div 320,000 = $1,853).

The methodology described above and employed by SANDAG to calculate the RTCIP assumes that all 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. For descriptive purposes this can be considered an “average cost” approach.

The “average cost” approach probably results in a lower fee and is therefore more conservative and defensible compared to other approaches used for impact fee nexus analysis. The “average cost” approach does not focus on the marginal impacts of new development on congestion. A “marginal cost” approach examines the cost of additional transportation improvements needed to mitigate impacts by maintaining existing levels of services. Based on our experience preparing transportation fee studies, this “marginal cost” approach would probably result in allocating to new development a greater share of planned transportation system improvements compared to the “average cost” approach. The approach used by SANDAG to justify the RTCIP impact fee is therefore more conservative.
Figure 1

Regional Arterial System
2. Nexus Analysis

This chapter documents a reasonable relationship between increased travel demand from new development on the Regional Arterial System (RAS), the cost of RAS improvements needed to accommodate that growth, and an impact fee to fund those investments.

Approach

Impact fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in any development impact fee study and described in detail in the sections that follow include:

1. Prepare growth projections;
2. Identify facility standards;
3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections;
4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development.

Due to policy considerations SANDAG indicated that the nexus study should employ the same “average cost” approach used in the initial fee calculation to the greatest extent technically defensible under the Mitigation Fee Act. Consistent with the initial SANDAG approach, the need for RAS improvements determined by this nexus study is based on the relative amount of travel demand generated by all existing and new, residential and nonresidential, development. As mentioned above (see page 3), this is a conservative approach because a more detailed impact analysis probably would result in allocating to new development a greater share of planned RAS improvements.

The analysis required for each of the four steps listed above is conducted on a countywide basis consistent with SANDAG’s initial fee calculation. We updated certain assumptions with more recent data when available. The approach takes a countywide perspective because the RAS represents a countywide network that facilitates mobility between and through cities and unincorporated areas. New development, regardless of location, both adds congestion (increased vehicle trips) to a range of arterials within the RAS and benefits from the expenditure of fee revenue on a range of RAS facilities.

Growth Projections

This section describes the SANDAG forecast for population and employment, and estimates of land use in terms of dwelling units and nonresidential building square feet. Land use forecasts are converted to vehicle trips to provide a measure of travel demand (further discussed below).
Population, Employment, and Land Use

The planning horizon for this analysis is 2030, consistent with current land use and transportation forecasts adopted by SANDAG. The nexus analysis uses forecasts of dwelling units and employment to estimate new development demand for transportation improvements. Forecasts for 2030 are from SANDAG’s Urban Development Model (UDM). The UDM is one of four interrelated forecasting models used by SANDAG to project land use and transportation for the region. The UDM allocates changes in the region’s economic and demographic characteristics to jurisdictions and other geographic areas within the region. The model is based on the spatial interrelationships among economic factors, housing and population factors, land use patterns, and the transportation system. The model generates 2030 forecasts for small geographic areas including the traffic analysis zones used in the transportation modeling process. The UDM complies with federal mandates that transportation plans consider the long-range effects of the interaction between land uses and the transportation system.

The initial SANDAG fee calculation used 2002 as the base year for cost estimates so that is the base year used for this nexus analysis. Dwelling units and employment for 2002 are based on interpolations of development estimates for 2000 and 2005 from the UDM model. Total employment was allocated to land use categories based on analysis of employment by land use using data from five counties and conducted for the Southern California Association of Governments.

Table 1 lists the 2002 and 2030 land use assumptions based on SANDAG forecasts and used in the nexus analysis. The land use categories shown in Table 1 and used in this nexus analysis are the same that are used in the SANDAG forecasts with one exception. This nexus analysis includes mobile homes in the multi-family category because of the minimal amount of forecast mobile home development. SANDAG forecasts mobile homes to increase by 2,000 units during the planning horizon, or 1.3 percent of forecast growth in multi-family units.

The employment forecasts are converted to building square footage shown in Table 1 by land use using occupant densities factors shown in Table 2. These factors are derived from a study of employment, building square feet, and land use conducted for the Southern California Association of Governments (SCAG). The density factors were derived from a random sample of 2,721 parcels drawn from across five counties (Los Angeles, Orange, Riverside, San Bernardino, and Ventura). We could not identify such a study for San Diego County. The SCAG study’s density factors are based on the largest sample of properties that we are aware of, and are used in development impact fee studies throughout the State.

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1 For more information on SANDAG’s economic, demographic, and transportation forecasting models, see San Diego Association of Governments, Final 2030 Forecast Process and Model Documentation, April 2004.
### Table 1: Population, Employment & Land Use Forecasts

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2030</th>
<th>Increase</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>2,909,000</td>
<td>3,855,000</td>
<td>946,000</td>
<td>33%</td>
</tr>
<tr>
<td>Dwelling Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>648,000</td>
<td>778,000</td>
<td>130,000</td>
<td>20%</td>
</tr>
<tr>
<td>Multi-family</td>
<td>419,000</td>
<td>576,000</td>
<td>157,000</td>
<td>37%</td>
</tr>
<tr>
<td>Total</td>
<td>1,067,000</td>
<td>1,354,000</td>
<td>287,000</td>
<td>27%</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>295,000</td>
<td>393,000</td>
<td>98,000</td>
<td>33%</td>
</tr>
<tr>
<td>Office/Services</td>
<td>348,000</td>
<td>451,000</td>
<td>103,000</td>
<td>30%</td>
</tr>
<tr>
<td>Industrial</td>
<td>383,000</td>
<td>628,000</td>
<td>245,000</td>
<td>64%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,026,000</td>
<td>1,472,000</td>
<td>446,000</td>
<td>43%</td>
</tr>
<tr>
<td>Residential</td>
<td>138,000</td>
<td>149,000</td>
<td>11,000</td>
<td>8%</td>
</tr>
<tr>
<td>Public</td>
<td>139,000</td>
<td>157,000</td>
<td>29,000</td>
<td>21%</td>
</tr>
<tr>
<td>Total</td>
<td>1,303,000</td>
<td>1,778,000</td>
<td>475,000</td>
<td>36%</td>
</tr>
<tr>
<td>Building Square Feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>148,000</td>
<td>197,000</td>
<td>49,000</td>
<td>33%</td>
</tr>
<tr>
<td>Office/Services</td>
<td>104,000</td>
<td>135,000</td>
<td>31,000</td>
<td>30%</td>
</tr>
<tr>
<td>Industrial</td>
<td>345,000</td>
<td>565,000</td>
<td>220,000</td>
<td>64%</td>
</tr>
<tr>
<td>Total</td>
<td>597,000</td>
<td>897,000</td>
<td>300,000</td>
<td>50%</td>
</tr>
</tbody>
</table>

1. Multi-family population includes mobile homes.
2. Based on Series 10 forecast data provided by SANDAG. Estimates by major land use type rolled up from County Assessor's categories. Interpolated 2008 data based on 2005 and 2010 forecasts.
3. Employment on residential land uses such as home-based businesses. Travel demand included in estimates for residential land uses.
4. Travel demand caused by public land uses so excluded from nexus analysis.
5. Based on occupant density factors shown in Table 2.

Sources: San Diego Association of Governments (SANDAG) Data Warehouse (http:datawarehouse.sandag.org), SANDAG Series 10 forecast of employment by land use; MuniFinancial.
Table 2: Occupant Density

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>500 Square feet per employee</td>
</tr>
<tr>
<td>Office/Services</td>
<td>300 Square feet per employee</td>
</tr>
<tr>
<td>Industrial¹</td>
<td>900 Square feet per employee</td>
</tr>
</tbody>
</table>

Note: Source data based on random sample of 2,721 developed parcels across five Los Angeles area counties (Los Angeles, Orange, Riverside, San Bernardino, and Ventura). MuniFinancial estimated weighting factors by land use categories used in the survey to calculate average employment densities by major category (commercial, office, industrial).

¹ Adjusted to correct for over-sampling of industrial parcels in Ventura County.


Travel Demand By Land Use Category

To estimate travel demand by type of land use the nexus study uses vehicle trips rather than vehicle miles traveled (VMT) that were used in the initial SANDAG calculation. Vehicle trips can be calculated in a consistent manner across land use categories based on population and employment estimates by land use category. This enables the impact of development to be distinguished between land use categories, a key requirement of the Mitigation Fee Act. VMT, on the other hand, is available from transportation models only for a limited number of “production and attraction” categories: home-work, home-school, home-college, home-other, and non-home.

A reasonable measure of vehicle trips is weekday average daily vehicle trips ends. Because automobiles are the predominant source of traffic congestion, vehicle trips are a reasonable measure of demand for new capacity even though the measure excludes demand for alternative modes of transportation (transit, bicycle, pedestrian).

The following two adjustments are made to vehicle trip generation rates to better estimate travel demand by type of land use:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is weighted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

Table 3 shows the calculation of travel demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the San Diego region by SANDAG. The surveys provide a robust database of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses.
Table 3: Travel Demand Factors

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C = A + B</th>
<th>D</th>
<th>E = C x D / 6.9</th>
<th>F</th>
<th>G = E x F</th>
<th>Trip Rate Adjustment Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary Trips</td>
<td>Diverted Trips</td>
<td>Total Excluding Pass-by</td>
<td>Average Trip Length</td>
<td>Adjustment Factor</td>
<td>Average Daily Trip Ends</td>
<td>Travel Demand Factor</td>
<td></td>
</tr>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>86%</td>
<td>11%</td>
<td>97%</td>
<td>7.9</td>
<td>1.11</td>
<td>10</td>
<td>11.10</td>
<td></td>
</tr>
<tr>
<td>Multi-family</td>
<td>86%</td>
<td>11%</td>
<td>97%</td>
<td>7.9</td>
<td>1.11</td>
<td>8</td>
<td>8.88</td>
<td></td>
</tr>
<tr>
<td><strong>Nonresidential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>47%</td>
<td>31%</td>
<td>78%</td>
<td>3.6</td>
<td>0.41</td>
<td>68</td>
<td>27.88</td>
<td></td>
</tr>
<tr>
<td>Office/Services</td>
<td>77%</td>
<td>19%</td>
<td>96%</td>
<td>8.8</td>
<td>1.22</td>
<td>20</td>
<td>24.40</td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>79%</td>
<td>19%</td>
<td>98%</td>
<td>9.0</td>
<td>1.28</td>
<td>8</td>
<td>10.24</td>
<td></td>
</tr>
</tbody>
</table>

1 Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip.

2 In miles.

3 Systemwide average trip length is 6.9 miles.

4 Trip ends or travel demand per dwelling unit or per 1,000 building square feet.

5 Single family based on 3-6 units per acre category. Multi-family based on 6-20 units per acre category.

6 Multi-family demand factors include mobile homes. The combined average daily trip ends calculation multiplies 2002 population by average daily trip ends for both multi-family and mobile homes and then weights the sum by the 2002 population.

7 Commercial based on "community shopping center" category. Office/services based on "standard commercial office" category. Industrial based on "industrial park (no commercial)" category.


Shifting Burden of Commercial Development to Residential Development

Applying the travel demand factors shown in Table 3 directly to development by land use category implicitly assumes that the cause of each vehicle trip on the transportation network is shared equally by the land use at each trip end (origin and destination). But depending on the regional economic forces affecting development in a particular area, the cause of a trip may be related more to the land use at the origin or the destination. For example, in some areas residential development may be caused by job growth, while in other areas the opposite may occur (jobs follow housing). These cause and effect relationships may change over time in the same area. Given the complexity of these regional economic and land use relationships, most transportation impact fee nexus studies make the simplifying but reasonable assumption to weight the origin and destination of a trip equally when identifying the cause of travel demand on a transportation system.

However, there is one regional economic and land use cause and effect relationship that remains consistent across geographical areas and over time. Commercial development is to a large extent caused by the spending patterns of local residents. Commercial development follows residential development or anticipates new development occurring in the near term. This development pattern can be observed throughout metropolitan regions and is driven by the site location process followed by retailers. When seeking new locations, the most common measure of a potential market used by site location analysts is the number of...
households within a reasonable driving distance for shopping trips and the median income of those households.

Given this consistent regional economic and land use cause and effect relationship, it is reasonable to allocate at least some of the burden of commercial trip ends to residential development. This approach is used in impact fee nexus studies to more accurately allocate the burden of transportation improvements needed to accommodate growth.\(^2\)

Not all retail spending is related to local residential development. By “local” we mean residents (or businesses) located within the area subject to the impact fee. There are three major sources of retail spending:

1. Local households;
2. Local businesses; and
3. Visitors that travel to the area to shop.

The RTCIP impact fee is limited to residential development so the focus of this nexus study was shifting the appropriate share of travel demand from commercial to residential development. The demand for commercial development by local businesses was not identified.

To determine the amount of commercial development associated with residential development we conducted an analysis of taxable retail sales data for 2004, the most recent complete year of data available from the State Board of Equalization. The analysis calculated the total spending potential of San Diego County households and estimated what portion of that spending occurred within the County. The result was that 62.6 percent of total taxable retail sales was estimated to be associated with local household spending. The remainder was associated with local business and visitor spending. Based on this analysis, residential development directly causes 62.6 percent of commercial development. Consequently, the travel demand associated with that share of commercial development is shifted to residential development.

The results of this analysis are summarized in Table 4 and presented in detail in Appendix B.

**Total Travel Demand By Land Use Category**

Table 5 shows estimates of travel demand from existing and new development and the shares that residential and nonresidential development comprise of the total. Travel demand is based on the travel demand factors calculated in Table 3 and the growth estimates in Table 1. Commercial development associated with local household spending as shown in Table 4 is included in the residential land use category. Based on this analysis new residential development will represent about 13 percent of total travel demand in 2030.

Table 4: Allocation of Taxable Retail Spending & Commercial Sq. Ft. in San Diego County

<table>
<thead>
<tr>
<th></th>
<th>Taxable Retail Sales (2004)</th>
<th>Share</th>
<th>Building Square Feet</th>
<th>2002</th>
<th>2025</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Taxable Retail Spending &amp; Commercial Sq. Ft.</td>
<td>$44,470,000</td>
<td>100.0%</td>
<td>148,000</td>
<td>197,000</td>
<td>49,000</td>
<td></td>
</tr>
<tr>
<td>Local Residential Taxable Spending &amp; Sq. Ft.</td>
<td>27,856,000</td>
<td>62.6%</td>
<td>93,000</td>
<td>123,000</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>Local Business and Visitor Taxable Spending &amp; Sq. Ft.</td>
<td>16,614,000</td>
<td>37.4%</td>
<td>55,000</td>
<td>74,000</td>
<td>19,000</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Tables 1 and B.4; MuniFinancial.

Table 5: Travel Demand From Existing and New Development

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Travel Demand Factor</th>
<th>Development</th>
<th>Travel Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>11.10</td>
<td>648,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Multi-family</td>
<td>8.88</td>
<td>419,000</td>
<td>157,000</td>
</tr>
<tr>
<td>Local-serving Commercial</td>
<td>27.88</td>
<td>93,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,160,000</td>
<td>317,000</td>
<td></td>
</tr>
<tr>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresidential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Commercial</td>
<td>27.88</td>
<td>55,000</td>
<td>19,000</td>
</tr>
<tr>
<td>Office/Services</td>
<td>24.40</td>
<td>104,000</td>
<td>31,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>10.24</td>
<td>345,000</td>
<td>220,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,757,000</td>
<td>617,000</td>
<td></td>
</tr>
<tr>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Per dwelling unit for residential land uses and per 1,000 square feet for nonresidential land uses.
2 Dwelling units for residential land uses and 1,000 square feet for nonresidential land uses.
3 Estimated total trip ends adjusted for the factors shown in Table 3.
4 The multi-family travel demand factor and demand calculations include mobile homes.
5 Represents share of total commercial square feet and travel demand associated with spending by San Diego County households.
6 Represents share of total commercial square feet and travel demand associated with spending by San Diego County businesses and visitors.

Source: Tables 1, 3 and 4; MuniFinancial.

Facilities Standard and Need for Transportation Improvements

The critical policy issue in a development impact fee nexus study is the identification of a facility standard. The facility standard determines new development’s need for new facilities. The facility standard is also used to evaluate the existing level of facilities to ensure that new development does not fund infrastructure needed to serve existing development.

The facility standard used by this nexus analysis is average weekday vehicle hours of delay on the Regional Arterial System (RAS) in 2008. Hours of delay provide a reasonable system-wide measure of the impact of new development on congestion and mobility. SANDAG’s
transportation forecasting model (TransCAD) demonstrates that hours of delay increase with the level of new development, and decrease with investment in additional transportation system capacity. Projected hours of delay in 2002 is used for the standard because that is the implementation date for the RTCIP, representing existing conditions at the time new development would begin contributing to transportation system improvements.

The original RTCIP fee estimate was based on the need for 710 additional lane miles to complete the RAS as of the year 2000 (see “Initial RTCIP Impact Fee Calculation” in Chapter 1). Through 2002 the region added 73 lane miles to the RAS. This effort reduces the level of investment needed to complete the RAS to 637 lane miles.

The data in Table 6 from the TransCAD model demonstrates a reasonable relationship between new development and the need for additional investment in the RAS. The table shows the projected increases in vehicle hours of delay from 2002 to 2030 and the benefits of adding 637 lane miles to the RAS. Without any investment in the RAS vehicle hours of delay will increase by 114 percent during this period. With an investment of 637 new lane miles in regional arterials vehicle hours of delay will increase substantially less, by 68 percent.

<table>
<thead>
<tr>
<th>Table 6: Regional Arterial System Roadway Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected 2030</strong></td>
</tr>
<tr>
<td>Lane Miles</td>
</tr>
<tr>
<td>Change, 2002-2030 (amount)</td>
</tr>
<tr>
<td>Change, 2002-2030 (percent)</td>
</tr>
<tr>
<td>Average Weekday Vehicle Hours of Delay</td>
</tr>
<tr>
<td>Change, 2002-2030 (amount)</td>
</tr>
<tr>
<td>Change, 2002-2030 (percent)</td>
</tr>
</tbody>
</table>

Note: 2002 data interpolated based on 2000 and 2005 data provided by model output (see Source).

Source: San Diego Association of Governments, TransCAD model output.

New development is not the entire cause of the forecasted increase in vehicle hours of delay. As discussed above, new development is only allocated a share of RAS investment costs. The SANDAG transportation model assumes that vehicle miles traveled (VMT) per capita for all existing and new development will increase 9.6 percent from 2000 to 2030 continuing recent trends. Thus some of the increased in vehicle hours of delay is caused by increased travel from existing development. This trend does not affect the nexus analysis under the “average cost” approach taken by this nexus analysis (see “Initial RTCIP Impact Fee Calculation” in Chapter 1). Under this approach RAS investment costs are allocated.

3 Email communication from Bill McFarlane, Transportation Modeling Section, San Diego Association of Governments, March 8, 2006.
proportionately across existing and new development based on total travel demand, thus incorporating the impact of changes in travel behavior such as increased VMT per capita.

**Facility Costs and Available Funding**

This section estimates total costs associated with RAS improvements that are the responsibility of new development. The need for RTCIP funding based on available revenues identified in the adopted 2005 RTP is evaluated. Finally, this section provides a current list of specific projects identified for investment in the RAS.

**Unit Cost Estimates and Total Facility Costs**

For the purposes of this nexus analysis, facility costs are estimated in 2008 dollars, the first year of implementation of the RTCIP. This subsection explains the approach taken to increase unit costs from 2002 dollars to 2008 dollars.

Historically, SANDAG has assumed an annual increase of 2.6 percent for road construction costs based on the California Department of Transportation (Caltrans) construction cost index average annual compounded rate from 1980-2004. In recent years that rate has risen significantly and grown increasing volatile. To examine this issue SANDAG commissioned a study in 2005 by URS, a private consulting firm, that examined a range of data on transportation capital project cost inflation since 2002. The URS study recommended use of several national highway construction cost indices to adjust transportation project cost estimates for SANDAG’s financial planning purposes. These rates were used in the prior version of this nexus study dated September 5, 2006.

Analysis of actual costs for road construction projects in the San Diego region conducted by SANDAG staff during the past year has determined that the Caltrans highway remains the best indicator of local construction cost inflation. Indeed, the URS study recognized that California’s construction costs are higher than those in national indexes. Consequently this nexus analysis returns to the use of the Caltrans construction cost index to inflate unit cost estimate from 2002 dollars to 2008 dollars. Estimates for 2008 are based on Caltrans index data through 2007.

Annual Caltrans index data was available through 2006 at the time of this study. Index data for 2007 should be available by February 2008 when SANDAG will inform local agencies of the RTCIP impact fee amount that must be adopted by July 1, 2008 (see “Adoption By Local Agencies” in Chapter 3). For the purposes of this study the 2007 index was estimated based on the average annual compounded growth rate in the index for the ten-year period from 1996 through 2006. A ten-year average was used because of the high volatility of the index in recent years. The approach taken in this report is to estimate 2008 costs based on inflation through 2007.

As shown in **Table 7**, the cost estimate for an arterial lane mile is estimated at $10.9 million in 2008 dollars. The total compounded increase from the 2002 is 115 percent. Total costs to

---


5 Ibid., p. 4-1.
complete the arterial system are estimated at $7.0 billion based on this revised unit cost estimate.

Table 7: Estimated Arterial System Capacity Investments ($2008)

<table>
<thead>
<tr>
<th>Year</th>
<th>Caltrans Index</th>
<th>Annual Inflation Rate</th>
<th>Cumulative Cost</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>142.2</td>
<td>NA</td>
<td>NA</td>
<td>$5,100,000</td>
</tr>
<tr>
<td>2003</td>
<td>148.6</td>
<td>4.50%</td>
<td>4.50%</td>
<td>$5,330,000</td>
</tr>
<tr>
<td>2004</td>
<td>216.2</td>
<td>45.49%</td>
<td>52.04%</td>
<td>$7,754,000</td>
</tr>
<tr>
<td>2005</td>
<td>268.3</td>
<td>24.10%</td>
<td>88.68%</td>
<td>$9,623,000</td>
</tr>
<tr>
<td>2006</td>
<td>280.6</td>
<td>4.58%</td>
<td>97.32%</td>
<td>$10,063,000</td>
</tr>
<tr>
<td>2007</td>
<td>305.7</td>
<td>8.94%</td>
<td>114.96%</td>
<td>$10,963,000</td>
</tr>
</tbody>
</table>

Regional Arterial Widenings & Extensions (lane miles) (2002-2030) | 637

Total Regional Arterial System Capacity Investments (2002-2030) (Est. $2008) | $6,981,238,400

1 Annual inflation rate for 2007 was estimated using the ten-year compounded annual growth rate from 1996 to 2006 for the CalTrans highway construction annual cost index. The actual rate for 2007 will be updated after the annual index data is published by CalTrans on January 30th of 2008.

Sources: San Diego Association of Governments, Final 2030 Regional Transportation Plan, Mobility 2030 (February 2005), Technical Appendix 9 - Project Cost Estimates, p. 159; California Dept. of Transportation, Price Index for Selected Highway Construction Items (Second Quarter Ending June 30, 2007); Table 6; MuniFinancial.

Available RTP Funding

To justify the need for the RTCIP impact fee, the fee should only be imposed to the extent additional funding is needed to accommodate new development net of other anticipated funding sources. The adopted 2005 RTP examined three funding and expenditure scenarios described below. All dollars are in $2002 and are for the planning horizon 2002 to 2030.

- The Revenue Constrained scenario ($30 billion) was based on existing revenue sources and did not assume extension of the TransNet sales tax.
- The Reasonably Expected scenario ($42 billion) was based on extension of the TransNet sales tax ($8 billion) plus $4 billion more from higher levels of state and federal discretionary funds and increases in state and federal gas taxes based on historical trends.
- The Unconstrained Revenue scenario ($67 billion) was based on an analysis of transportation system needs to 2030 and identified potential revenue sources but did not specify which ones to implement.

6 SANDAG, Final 2030 Regional Transportation Plan, Mobility 2030 (February 2005), Chapter 4, pp. 35-53.
SANDAG adopted the Reasonably Expected scenario. Under this scenario the adopted 2005 RTP invests $24.5 billion for projects that expand system capacity. Other improvements totaling $17.5 billion would improve operations, maintenance, and rehabilitation of highway, road, and transit, and related facilities. The adopted 2005 RTP expenditure plan is summarized in Table 8, below.

**Table 8: RTP Investment Plan, 2002-2030 ($2002)**

<table>
<thead>
<tr>
<th>Capacity Expansion Investments</th>
<th>$ Millions ($2002)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Transit Facilities</td>
<td>$8,500 20%</td>
</tr>
<tr>
<td>Managed High Occupancy Vehicle Lane Facilities</td>
<td>7,450 18%</td>
</tr>
<tr>
<td>Highway System Completion/Widening Projects</td>
<td>3,580 9%</td>
</tr>
<tr>
<td>New Local Streets and Roads</td>
<td>4,430 11%</td>
</tr>
<tr>
<td>Regional Significant Arterials</td>
<td>500 1%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$24,460 58%</td>
</tr>
<tr>
<td>Other Investments</td>
<td>17,485 42%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$41,945 100%</td>
</tr>
</tbody>
</table>

Source: San Diego Association of Governments, *Final 2030 Regional Transportation Plan, Mobility 2030* (February 2005), p. 44; MuniFinancial.

As shown in Table 8, the adopted 2005 RTP allocates $500 million for investment in the RAS. Under the Revenue Constrained and Unconstrained Revenue scenarios the total allocation is $350 million and $700 million, respectively. Given the need for a $6.98 billion total investment (Table 7), substantial additional resources are needed.

The adopted 2005 RTP indicates that local jurisdictions need to identify matching funds for investment in the RAS because the regional funding provided through the adopted 2005 RTP:

…is intended to be matched with revenues from the local jurisdictions, which are responsible for improving regional roadways and local streets to meet their residents needs and mitigate the effects of local land use developments.

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7 Ibid., Table 4.3, p. 46, Table 4.5, p. 49.
8 Ibid., p. 103.
The adopted 2005 RTP further indicates that a regional development impact fee as contemplated by the RTCIP is one of the potential revenues sources for supplementing adopted 2005 RTP resources.9

The funding assumptions discussed above are based on the most recently adopted 2005 RTP because the draft 2007 RTP has not been adopted as of the date of this report. These assumptions are likely to vary in the final adopted 2007 RTP. However, the draft 2007 RTP continues to indicate that funding is needed from the RTCIP to mitigate the impacts of new development on the transportation system.

**Specific RAS Improvement Projects**

Table 9 shows the adopted 2005 RTP’s initial planned improvements in the RAS. These projects represent a $700 million investment under the Unconstrained Revenue scenario, or 136 additional lane miles at the 2002 cost estimate of $5.1 million per lane mile. Under the adopted Reasonably Expected scenario the adopted 2005 RTP allocates $500 million, sufficient to fund 98 additional lane miles in $2002. These projects are candidates for funding with RTCIP contributions. Funding these improvements with the RTCIP would enable RTCIP resources to expand improvements in the RAS towards full completion of the system (637 lane miles from 2002 to 2030).

**Cost Allocation and Fee Schedule**

The vehicle trip rates described in the Growth Projections section, above, provide a means to allocate a proportionate share of total RAS improvements to each new development project. Trip rates are a reasonable measure of each development project’s demand on the regional transportation system. New development’s share of total RAS improvements is divided by total trips generated by new development to calculate a cost per trip. The cost per trip multiplied by the trips generated by a development project determines that project’s fair share of total RAS improvements.

New development could contribute up to $320 per trip as shown in Table 10. This amount is based on the nexus approach taken for this analysis that allocates RAS costs to new residential development based on shares of total travel demand in 2030. This approach is based on allocating to residential development the entire burden of trips associated with commercial development that serves households within the County (see earlier discussion under “Shifting Burden of Commercial Development to Residential Development”).

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9 Ibid., p. 50.
### Table 9: Regionally Significant Planned Arterial Improvements

<table>
<thead>
<tr>
<th>Arterial</th>
<th>Limits</th>
<th>Type</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balboa Ave.</td>
<td>Kearney Villa Rd. - Ruffin Rd.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Bear Mountain Pkwy.</td>
<td>Canyon Rd. - Valley Pkwy.</td>
<td>Widen</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Black Mountain Rd.</td>
<td>Mercy Rd. - Mira Mesa Blvd.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Black Mountain Rd.</td>
<td>Emedn Rd. - Caramel Valley Rd.</td>
<td>Extend</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Cannon Rd.</td>
<td>Hidden Valley Rd. - Frost Rd.</td>
<td>Extend</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Cannon Rd.</td>
<td>El Camino Real - Mystra Dr.</td>
<td>Extend</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Cannon Rd.</td>
<td>Melrose Dr. - SR 78</td>
<td>Extend</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Citracado Pkwy.</td>
<td>I-15 - Scenic Trail Way</td>
<td>Extend</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Citracado Pkwy.</td>
<td>Avenida Del Diablo - Vineyard Ave.</td>
<td>Extend</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>College Ave.</td>
<td>Montezuma Rd. - Alvarado</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>College Ave.</td>
<td>El Camino Real - Carlsbad Village Dr.</td>
<td>Extend</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Deer Springs Rd.</td>
<td>I-15 - Twin Oaks Valley Rd.</td>
<td>Widen</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Del Dios Hwy.</td>
<td>Vía Rancho Pkwy. - Valley Pkwy.</td>
<td>Widen</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>East Valley Pkwy.</td>
<td>East Valley Blvd. - Bear Valley Pkwy.</td>
<td>Widen</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>El Camino Real</td>
<td>Camino Santa Fe - El Camino Real</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>El Camino Real</td>
<td>Manchester Ave. - Tamarack Ave.</td>
<td>Widen</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>El Camino Real</td>
<td>Tamarack Ave. - SR 76</td>
<td>Widen</td>
<td>City of Oceanside</td>
</tr>
<tr>
<td>Friars Rd.</td>
<td>Colusa St. - Lia Las Cumbres</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Friars Rd.</td>
<td>SR-163 - Frazee Rd.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Genesee Ave.</td>
<td>I-5 - Campus Point Dr.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Genesee Ave.</td>
<td>Osler St. - Marlesta Dr.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>H Street</td>
<td>Bonita Vista High - Otay Lakes</td>
<td>Widen</td>
<td>City of Chula Vista</td>
</tr>
<tr>
<td>Harbor Dr.</td>
<td>Pacific Hwy. - California St.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Heritage Rd.</td>
<td>Airway Rd. - Siempre Viva Rd.</td>
<td>Extend</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Jamacha Blvd.</td>
<td>Omega St. - Pointe Pkwy.</td>
<td>Widen</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Kearny Villa Rd.</td>
<td>SR 52 - Ruffin Rd.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Manchester Ave.</td>
<td>I-5 - Lux Canyon Dr.</td>
<td>Widen</td>
<td>City of Encinitas</td>
</tr>
<tr>
<td>Melrose Dr.</td>
<td>Spur Ave. - N Santa Fe Ave.</td>
<td>Extend</td>
<td>City of Oceanside</td>
</tr>
<tr>
<td>Melrose Dr.</td>
<td>Aspen Way - Palomar Airport Rd.</td>
<td>Extend</td>
<td>City of Carlsbad</td>
</tr>
<tr>
<td>Mission Ave.</td>
<td>Enterprise St. - Centre City Pkwy.</td>
<td>Widen</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Oceanside Blvd.</td>
<td>Oceanside Blvd. - Rancho Del Oro</td>
<td>Widen</td>
<td>City of Oceanside</td>
</tr>
<tr>
<td>Siempre Viva Rd.</td>
<td>Heritage Rd. - La Media Rd.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>South Santa Fe Ave.</td>
<td>Mar Vista Dr. - Bosstick Blvd.</td>
<td>Widen</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Torrey Pines Rd.</td>
<td>N. of Callan St. - S. of Carmel Valley Rd.</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Twin Oaks Valley Rd.</td>
<td>Craven Rd. - Rancho Santa Fe Rd.</td>
<td>Extend</td>
<td>City of San Marcos</td>
</tr>
<tr>
<td>Twin Oaks Valley Rd.</td>
<td>Deer Springs Rd. - Craven Rd.</td>
<td>Widen</td>
<td>City of San Marcos</td>
</tr>
<tr>
<td>Via de la Valle</td>
<td>Camino Santa Fe - El Camino Real</td>
<td>Widen</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Vista Sorrento Pkwy.</td>
<td>Rose Coral Row - Sorrento Valley Blvd.</td>
<td>Extend</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Vista Way</td>
<td>Emerald Dr. - Melrose Dr.</td>
<td>Widen</td>
<td>City of Vista</td>
</tr>
</tbody>
</table>

Table 10: Residential Cost per Trip (Estimated for $2008)

<table>
<thead>
<tr>
<th>Allocation of Total Costs to Residential Land Uses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Regional Arterial System Investments ($2008)</td>
<td>$6,981,238,400</td>
</tr>
<tr>
<td>New Residential Development Share of Total Trips</td>
<td>13.0%</td>
</tr>
<tr>
<td>New Residential Development Share of Total Costs</td>
<td>$907,561,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Residential Vehicle Trips (2002-2030)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>1,443,000</td>
</tr>
<tr>
<td>Multi-family*</td>
<td>1,394,000</td>
</tr>
<tr>
<td>Total New Residential Vehicle Trips</td>
<td>2,837,000</td>
</tr>
<tr>
<td>New Residential Development Cost per Trip (Est. $2008)</td>
<td>$320</td>
</tr>
</tbody>
</table>

\* Multi-family travel demand factor and demand calculations include mobile homes.

Tables 5 and 7: MuniFinancial.

The cost per trip of $320 is estimated in 2008 dollars the first year for implementation of the RTCIP. As explained in the “Facility Costs and Available Funding” section above this estimate is based on actual Caltrans construction cost index data through 2006 and an estimate for 2007. The RTCIP specifies that new development must contribute $2,000 per dwelling unit. A single fee for all dwelling units may not adequately ensure a reasonable relationship between each new development project’s proportionate share of total improvements and the amount of the fee. Separate fees by major residential land use category based on trip generation rates would more likely fulfill this statutory requirement.\(^{10}\)

To test whether the required RTCIP contribution of $2,000 per unit is justified for different types of units, Table 11 provides a fee schedule by major residential land use category based on the calculated RTCIP cost per trip from Table 10. As explained above in the “Growth Projections” section mobile homes are forecast separately by SANDAG but because of the extremely limited number they have been included in the multi-family land use category. The fee ranges from a low of $2,842 for multi-family units to a high of $3,552 for single family units. The average fee per dwelling unit is $3,164. The impact fee required by the RTCIP of $2,000 per residential unit is therefore well below the amount justified under the Mitigation Fee Act for major residential land use categories.

\(^{10}\) Mitigation Fee Act, California Government Code, §66001(b).
Table 11: RTCIP Impact Fee (Estimated for $2008)

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Cost Per Trip</th>
<th>Trip Demand Factor</th>
<th>Fee¹</th>
<th>New Development (dwelling units)</th>
<th>Estimated Revenue²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$ 320</td>
<td>11.10</td>
<td>$ 3,552</td>
<td>130,000</td>
<td>$ 461,760,000</td>
</tr>
<tr>
<td>Multi-family³</td>
<td>320</td>
<td>8.88</td>
<td>2,842</td>
<td>157,000</td>
<td>446,194,000</td>
</tr>
<tr>
<td>Total Estimated Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 907,954,000</td>
</tr>
<tr>
<td>Total New Dwelling Units (2006-2030)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>287,000</td>
</tr>
<tr>
<td>Weighted Average RTCIP Impact Fee Per Dwelling Unit (Est. $2008)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 3,164</td>
</tr>
</tbody>
</table>

¹ Fee per dwelling unit.
² Numbers may vary due to rounding.
³ Multi-family travel demand factor and demand calculations include mobile homes.

Sources: Tables 1, 3 and 10; MuniFinancial.

Extension of RTCIP to Nonresidential Land Uses

The RTCIP specifically exempts all nonresidential development. However, one option for increasing contributions from new development for RAS improvements would be to apply the RTCIP to nonresidential development as well. Table 12 shows new development's total investment in the RAS that could be made under this approach.

A fee schedule by major nonresidential land use category based on the calculated RTCIP cost per trip from Table 12 is shown in Table 13. Fees per 1,000 building square feet range from a low of $2,519 for industrial and $2,704 for commercial and to a high of $6,002 for office/services.
### Table 12: Nonresidential Cost per Trip (Estimated for $2008)

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Office/Services &amp; Industrial</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Nonresidential Development Share of Total Trips</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial 1</td>
<td>NA</td>
<td>530,000</td>
</tr>
<tr>
<td>Office/Services</td>
<td>756,000</td>
<td>NA</td>
</tr>
<tr>
<td>Industrial</td>
<td>2,253,000</td>
<td>NA</td>
</tr>
<tr>
<td>New Nonresidential Vehicle Trips (2002-2030) 1</td>
<td>3,009,000</td>
<td>530,000</td>
</tr>
<tr>
<td>Total Vehicle Trips (2030) 1</td>
<td>28,323,000</td>
<td>28,323,000</td>
</tr>
<tr>
<td>New Nonresidential Development Share</td>
<td>10.6%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

#### Allocation of Total Costs to Nonresidential Land Uses

| Total Regional Arterial System Investments ($2008) | $ 6,981,238,400 |
| New Nonresidential Development Share of Total Trips | 10.6%          |
| New Nonresidential Development Share of Total Costs | 1.9%           |
| Total Nonresidential Vehicle Trips (2030) 1 | 3,009,000       |

#### Commercial 2

| Total Nonresidential Vehicle Trips (2002-2030) | 1,366,000 |

| Cost per Trip (Est. $2008) | $ 246 | $ 97 |

1 For the purpose of determining new commercial development's fair share of total costs, trips exclude those associated with spending by local (San Diego County) residents. Commercial trips associated with local residential spending are used to allocate total costs to residential development (see Table 10).

2 Includes local and regional commercial trips. It would be impractical to identify on a project-by-project basis that portion of new commercial development associated only with non-local residential spending. Therefore, new commercial development's fair share of total costs is allocated across all new commercial vehicle trips (see Table 5).

### Table 13: Nonresidential Impact Fee (Estimated for $2008)

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Cost Per Trip</th>
<th>Trip Demand Factor</th>
<th>Fee 1</th>
<th>New Development (ksf)</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>$ 97</td>
<td>27.88</td>
<td>$ 2,704</td>
<td>49,000</td>
<td>$ 132,496,000</td>
</tr>
<tr>
<td>Office/Services</td>
<td>246</td>
<td>24.40</td>
<td>$ 6,002</td>
<td>31,000</td>
<td>186,062,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>246</td>
<td>10.24</td>
<td>$ 2,519</td>
<td>220,000</td>
<td>554,180,000</td>
</tr>
</tbody>
</table>

Total Estimated Revenue (Est. $2008) $ 872,738,000

1 Fee per 1,000 square feet.

Sources: Tables 1, 3 and 10; MuniFinancial.
3. Implementation

Local agencies need to adopt a “Funding Program” to implement the RTCIP. The Funding Program must generate the funding per new residential unit required by the RTCIP. This chapter provides guidance on use of this nexus study by local agencies to implement a Funding Program and comply with the RTCIP. “Local agencies” includes all cities in the County plus the County of San Diego for development in the unincorporated area.

The guidance provided in this study is not a substitute for legal advice and all local agencies should consult with their legal counsel regarding compliance with the Mitigation Fee Act (Act). Local agencies are hereby put on notice that the findings and guidance in this study are generalized, and were created for use as a framework to be tailored by each local agency. SANDAG disclaims any responsibility for any liability to users of this study, or any other party, for any loss or damages, consequential or otherwise, including but not limited to time, money, or goodwill, arising from the use, operation or modification of the information in the study. In using this report, local agencies further agree to indemnify, defend, and hold harmless SANDAG, its officers and employees, for any and all liability of any nature arising out of or resulting from use of the study. Distribution of this study shall not constitute any warranty by SANDAG.

Adoption By Local Agencies

Adoption Schedule

To meet the requirements of the Act and the July 1, 2008 RTCIP deadline, local agencies will need to adopt the RTCIP impact fee by May 1, 2008. This allows for the sixty-day period required under California Government Code section 60017 of the Act between the date of adoption and the date the fee becomes effective. The same section of the Act includes certain notice and public hearing requirements as well that each local agency must follow. Legal counsel should also advise on timelines, hearings requirements, and all other actions required for fee adoption by the Act.

A checklist for the initial adoption of the RTCIP with a schedule of steps required for implementation is included in Appendix C of this study. The checklist is titled, “RTCIP Impact Fee Initial Adoption - Local Agency Implementation Checklist.”

Ordinance, Resolution, and Nexus Study

Local agencies may need to adopt an ordinance and resolution to implement the fee. The ordinance would provide the authority for the agency to impose the RTCIP impact fee. The resolution would specify the fee amount. Setting the fee by resolution avoids having to amend the local agency’s municipal code whenever the fee must be adjusted, facilitating annual updates to the fee for cost inflation.

1 San Diego Association of Governments, TransNet Extension Regional Transportation Congestion Improvement Program, Sec. A.
To adopt the initial fee of $2,000 per residential unit the local agency fee resolution may reference this nexus study for documentation of the findings required by the Act.

The local agency may reference this nexus study to support adoption of a fee on residential development up to the maximum amounts shown in Tables 11. The adopted fee should be no higher than the levels indicated in the table by land use category. Fee revenues should only be used for the purposes described in this report. For the purposes of this study “single family” includes projects at net development densities of six or fewer units per acre (see Table 3, footnote 5). “Multi-family” includes projects at net development densities of over six units per acre.

To facilitate integration with existing fee schedules, there are several conditions under which the local agency’s fee schedule may vary while still referencing this nexus study for documentation of the findings required under the Act:

- The fee schedule shown in Table 11 may be applied to single family and multi-family land use categories that do not vary substantially from the definition of those categories used in this nexus study. For example the “break point” between the definition of single and multi-family may be at a different development density level.

- The fee may be applied to different residential land use categories, e.g. condominiums or mobile homes, using the cost per trip calculated in the this nexus study (see Table 10 for the cost per trip). The trip rate used to calculate the fee should reasonably reflect travel demand generated by new development within the land use category.

Local agencies must conduct a separate nexus study if the conditions described above are not met.

### Applying Fee To Nonresidential Development

The local agency may also apply an impact fee to nonresidential development to fund improvements to the RAS. However, as mentioned above in the Nexus Analysis chapter, expansion of the RTCIP Funding Program to nonresidential development is not a requirement of the TransNet ordinance and is not necessary for a local agency to implement the RTCIP. If the agency chooses to apply the fee to nonresidential development and adopts the fee schedule as shown in Table 13, above, then the fee resolution can reference this nexus study and the local agency does not have to conduct a separate study. If the local agency adopts a different nonresidential fee schedule then the agency will need to conduct a new nexus study to justify the nonresidential fee.

### Inflation Adjustment

The initial RTCIP funding requirement of $2,000 per new dwelling unit will apply upon initial adoptions of the fee in 2008. The TransNet ordinance provides for an annual inflation adjustment to the RTCIP impact fee on July 1 of each year beginning in 2009.2 The inflation adjustment is calculated based on the Consumer Price Index for Urban Consumers (CPI-U) published by the U.S. Bureau of Labor Statistics.

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2 San Diego Association of Governments, *TransNet Extension Regional Transportation Congestion Improvement Program*, Sec. C.
adjustment will be two percent or based on the Caltrans highway construction cost index, whichever is higher. SANDAG may choose to use a different cost index. Each local agency will need to adjust their RTCIP impact fee annually.

A checklist for the annual update and a five-year update of the RTCIP fees along with a schedule of steps required for implementation is included in Appendix C. This checklist is titled, “RTCIP Impact Fee Annual and Five-Year Update - Local Agency Implementation Checklist.”

Collection and Administration

Each local agency will be responsible for the collection, administration, and expenditure of RTCIP impact fee revenues generated within its jurisdiction. Fee revenues should be placed in a separate fund and administered pursuant to the requirements of the Act. For example, interest earnings on fund balances need to be credited to the fund. In addition, the Act requires that the local agency provide specific information regarding fee revenues and expenditures annually and every five years in a public report.3

The Independent Taxpayer Oversight Committee (ITOC), created for the TransNet program, is responsible for reviewing local agency implementation of the RTCIP. Each local agency must submit their Funding Program for review by the ITOC by April 1, 2008. The ITOC must review and audit each local agency’s program annually. The reporting requirements required by the Act should be sufficient to meet the ITOC’s needs in this regard. If a local agency does not comply with the RTCIP the agency can lose TransNet sales tax funding for local roads.

Local agencies and SANDAG can fund the administrative costs of the RTCIP with a charge added to the RTCIP impact fee. The RTCIP allows up to three percent of program revenues to be used for program administration.4 SANDAG anticipates adding a one percent administrative charge to the RTCIP fee to fund costs related to the ITOC. Local agencies may add up to two percent for their program administration costs. These charges are similar to any other user fees imposed by local agencies and are not subject to the Act. These charges must be justified based on the actual program administration costs of each agency. Agencies should keep cost records and adjust the administrative charge as appropriate based on actual costs.

Use of Revenues

RTCIP impact fee revenues must be expended on improvements to the RAS in a manner consistent with the expenditure priorities in the most recent adopted RTP. Fee revenues may not be expended on road maintenance. RTCIP impact fee revenues may be used for any capital costs associated with improving the RAS including costs associated with:

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3 California Government Code, §§66001(d) and 66006(b).

4 San Diego Association of Governments, TransNet Extension Regional Transportation Congestion Improvement Program, Sec. D(2).
Arterial widenings, extensions, and turning lanes;
Traffic signal coordination and other traffic improvements;
Reconfigured freeway-arterial interchanges;
Railroad grade separations; and
Expanded regional express bus service.

Costs funded by the RTCIP impact fee may include project administration and management, design and engineering, right-of-way acquisition, and construction. The RTCIP requires that each local agency expend revenues within seven years of receipt or have an expenditure plan that justifies keeping revenues for a longer period. The Act has a similar requirement with a five years limitation unless there is an expenditure plan that justifies keeping revenues for a longer period.

Exemptions

The RTCIP program exempts the following residential development from the impact fee:

- 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;
- Government/public buildings, public schools and public facilities;
- Rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential unit;
- Development projects subject to development agreements prior to the effective date of the TransNet ordinance (May 28, 2004) that expressly prohibit the imposition of new impact fees, however if the terms of the development agreement are extended beyond July 1, 2008, the requirements of the RTCIP shall apply;
- Guest dwellings;
- Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
- Kennels and catteries established in conjunction with an existing residential unit;
- The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption;
- Residential units that have been issued a building permit prior to July 1, 2008; and
- Condominium conversions.

5 Ibid., Sec. G(4).
6 Ibid, Sec. E.
4. Mitigation Fee Act Findings

Development impact fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees, the State Legislature adopted the Mitigation Fee Act (Act) with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in California Government Code Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The Act requires local agencies to document five findings when adopting a fee.

Sample text that may be used for the five statutory findings required for adoption of the RTCIP impact fee are presented in this chapter and supported in detail by the Nexus Analysis chapter of this report. All statutory references below are to the Act. This sample framework for the mitigation fee act findings is only to provide local agencies with guidance and is not a substitute for legal advice. Local agencies should customize the findings for their jurisdiction and consult with their legal counsel prior to adoption of the RTCIP impact fee.

Purpose of Fee

For the first finding the local agency must:

Identify the purpose of the fee. (§66001(a)(1))

SANDAG policy as expressed through the TransNet Extension Ordinance and Expenditure Plan (Commission Ordinance 04-01) is that new development shall contribute towards the Regional Arterial System (RAS) through the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP impact fee is to implement this policy. The fee advances a legitimate public interest by enabling SANDAG to fund improvements to transportation infrastructure required to accommodate new development.

Use of Fee Revenues

For the second finding the local agency must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66062, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

The RTCIP impact fee will fund expanded facilities on the Regional Arterial System (RAS) to serve new development. These facilities include:

- Roadway widening;
- Roadway extension;
- Traffic signal coordination and other traffic improvements;
Freeway interchanges and related freeway improvements;
Railroad grade separations; and
Improvements required for regional express bus and rail transit.

Costs for planned traffic facilities are preliminarily identified in this report. Costs funded by the RTCIP impact fee may include project administration and management, design and engineering, right-of-way acquisition, and construction. More detailed descriptions of planned facilities, including their specific location, if known at this time, are shown in the SANDAG’s Regional Transportation Plan and other documents. Local agencies implementing the RTCIP may change the list of planned improvements to meet changing circumstances and needs, as they deem necessary. Fee revenues will be used for the sole purpose of expanding capacity on the RAS to accommodate new development. The RTCIP impact fee will not be used for the purpose of correcting existing deficiencies in the roadway system.

**Benefit Relationship**

For the third finding the local agency must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The local agency will restrict fee revenues to capital projects that expand capacity on the RAS to serve new development. Improvements funded by the RTCIP impact fee will expand a region-wide arterial system accessible to the additional residents and workers associated with new development. SANDAG has determined that the planned projects identified in this report will expand the capacity of the Regional Arterial System to accommodate the increased trips generated by new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

**Burden Relationship**

For the fourth finding the local agency must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))

New dwelling units and building square footage are indicators of the demand for transportation improvements needed to accommodate growth. As additional dwelling units and building square footage are created, the occupants of these structures generate additional vehicle trips and place additional burdens on the transportation system.

The need for the RTCIP impact fee is based on SANDAG transportation model projections of growth that show an increase in vehicle hours of delay on the RAS primarily as a result of new development even with planned improvements to that system. The model estimated impacts from new development based on trip generation rates that varied by land use category, providing a reasonable relationship between the type of development and the need for improvements.
**Proportionality**

For the fifth finding the SANDAG must:

Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))

This reasonable relationship between the RTCIP impact fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated vehicle trips the project will add to the Regional Arterial System. The total fee for a specific residential development is based on the number and type of new dwelling units multiplied the trip generation rate for the applicable residential land use category. The fee for a specific nonresidential development is based in a similar manner on the amount of building square footage by land use category. Larger projects generate more vehicle trips and pay a higher fee than smaller projects of the same land use category. Thus, the fee schedule ensures a reasonable relationship between the RTCIP impact fee for a specific development project and the cost of the Regional Arterial System improvements facilities attributable to the project.
Table A.1 lists the arterials included in the Regional Arterial System by the Regional Transportation Plan adopted in 2005.

### Table A.1: Regional Arterial System

<table>
<thead>
<tr>
<th>Arterial</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st St</td>
<td>A St - K St.</td>
</tr>
<tr>
<td>2nd St</td>
<td>Greenfield Dr - Main St</td>
</tr>
<tr>
<td>30th St</td>
<td>National City Blvd - 2nd St</td>
</tr>
<tr>
<td>32nd St</td>
<td>Harbor Dr - Norman Scott Rd</td>
</tr>
<tr>
<td>54th St</td>
<td>El Cajon Blvd - SR94</td>
</tr>
<tr>
<td>70th St</td>
<td>University Ave - I-8</td>
</tr>
<tr>
<td>Ardath Rd</td>
<td>Hidden Valley Rd - I-5</td>
</tr>
<tr>
<td>Avocado Ave</td>
<td>Main St - Chase Ave</td>
</tr>
<tr>
<td>Avocado Blvd</td>
<td>Chase Ave - SR94</td>
</tr>
<tr>
<td>Balboa Ave</td>
<td>Mission Bay Dr - I-15</td>
</tr>
<tr>
<td>Ballantyne St</td>
<td>Broadway - Main St</td>
</tr>
<tr>
<td>Barham Dr</td>
<td>La Moree Rd - Mission Rd</td>
</tr>
<tr>
<td>Barnett Ave</td>
<td>Saint Charles St - Pacific Highway</td>
</tr>
<tr>
<td>Bay Marina Way (24th St)</td>
<td>I-5 - Terminal Ave</td>
</tr>
<tr>
<td>Bear Valley Pkwy</td>
<td>East Valley Pkwy - Sunset Dr</td>
</tr>
<tr>
<td>Bernardo Center Dr</td>
<td>Camino Del Norte - I-15</td>
</tr>
<tr>
<td>Beyer Blvd</td>
<td>Main St - Dairy Mart Road</td>
</tr>
<tr>
<td>Black Mountain Rd</td>
<td>Del Mar Heights - Pomerado Rd</td>
</tr>
<tr>
<td>Bobier Dr</td>
<td>Melrose Dr - E Vista Way</td>
</tr>
<tr>
<td>Bonita Rd</td>
<td>E St - San Miguel Rd</td>
</tr>
<tr>
<td>Borden Rd</td>
<td>Las Posas Rd – Woodland Pkwy</td>
</tr>
<tr>
<td>Borrego Springs Rd/Yaqui Pass Rd (S-3)</td>
<td>Palm Canyon Dr (S-22) - SR78</td>
</tr>
<tr>
<td>Bradley Ave</td>
<td>Marshall Ave - 2nd St</td>
</tr>
<tr>
<td>Broadway (El Cajon)</td>
<td>SR67 - E. Main St.</td>
</tr>
<tr>
<td>Broadway (Lemon Grove)</td>
<td>Spring St - College Ave</td>
</tr>
<tr>
<td>Broadway (San Diego)</td>
<td>C St - Main St</td>
</tr>
<tr>
<td>Broadway (Vista)</td>
<td>Lincoln Pkwy/SR78 - Washington Ave</td>
</tr>
<tr>
<td>Buckman Springs Rd/Hwy 80/Sunrise Hwy (S-1)</td>
<td>SR94 - SR79</td>
</tr>
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* Inclusion in Regional Arterial System contingent upon designation as a four-lane arterial by the County of San Diego.
Appendix B: Retail Spending and Sales Analysis

This appendix presents the analysis conducted to estimate the amount of commercial development within San Diego County that is associated with spending by local (San Diego County) households. The following steps summarize the approach taken for the analysis and are explained in more detail below.

1. Estimate total potential spending by local households based on estimates of per household spending by retail category;
2. Compare total local household spending potential with total retail sales to estimate by retail category:
   a. Leakage of spending by local households to retail establishments outside the County,
   b. Capture of sales from visitors outside the County by local retail establishments;
3. Calculate the share of retail sales associated with local household spending; and
4. Validate the estimate of total local household spending by analyzing visitor industry data.

All data is from 2004 because this was the last complete year of retail sales data available from the State Board of Equalization (SBOE) at the time of this report.

Total Household Spending

Total spending by San Diego households is estimated by adjusting per household spending based on statewide data for the difference in median household income between the State and the County.

As an initial step in the analysis, statewide taxable retail sales by category were compared with San Diego County sales to determine if any anomalies existed in San Diego sales patterns that should be accommodated in the model. As shown in Table B.1, San Diego has about $44 billion in taxable retail sales in 2004 compared to statewide sales of $500 billion. Sales patterns in the County are very similar to the statewide sales though the County has slightly more spending in retail stores compared to non-retail stores. The retail store categories that exhibit higher levels of spending compared to the state as a whole (apparel, general merchandise, specialty, and food and beverage) are associated with visitor spending, indicative of San Diego’s strong tourism industry. We also conjecture that the higher levels of spending in the building material category are associated with spending by Mexican visitors, though we could not find specific data to support this hypothesis.
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<tbody>
<tr>
<td></td>
<td>San Diego County</td>
<td>California</td>
</tr>
<tr>
<td>Apparel Stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women's Apparel</td>
<td>420,000</td>
<td>4,617,000</td>
</tr>
<tr>
<td>Men's Apparel</td>
<td>107,000</td>
<td>1,034,000</td>
</tr>
<tr>
<td>Family Apparel</td>
<td>907,000</td>
<td>8,819,000</td>
</tr>
<tr>
<td>Shoes</td>
<td>210,000</td>
<td>2,487,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,644,000</td>
<td>16,957,000</td>
</tr>
<tr>
<td>General Merchandise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Merchandise</td>
<td>4,721,000</td>
<td>47,948,000</td>
</tr>
<tr>
<td>Drug Store</td>
<td>484,000</td>
<td>5,392,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>5,205,000</td>
<td>53,940,000</td>
</tr>
<tr>
<td>Specialty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gift, Art Goods, Novelty</td>
<td>167,000</td>
<td>1,858,000</td>
</tr>
<tr>
<td>Sporting Goods</td>
<td>353,000</td>
<td>3,652,000</td>
</tr>
<tr>
<td>Florists</td>
<td>122,000</td>
<td>1,078,000</td>
</tr>
<tr>
<td>Photo Equip., and Supplies</td>
<td>37,000</td>
<td>523,000</td>
</tr>
<tr>
<td>Musical Instruments</td>
<td>121,000</td>
<td>1,516,000</td>
</tr>
<tr>
<td>Stationery and Books</td>
<td>356,000</td>
<td>4,018,000</td>
</tr>
<tr>
<td>Jewelry</td>
<td>258,000</td>
<td>2,638,000</td>
</tr>
<tr>
<td>Office and School Supply</td>
<td>1,411,000</td>
<td>15,661,000</td>
</tr>
<tr>
<td>Other Specialties</td>
<td>1,716,000</td>
<td>18,018,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>4,541,000</td>
<td>48,962,000</td>
</tr>
<tr>
<td>Grocery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery - All Type Liq.</td>
<td>1,005,000</td>
<td>12,550,000</td>
</tr>
<tr>
<td>Grocery - All Other</td>
<td>732,000</td>
<td>7,276,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,737,000</td>
<td>19,826,000</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurant - No Alcohol</td>
<td>1,890,000</td>
<td>19,960,000</td>
</tr>
<tr>
<td>Restaurant - Bar - Beer-Wine</td>
<td>795,000</td>
<td>10,792,000</td>
</tr>
<tr>
<td>Restaurant - Bar - All Type Liq.</td>
<td>1,363,000</td>
<td>12,523,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>4,048,000</td>
<td>43,275,000</td>
</tr>
<tr>
<td>Household</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>1,162,000</td>
<td>11,991,000</td>
</tr>
<tr>
<td>Household Appliances</td>
<td>387,000</td>
<td>4,414,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,549,000</td>
<td>16,405,000</td>
</tr>
<tr>
<td>Building Material</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Material</td>
<td>2,649,000</td>
<td>25,603,000</td>
</tr>
<tr>
<td>Hardware Stores</td>
<td>231,000</td>
<td>3,392,000</td>
</tr>
<tr>
<td>Plumbing and Elec. Supply</td>
<td>414,000</td>
<td>4,086,000</td>
</tr>
<tr>
<td>Paint, Glass, Wallpaper</td>
<td>47,000</td>
<td>1,074,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>3,341,000</td>
<td>34,155,000</td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Dealers - New</td>
<td>5,541,000</td>
<td>59,683,000</td>
</tr>
<tr>
<td>Aut Dealers - Used</td>
<td>551,000</td>
<td>5,752,000</td>
</tr>
<tr>
<td>Auto Supplies and Parts</td>
<td>421,000</td>
<td>5,334,000</td>
</tr>
<tr>
<td>Service Stations</td>
<td>2,805,000</td>
<td>32,760,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>9,318,000</td>
<td>103,529,000</td>
</tr>
<tr>
<td>Other Retail Stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquor Stores</td>
<td>186,000</td>
<td>2,350,000</td>
</tr>
<tr>
<td>Second-hand Merch.</td>
<td>66,000</td>
<td>534,000</td>
</tr>
<tr>
<td>Farm Impl. Dealers</td>
<td>177,000</td>
<td>2,976,000</td>
</tr>
<tr>
<td>Farm and Garden Supply</td>
<td>95,000</td>
<td>2,386,000</td>
</tr>
<tr>
<td>Fuel and Ice Dealers</td>
<td>9,000</td>
<td>321,000</td>
</tr>
<tr>
<td>Mobile Home and Camper</td>
<td>189,000</td>
<td>1,453,000</td>
</tr>
<tr>
<td>Boat, Motorcycle, Plane</td>
<td>321,000</td>
<td>3,104,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>962,000</td>
<td>13,124,000</td>
</tr>
<tr>
<td>Subtotal Retail Stores</td>
<td>32,345,000</td>
<td>350,173,000</td>
</tr>
<tr>
<td>Non-Retail Stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business and Personal Services</td>
<td>2,147,000</td>
<td>22,307,000</td>
</tr>
<tr>
<td>All Other Outlets</td>
<td>9,978,000</td>
<td>127,597,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>12,125,000</td>
<td>149,904,000</td>
</tr>
<tr>
<td>Total</td>
<td>44,470,000</td>
<td>500,077,000</td>
</tr>
</tbody>
</table>

Source: Taxable Sales in California (Sales & Use Tax) During 2004, California State Board of Equalization.
To separate out household from business spending, all household spending is assumed to occur in retail stores and all business-to-business spending is assumed to occur in non-retail stores. As shown in Table B.1, non-retail stores include “Business and Personal Services” and “All Other Outlets”. Both categories are largely composed of retail establishments that sell primarily to businesses. The “All Other Outlets” category primarily includes manufacturing, warehousing and other establishments that sell primarily to businesses. There is some overlap in the source of spending (household versus business) across all retail (store and non-store) categories but this overlap is assumed to be largely offsetting between total retail store and total non-store spending. This approach is commonly used in retail spending and sales analysis to separate household from business spending.

Per household spending estimates were generated based on statewide data for retail stores adjusted for the difference in median household income between the State and the County. San Diego’s median income is about one percent less than the State’s median income resulting in a commensurate adjustment to state per household spending patterns by retail store category.

San Diego per household spending is multiplied by the number of households in San Diego to estimate total spending for 2004. As shown in Table B.2 this approach results in a total spending potential for San Diego households of $30 billion.

### Table B.2 - Household Taxable Retail Spending Potential (2004)

<table>
<thead>
<tr>
<th>Major Business Group</th>
<th>Total Spending California Households ($000s)</th>
<th>Per Household Spending</th>
<th>Total Spending San Diego Households ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households</td>
<td>12,015,591</td>
<td>1,043,221</td>
<td></td>
</tr>
<tr>
<td>Median Household Income</td>
<td>47,493</td>
<td>47,067</td>
<td></td>
</tr>
<tr>
<td>Household Spending and Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apparel Stores</td>
<td>16,957,000</td>
<td>$1,411</td>
<td>$1,399</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>53,940,000</td>
<td>4,489</td>
<td>4,449</td>
</tr>
<tr>
<td>Specialty</td>
<td>48,962,000</td>
<td>4,075</td>
<td>4,038</td>
</tr>
<tr>
<td>Grocery</td>
<td>19,826,000</td>
<td>1,650</td>
<td>1,635</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>43,275,000</td>
<td>3,602</td>
<td>3,569</td>
</tr>
<tr>
<td>Household</td>
<td>16,405,000</td>
<td>1,365</td>
<td>1,353</td>
</tr>
<tr>
<td>Building Material</td>
<td>34,155,000</td>
<td>2,843</td>
<td>2,817</td>
</tr>
<tr>
<td>Automotive</td>
<td>103,529,000</td>
<td>8,616</td>
<td>8,539</td>
</tr>
<tr>
<td>Other Retail Stores</td>
<td>13,124,000</td>
<td>1,092</td>
<td>1,082</td>
</tr>
<tr>
<td>Total - Consumer</td>
<td>350,173,000</td>
<td>$29,143</td>
<td>$28,882</td>
</tr>
<tr>
<td></td>
<td>$30,131,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census, Table P53; California Department of Finance, Report E-5; Table A.1; MuniFinancial.
Capture and Leakage

Capture and leakage are common concepts used in retail analysis. Not all local household spending occurs in San Diego County; some spending leaks out to other areas when residents travel or are otherwise attracted to retail opportunities outside the County. Furthermore, not all retail store sales in San Diego County are generated by local households; some are captured by stores from customers visiting the County from other locations including Mexico. Given San Diego's attractiveness as a tourist destination and its proximity to the Mexican border, one would expect that a significant share of total retail store sales would represent capture of visitor spending.

Given this regional economic context, we estimated leakage rates by major store category to calculate net local household spending in San Diego County by category. We then compared this estimate of spending with actual sales by store category and calculated the amount of outside capture that the category would need to force local household spending to equal local sales. This analysis is shown in Table B.3. The model resulted in a leakage estimate of eight percent of household spending, and capture estimate of 14 percent of retail store sales. The differences between the estimates of local spending and sales by category shown in the middle columns are due to rounding.

### Table B.3 - San Diego County Local Household Taxable Retail Spending & Sales (2004)

<table>
<thead>
<tr>
<th>Major Business Group</th>
<th>Potential Spending San Diego Households ($000s)</th>
<th>Leakage</th>
<th>Local Spending/Sales Reconciliation Based on Spending ($000s)</th>
<th>Diff-erence</th>
<th>Based on Sales ($000s)</th>
<th>Actual Sales San Diego County Sales ($000s)</th>
<th>Outside Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel Stores</td>
<td>1,459,000</td>
<td>15%</td>
<td>1,240,000</td>
<td>1%</td>
<td>1,233,000</td>
<td>25%</td>
<td>1,644,000</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>4,641,000</td>
<td>15%</td>
<td>3,945,000</td>
<td>0%</td>
<td>3,956,000</td>
<td>24%</td>
<td>5,205,000</td>
</tr>
<tr>
<td>Specialty</td>
<td>4,213,000</td>
<td>15%</td>
<td>3,581,000</td>
<td>0%</td>
<td>3,587,000</td>
<td>21%</td>
<td>4,541,000</td>
</tr>
<tr>
<td>Grocery</td>
<td>1,706,000</td>
<td>0%</td>
<td>1,706,000</td>
<td>0%</td>
<td>1,702,000</td>
<td>2%</td>
<td>1,737,000</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>3,724,000</td>
<td>15%</td>
<td>3,165,000</td>
<td>0%</td>
<td>3,157,000</td>
<td>22%</td>
<td>4,048,000</td>
</tr>
<tr>
<td>Household</td>
<td>1,412,000</td>
<td>0%</td>
<td>1,412,000</td>
<td>0%</td>
<td>1,410,000</td>
<td>9%</td>
<td>1,549,000</td>
</tr>
<tr>
<td>Building Material</td>
<td>2,939,000</td>
<td>0%</td>
<td>2,939,000</td>
<td>0%</td>
<td>2,940,000</td>
<td>12%</td>
<td>3,341,000</td>
</tr>
<tr>
<td>Automotive</td>
<td>8,908,000</td>
<td>0%</td>
<td>8,908,000</td>
<td>0%</td>
<td>8,945,000</td>
<td>4%</td>
<td>9,318,000</td>
</tr>
<tr>
<td>Other Retail Stores</td>
<td>1,129,000</td>
<td>15%</td>
<td>960,000</td>
<td>0%</td>
<td>962,000</td>
<td>0%</td>
<td>962,000</td>
</tr>
<tr>
<td>Total</td>
<td>30,131,000</td>
<td>8%</td>
<td>27,856,000</td>
<td>0%</td>
<td>27,892,000</td>
<td>14%</td>
<td>32,345,000</td>
</tr>
</tbody>
</table>

The leakage rates in Table B.3 that determine the local spending amounts and outside capture rates were estimated based on (1) survey data of visitor spending in San Diego estimating spending by retail category, and (2) an assumptions that comparison goods such as apparel and general merchandise are likely to have higher leakage rates compared to convenience goods such as groceries. Local households are most likely to spend on comparison goods and travel related activities outside the County in the “apparel stores”, “general merchandise”, “specialty”, and “food and beverage” categories. For these categories a leakage rate of 15 percent was estimated. For all other categories all household spending was assumed to remain local (zero leakage). The “other retail store” was a special case in that...
it was the only category where potential local spending was greater than total sales. For this category we assumed a 15 percent leakage rate to generate a zero percent capture rate.

**Local Spending Share of Total Sales**

The share of total retail sales in the County associated with spending by local residential development can be calculated from the results of Tables B.1 and B.3. As shown in Table B.4, an estimated 62.6 percent of total retail spending (store and non-store) is associated with spending by residential development (households) located in San Diego County.

### Table B.4: Allocation of Taxable Retail Spending in San Diego County (2004)

<table>
<thead>
<tr>
<th></th>
<th>Taxable Retail Sales ($000s)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Taxable Retail Spending</td>
<td>$44,470,000</td>
<td>100.0%</td>
</tr>
<tr>
<td>Local Residential Taxable Spending</td>
<td>27,856,000</td>
<td>62.6%</td>
</tr>
<tr>
<td>Local Business and Visitor Taxable Spending</td>
<td>16,614,000</td>
<td>37.4%</td>
</tr>
</tbody>
</table>

Sources: Tables B.1, and B.3; MuniFinancial.

**Visitor Industry Spending**

Visitor industry spending was analyzed to validate the estimate of retail spending associated with local households. Data regarding spending by overnight visitors from the San Diego Conventions and Visitor Bureau (SDCVB) was supplemented with research on cross-border spending by residents of Mexico (primarily day visitors) to construct a comprehensive model of visitor spending. As shown in Table B.5, visitors spent about $8.249 billion in San Diego County in 2004. Of the amount about $3.901 billion was associated with hotel accommodations, food, drugs, services, and other non-retail taxable items. Taxable retail spending equaled the remaining $4.348 billion split between two categories, “restaurants and dining” and “shopping”. This estimate of taxable retail spending is nearly equal to the estimated $4.489 billion in capture shown at the bottom of Table B.3, suggesting that the model’s estimates of local household spending based on the SBOE data and estimated leakage rates are reasonable.
## Table B.5: Visitor Industry Retail Spending (2004)

<table>
<thead>
<tr>
<th>Total Visitor Spending</th>
<th>Non-taxable Retail Sales</th>
<th>Taxable Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Percent</strong></td>
<td><strong>Amount</strong></td>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Lodging</strong></td>
<td>24%</td>
<td>$1,324,000</td>
</tr>
<tr>
<td><strong>Restaurants &amp; Dining</strong></td>
<td>33%</td>
<td>$1,821,000</td>
</tr>
<tr>
<td><strong>Attractions &amp; Entertainment</strong></td>
<td>10%</td>
<td>$552,000</td>
</tr>
<tr>
<td><strong>Shopping</strong></td>
<td>23%</td>
<td>$1,269,000</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>10%</td>
<td>$552,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>100%</td>
<td>$5,518,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visitor Spending (Mexican Visitors - see Note)</th>
<th>Non-taxable Retail Sales</th>
<th>Taxable Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Percent</strong></td>
<td><strong>Amount</strong></td>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Lodging</strong></td>
<td>[Incl. in &quot;Other&quot;]</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Restaurants &amp; Dining</strong></td>
<td>5%</td>
<td>$137,000</td>
</tr>
<tr>
<td><strong>Attractions &amp; Entertainment</strong></td>
<td>[Incl. in &quot;Other&quot;]</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Shopping</strong></td>
<td>52%</td>
<td>$1,420,000</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>43%</td>
<td>$1,174,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>100%</td>
<td>$2,731,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Taxable Retail Visitor Spending</th>
<th>Non-taxable Retail Sales</th>
<th>Taxable Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lodging</strong></td>
<td>NA</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restaurants &amp; Dining</strong></td>
<td>$1,664,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Attractions &amp; Entertainment</strong></td>
<td>NA</td>
<td>-</td>
</tr>
<tr>
<td><strong>Shopping</strong></td>
<td>$2,689,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other (primarily groceries)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,353,000</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note:** Non-Mexican visitor spending data based on San Diego Conventions & Visitor Bureau (SDCVB) estimates. Shares by category based on a 2002 visitor survey. The survey focused on overnight visitors and therefore excluded most spending by visitors from Mexico because a large majority of visits are day trips. This study assumes that the SDCVB estimates exclude all Mexican visitor spending. Mexican visitor spending is based on the Ghaddar and Brown study.

1 Non-taxable retail sales represent tips for service estimated by SDCVB. Same percentage applied to estimate of visitor spending from Mexico.
2 The Ghaddar and Brown study did not separate out this category in estimates of spending.
3 Ghaddar and Brown study did not separate out this category for California estimates. Share of spending estimated at one-half of share estimated for Texas and Arizona Mexican visitors based on a higher percentage of day trips in California. Share deducted from food and groceries category.
4 Includes the clothing (46 percent) and appliances and furniture (six percent) from Ghaddar and Brown study.
5 Includes groceries (32 percent) personal hygiene (five percent) and other (six percent) from Ghaddar and Brown study.

Sources: San Diego Conventions & Visitor Bureau, San Diego County Visitor Industry Summary (2004); San Diego Conventions & Visitors Bureau, email from Susan Bruninzeel, June 11, 2006; Ghaddar, Suad and Cynthia J. Brown, *The Economic Impact of Mexican Visitors Along the U.S.-Mexico Border: A Research Synthesis*, Center for Border Economic Studies, University of Texas-Pan American, December 2005, Table 4, Figures 1, 2, and 3; MuniFinancial.

The only significant discrepancy between the visitor spending estimates based on SDCVB and Mexican visitor survey data, and the outside capture estimates based on the SBOE data, is in the food and beverage category. The visitor spending data for restaurants and dining, substantially the same category as the SBOE food and beverage category, resulted in an
estimate of $1,664 million in taxable spending (see Table B.5). The SBOE model resulted in an outside capture estimate of $883 million (see the difference between total sales and the local spending estimate for this category in Table B.3). The visitor spending estimate of $1,664 million would represent a significant share, about 41 percent, of total sales in the SBOE food and beverage category. Consequently, we suspect that the visitor survey data probably overestimates spending in this category. Rather than reduce estimates of total capture, the approach taken for this study assumes that the visitor survey data underestimates taxable retail spending by an equal amount across all other categories. Therefore the estimate of total retail sales associated with local household spending remains a reasonable estimate for the purposes of this analysis (shifting the burden of commercial traffic associated with local household spending to residential land uses).
Appendix C: Local Agency Implementation Checklists

This appendix presents the steps that local agencies are required to take when adopting and updating a funding program to implement the RTCIP. The first checklist describes steps for initial adoption of the RTCIP impact fee and the second checklist shows steps for the required annual and five-year updates. These checklists follow a timeline that meets the requirements established by the California Government Code section 60017 and the TransNet Ordinance.
Initial RTCIP Fee Adoption – Local Agency Implementation Checklist

Note: Local agencies with existing impact fee programs that meet the requirements of the RTCIP impact fee may not need to complete all steps outlined below.

❑ **Prepare initial Funding Program**
  - Estimate annual RTCIP impact fee revenues
  - Identify Regional Arterial System improvements (location and description) and estimate costs
  - Estimate construction schedule and program RTCIP impact fee for identified improvements (minimum five-year planning horizon)
  - For improvements to be funded with RTCIP fees and other revenues, identify the anticipated source, amount, and timing of other revenues
  - Work with adjacent local agencies if improvements extend beyond boundaries
  - Optional – Prepare local nexus study (if required to substitute for or supplement SANDAG’s RTCIP Impact Fee Nexus Study)

❑ **Prepare fee adoption documents for Council action**
  - Draft ordinance and resolution to enable local agency to impose RTCIP impact fee
  - If using SANDAG’s RTCIP Impact Fee Nexus Study revise Funding Program based on updated fee schedule

❑ **Prepare for Council public hearing and fee adoption**
  - At least 14 days prior mail notice to any interested party that has filed a written request to be notified
  - At least 10 days prior make nexus study, Funding Program, and fee schedule available to public
  - At least 10 days prior publish notice of meeting
  - Place public hearing and adoption of ordinance/resolution on agenda of regularly scheduled meeting

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1 The term “Funding Program” is used in the Regional Transportation Congestion Improvement Program of the TransNet Extension, Ordinance and Expenditure Plan (RTCIP). The Funding Program as described herein is designed to meet certain requirements of both the RTCIP and the Mitigation Fee Act (California Government Code Sections 66000-660025).

2 The Regional Arterial System is defined by SANDAG. See San Diego Association of Governments (SANDAG), Final 2030 Regional Transportation Plan, Mobility 2030 (February 2005) and applicable amendments.

3 California Government Code Sections 6062, 66002, 66016(a), 66018, and 65090.
❑ Adopt RTCIP impact fee and Funding Program at regularly scheduled Council meeting and submit to Independent Taxpayer Oversight Committee⁴

❑ Incorporate RTCIP impact fee and Funding Program into local agency’s FY 2008-09 budget process⁵
  ❑ Establish separate account for collection of fee revenue
  ❑ Appropriate annual estimate of fee revenues and expenditures

❑ Collect RTCIP impact fee
  ❑ Fees become effective no sooner than 60 days following adoption⁶
  ❑ Collect at same time as other building permit fees
  ❑ Deposit revenues in separate account

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⁴ RTCIP, Section A(5).

⁵ California Government Code Section 66007(b). Adoption of the Funding Program and appropriation of fee revenues will enable collection of the fee at building permit issuance rather than at final inspection or issuance of certificate of occupancy.

⁶ California Government Code Section 66017(a).
**Annual and Five-Year RTCIP Fee Update - Local Agency Implementation Checklist**

Note: Local agencies with existing impact fee programs that meet the requirements of the RTCIP impact fee will need to integrate the steps outlined below into the periodic update of their existing programs.

Note: Years shown are for the first fiscal year of RTCIP implementation. Schedule would repeat annually thereafter.

- Receive transmittal from SANDAG of RTCIP impact fee schedule updated for cost inflation
  - By February 1 (2009)

- Update Funding Program[^7]
  - Estimate annual RTCIP impact fee revenues
  - Update Regional Arterial System[^8] improvements (location and description) and estimated costs
  - Update construction schedule and program RTCIP impact fee for identified improvements (minimum five-year planning horizon)
  - For improvements to be funded with RTCIP fees and other revenues, identify the anticipated source, amount, and timing of other revenues
  - Continue to work with adjacent local agencies if improvements extend beyond boundaries
  - Optional – Update local nexus study (if required to substitute for or supplement SANDAG RTCIP Impact Fee Nexus Study)
  - February (2009)

- Prepare for Council public hearing and fee update[^9]
  - Draft resolution updating fee schedule
  - At least 14 days prior mail notice to any interested party that has filed a written request to be notified
  - At least 10 days prior make nexus study, Funding Program, and fee schedule available to public
  - At least 10 days prior publish notice of meeting
  - March (2009)

[^7]: The term “Funding Program” is used in the Regional Transportation Congestion Improvement Program of the TransNet Extension, Ordinance and Expenditure Plan (RTCIP). The Funding Program as described herein is designed to meet certain requirements of both the RTCIP and the Mitigation Fee Act (California Government Code Sections 66000-660025).

[^8]: The Regional Arterial System is defined by SANDAG. See San Diego Association of Governments (SANDAG), Final 2030 Regional Transportation Plan, Mobility 2030 (February 2005) and applicable amendments.

[^9]: California Government Code Sections 6062, 66002, 66016(a), 66018, and 65090.
- Adopt updated RTCIP impact fee and Funding Program at regularly scheduled Council meeting and submit to Independent Taxpayer Oversight Committee (ITOC)\(^{10}\) By April 1 (2009)

- Update RTCIP impact fee and Funding Program as part of local agency’s annual budget process\(^{11}\) By July 1 (2009)
  - Appropriate annual estimate of fee revenues and expenditures

- Prepare Annual RTCIP report based on audited financial data for prior fiscal year\(^{12}\) Fall (2009)
  - Brief description of the fee
  - Fee schedule
  - Fiscal year beginning and ending balance of fee account
  - Fee revenue collected and interest earned
  - Identification of each improvement funded by the fee and amount of the expenditures on each improvement including the total percentage of the public improvement cost funded with fees
  - Identification of an approximate date by which the construction of the improvement will commence if the local agency determines that sufficient funds have been collected to complete the improvement (may refer to adopted Funding Program)
  - Description of each interfund transfer or loan made from the account including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
  - Amount of refunds made, if any

- Submit Funding Program and Annual RTCIP report to ITOC\(^{13}\) Fall (2009)

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\(^{10}\) RTCIP, Section A(5).

\(^{11}\) California Government Code Section 66007(b). Adoption of the Funding Program and appropriation of fee revenues will enable collection of the fee at building permit issuance rather than at final inspection or issuance of certificate of occupancy.

\(^{12}\) California Government Code Section 66006(b)(1) and RTCIP, Section G(2).

\(^{13}\) (RTCIP, Section G(2). This schedule may require amendment of Section G(2).
Submit Funding Program and Annual RTCIP report to Council\(^14\)  
- Make annual RTCIP report available to the public  
- Review annual RTCIP report at regularly scheduled Council meeting at least 15 days following issuance of report (by January 15)  
- At least 15 days prior to review of annual RTCIP report at regularly scheduled Council meeting mail notice to any interested party that has filed a written request to be notified

Prepare and submit Five-Year RTCIP Report to ITOC\(^15\)  
- To be done after the end of every five years following adoption of the program in FY 2008-09  
- Use Funding Program as basis for report  
- Identify the purpose of the fee, i.e. improvement of Regional Arterial System to accommodate new development  
- Demonstrate a reasonable relationship between the fee and the purpose of the fee by referencing the Funding Program and showing that anticipated fee revenues are fully programmed to fund planned improvements  
- Identify sources, amounts, and timing of other revenues if needed to complete planned improvements  
- Fee revenues not committed to a planned improvement within five years of collection must be refunded to the ITOC

Prepare and submit Five-Year RTCIP Report to Council\(^16\)  
- To be done after the end of every five years following adoption of the program in FY 2008-09

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\(^{14}\) *California Government Code* Section 66006(b)(2).

\(^{15}\) RTCIP, Section G(4). This schedule may require amendment of Section G(4).

\(^{16}\) *California Government Code* Section 66001(d).