



Building Industry Association
of Fresno/Madera Counties, Inc.

November 7, 2019

Fresno COG Policy Board
Fresno Council of Governments
2035 Tulare Street, Ste.201
Fresno, CA 93721

RE: Regional Transportation Mitigation Fee

Dear Board Members:

The Building Industry Association does not support the proposed RTMF increase because its primary purpose is to fund the SR-99 North & Cedar Interchanges. That project has no nexus to any future deficiency associated with residential housing development.

A project to improve SR 99 interchange at North and Cedar was part of the original Measure C Tier 1 projects. Its cost was estimated at \$25M in 2006. The analysis indicated that it was a project that operated at an LOC or better in both the existing and future circumstance. (See Table 14 of the RTMF Final Report in 2008 available at <http://measurec.com/wp-content/uploads/2018/05/RTMFFinalReportAugust.pdf>) It was not a project that was intended to fix a deficiency caused by new growth. Nor was it on the interchange deficiency study that was an original focus of RTFM funding goals. Based on Table 25 of the RTMF Final Report in 2008, it was confirmed that this was not a project eligible to receive funds from the RTMF program. It was later removed from the Measure C Tier 1 project list.

It was just recently added back, but now at a scope with an estimated 2019 price tag at \$96,000,000.00. The new Nexus Study purports that the project is based upon deficiencies caused by potential new growth, and allocates an up to 86% contribution factor for that new development to this cost. It is unclear whether there has been a change in scope to the project from that which was originally included and deleted from the Measure C Tier 1 Project List.

The current nexus study states that the change in circumstances is the fact that the City of Fresno recently adopted a Specific Plan for an area designated as a South Industrial

Priority Area. As a result of that Specific Plan, the project is now being re-justified, at a potentially different and more costly scope. Notably, where the prior 2008 nexus study supported a 0% contribution factor for new development, the new nexus study claims an 86% contribution potential factor. Because of the new conclusions of the new Nexus Study, the RTMF fees on all new single family housing development throughout the Fresno-Clovis Metropolitan Area will increase by 29% per home. Multi-Family Dwellings will increase 43% per unit.

However, the original 2008 nexus study got it right. The South Industrial Priority Area Specific Plan has no reasonable nexus to justify these substantial fee increases on residential housing. **That Specific Plan document itself, at Table 1-3, confirms that NO residential development of any type is anticipated in the South Industrial area during the 2035 time horizon of the General Plan.** Afterwards, at full buildout at a time after the 2035 General Plan horizon, a total 7 seven units are anticipated, as noted in Table 1-4. This document is available at <https://www.fresno.gov/darm/planning-development/plans-projects-under-review/#tab-06>.

In addition, there is a timing mismatch that also diminishes the basis for any nexus. The RTMF program will sunset after the 2027 expiration of the current Measure (unless extensions are adopted and the RTMF is appropriate tailored to the projects incorporated into the new Measure). The RTMF programs should not be substantially upscaled at this stage to fund a project whose justification is based on development likely to occur, if at all, after the current measure expires in 2027. The new growth identified in the new nexus study is simply not new growth that will be contributing to a deficiency impacting the SR-99 North & Cedar Interchanges during the period the RTMF program will impose the present fees.

If you have any question, please call me at (559) 226-5900.

Sincerely,



Michael Prandini
President & CEO

Cc: Policy Advisory Committee
Transportation Technical Committee