

Fresno County Regional Transportation Mitigation Fee Agency

AGENDA

Date: Thursday, November 20, 2014

Time: 5:30 PM

**Place: COG Sequoia Conference Room
2035 Tulare St., Suite 201, Fresno, CA**

IMMEDIATELY FOLLOWING THE FRESNO COG POLICY BOARD MEETING - ALL POLICY BOARD MEMBERS

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I. Minutes of October 23 2014 [APPROVE]

II. Resolution 2014-02 – Infill Development [Beshears] [APPROVE]

Summary: Resolution 2014-02 was tabled at the October 23, 2014 meeting. Section 66005.1 stipulates certain criteria for qualifying development and requires either adoption of a fee credit based on traffic impact or a finding of no traffic impact. Staff has performed traffic analysis and found there is impact therefore Resolution 2014-02 adopts minimal statutory requirements. The analysis found a 31% reduction in traffic impact. To be eligible for a 31% fee reduction as a residential infill development a project must meet all of the following criteria:

- i. The housing development is located within one-half mile of a transit station and there is direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
- ii. Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
- iii. The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

The proposed policy does not target any specific development or location. In fact, there are no locations in the region that currently meet these criteria, however it is appropriate to adopt the policy in anticipation that future locations may qualify and attempt to develop their own interpretation of Section 66005.1 and force us to accept it in the absence of an adopted policy.

Action: TTC/PAC and Staff recommend moving Resolution 2014-02 from the table and adopt.

III. **Resolution 2014-03 - RTMF NEXUS Five Year Update [Beshears] [APPROVE]**

Summary: State statute requires an update to the RTMF Nexus each five years. The Nexus must be updated by January 1, 2015 as required by state law to allow continued collecting of the fee. The update involves reviewing the project cost and incorporating the current SCS Traffic modeling assumptions into the fee calculation. The contract with Parsons Brinkerhoff was expanded to include this task.

Subcommittee meetings were held on March 17, 2014 and August 25, 2014. A follow up meeting was held with Caltrans and the City of Fresno on October 6 to address specific request for information. The consultant has incorporated input subsequent to those meetings into the calculation and prepared the Nexus update. The Nexus will also go to the Transportation Authority on December 10, 2014 for action.

Under the revised Nexus calculation the fee goes down approximately 5% for residential development and an average of 25% for commercial development. A significant part of the fee reduction was a result of our success in leveraging significantly more state and federal funds than anticipated in the original Nexus. Also taken into consideration were changes in traffic impact resulting from local agencies adopting less traffic intensive general plans that incorporate Sustainable Communities strategies.

The TTC concurred with the staff recommendation to adopt the proposed Nexus. After considerable discussion over the eligible project list the PAC also concurred with the additional stipulation that the Nexus calculation be revisited within the next two years.

Action: Staff recommends adoption of Resolution 2014-03 updating the Nexus.

IV. **OTHER BUSINESS**

- A. Items from Staff
- B. Items from Members

V. **PRESENTATIONS**

A. Public Presentations

This portion of the meeting is reserved for persons wishing to address the Board on items within its jurisdiction but not on this agenda. **Note: Prior to action by the Board on any item on this agenda, the public may comment on that item. Unscheduled comments may be limited to 3 minutes.**

FOR YOUR INFORMATION:

***Items listed as information still leave the option for guidance/direction actions by the Committee.**

****All enclosures are available on our website at www.fresnocog.org**

Fresno County Regional Transportation Mitigation Fee Agency

Executive Minutes

Date: Thursday, October 23, 2014

Time: 5:30 PM

**Place: COG Sequoia Conference Room
2035 Tulare St., Suite 201, Fresno, CA**

Members Attending:

Mayor Lynne Ashbeck, City of Clovis
Councilmember Ron Lander, City of Coalinga
Mayor David Cardenas, City of Fowler
Mayor Sylvia Chavez, City of Huron
Mayor Gary Yep, City of Kerman
Mayor Chet Reilly, City of Kingsburg
Mayor Robert Silva, City of Mendota
Mayor Gabriel Jimenez, City of Orange Cove
Mayor Armando Lopez, City of Parlier
Mayor Robert Beck, City of Reedley
Mayor Amarpreet Dhaliwal, City of San Joaquin
Councilmember George Rodriguez City of Selma
Supervisor Judith Case-McNairy, County of Fresno

Arthur Wille, Legal Counsel
Tony Boren, Executive Director
Les Beshears, Finance Director

Absent:

Councilmember Clinton Olivier, City of Fresno
Councilmember Marcia Sablan, City of Firebaugh
Mayor Joshua Mitchell, City of Sanger

Others Attending:
Rob Terry, Fresno COG
Don Hubbard, Parsons Brinckerhoff
Marla Day, Fresno COG

QUORUM: At the start of the meeting there were 13 members present representing 43.12% of the population and there was a quorum to conduct business. (Clovis, Coalinga, Fowler, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Selma and Fresno County)

Mayor Dhaliwal (San Joaquin), Chair, called the meeting to order.

I. Minutes of July 31 2014 [APPROVE]

Following an expressed opportunity for public comment, a motion was made by Mayor Yep (Kerman) and seconded by Mayor Reilly (Kingsburg) to approve the July 31, 2014 Executive Minutes as presented. A vote was called for and the motion carried.

II. RTMF Statutory Five Year Update [Beshears] [INFORMATION]

Don Hubbard (PB) gave a brief powerpoint presentation. State statute requires Fresno County Regional Mitigation Fee Agency to update the RTMF Nexus each five years. The update involves reviewing the project cost and incorporating the current SCS Traffic modeling assumptions into the fee calculation. The contract with Parsons Brinkerhoff was expanded to include this task. Initial calculations have been done and subcommittee meetings were held on March 17, 2014 and August 25, 2014. A follow up meeting was held with Caltrans and the City of Fresno on October 6 to address specific request for information. The consultant will incorporate additional input subsequent to that meeting into the calculation and have a staff recommendation for the board to act on in November so the Nexus will be updated by January 1, 2015 as required by state law to allow continued collecting of the fee. An October 6, 2014 Technical Memorandum discussing the first five years of fee collection was included as information.

During the subcommittee process two additional issues were discussed. The first issues relates to the exemption provided in the ballot for “Essential Public Facilities” to include public schools and institutions of higher education. The other issue incorporates a fee category for qualified infill developments per section 66005.1 of the state code. Resolutions and staff reports for each of these items were included in the meeting package.

Mayor Yep (Kerman) asked how the projections would be affected with appeals.

Mr. Beshears (FCOG) noted that there will be a Closed Session on the November agenda to discuss the pending appeals.

This was an information item and required no further action by the Board.

III. Definition of Essential Public Facilities expanded for public education [Beshears] [ADOPT]

Mr. Hubbard went on to present this item. The ballot provided an exemption to the RTMF fee for “Essential Public Facilities (as defined in state law)”. During the extensive committee process that occurred during the development of the Nexus and establishment of the RTMF JPA it was agreed that public schools should be considered essential public facilities hence exempt from the RTMF. The committee specifically considered whether churches should be included in this definition and concluded that they shouldn’t unless building a dedicated private school to teach state required educational criteria. Language was incorporated into the administrative manual and adopted by the board to this effect however no reference was made to specific statutes. The result was that various developments, including churches, attempted to stretch the definition of public education to include various kinds of teaching, training, course of instruction, religious orientation, or bible study that wasn’t required by state statute. Mr. Hubbard provided a definition of public education, based on curriculum defined in state code that is consistent with the intent to allow the exemption for public education. A technical memo was included in the meeting package.

Mr. Boren provided brief background for the resolution.

Mayor Yep (Kerman) stated that if this would close the loophole that he was for it.

Following an expressed opportunity for public comment, a motion was made by Mayor Cardenas (Fowler) and seconded by Mayor Yep (Kerman) that the Policy Board adopt Resolution 2014-01 establishing that facilities built for public education meet the definition of “Essential Public Facilities” as provided in the Measure “C” ballot. A vote was called for and the motion carried.

IV. Fee reduction for Infill Development [Beshears] [ADOPT]

Mr. Hubbard also presented this item. Since the 1990’s research has indicated development in infill locations results in lower traffic impact. Early implementation of this concept created paradox’s because standards for trip generation rates and level of service developed of suburban areas overstated the impacts of infill requiring excessive mitigation through CEQA. Various methods were used to address this problem including incorporating section 66005.1 into the mitigation fee act which provides that the agency should adopt either a fee credit based on traffic impact for qualifying developments or a finding of no traffic impact. Resolution 2014-02 incorporates section 66005.1 into the RTMF mitigation fee structure by providing a 31% fee reduction for qualifying infill development. To qualify a development must;

1. Be within ½ mile of a transit station and have direct walkable access.
2. Be within ½ mile of retail and food stores.
3. Have minimal parking required by local code.

Currently no locations in Fresno County meet the requirements because current Transit routes operate on 20 or 30 minute peak hour headways, however when the BRT is implemented with 10 minute peak hour headways there will be four locations in Fresno that qualify. The Downtown station, Manchester, Fresno State at Shaw, and River Park. The City of Fresno has proposed that developments all along the BRT corridor should be eligible for the fee credit.

Supervisor Case McNairy (County) questioned passing an amendment giving a credit for developments based on BRT prior to the BRT being implemented. There was a lengthy discussion regarding the effects.

Mr. Boren explained that at PAC the City of Fresno felt that the whole BRT corridor would qualify.

Mayor Ashbeck (Clovis) pointed out that this resolution was not really about infill.

Art Wille, Legal Counsel, asked if there was time sensitivity to this item. Mr. Beshears responded no.

The Board asked Mr. Wille to provide a legal opinion for this item.

Mayor Yep (Kerman) made a motion to adopt the finding that the housing development, even with these characteristics, would not generate fewer automobile trips than a housing development without those characteristics.

Mr. Hubbard questioned what purpose the adoption would serve. The resolution is to adopt minimum criteria per state law. Mayor Yep withdrew his motion.

Mayor Ashbeck (Clovis) made a motion to instruct legal counsel to come back with legal opinion and to clarify fiscal analysis. Mayor Yep (Kerman) seconded the motion. A vote was called for and the motion carried.

The Resolution to adopt Resolution 2014-02 establishing a 31% fee reduction for qualifying infill Development per Section 66005.1 was tabled.

V. OTHER BUSINESS

A. Items from Staff

None

B. Items from Members

None

VI. PRESENTATIONS

A. Public Presentations

This portion of the meeting is reserved for persons wishing to address the Board on items within its jurisdiction but not on this agenda.

None.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Tony Boren, Executive Director

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To: Tony Boren, Executive Director, Fresno COG
From: Don Hubbard, TE, AICP, Parsons Brinckerhoff
Subject: Fee Discounts for Transit-Oriented Development
Date: October 29, 2014

As part of the five-year update of the Regional Transportation Mitigation Fee (RTMF) we have been asked to look into the issue of whether or not transit oriented infill developments should receive a discount in the RTMF. This memo discusses the background to this issue, describes the applicable statutes, and discusses how they apply to the case of the RTMF.

Background on Infill Development

Since the mid 1990's¹ research has shown that developments in infill locations generate fewer vehicle trips (VT) and vehicle miles of travel (VMT) than similar developments located on the urban fringe. This is due to a variety of factors, the most important of which is the ability to make use of other modes of travel besides automobiles (transit, bikes, and walking, for example). The units also tend to be smaller and have fewer residents/unit. Because of its potential for reducing auto use, infill development is being promoted as an important component in the state's overall strategy for reducing greenhouse gas emissions.

Early attempts to implement this strategy soon encountered a paradox in that California's environmental laws were among the chief obstacles to environmentally-friendly infill development. The problem was that the trip generation rates and level-of-service (LOS) standards developed for suburban areas were systematically over-estimating the impacts of infill development, which were then required to provide expensive mitigations for traffic problems that would, in fact, not occur. This problem is being addressed in a number of ways, including:

- The Public Resources Code, which covers CEQA, was amended to provide for streamlined review for small residential infill projects (see Appendix A for details).
- Many jurisdictions, the City of Sacramento for example, have changed their LOS policies to allow for a higher threshold in infill areas, thus reducing the need for mitigations.
- The state has added a section to the Mitigation Fee Act, which is discussed later in this memo, providing for a reduction in impact fees for infill development. Some jurisdictions (Fresno, Reedley, and Turlock, for example) had already adopted fee reductions on their own.
- SB-743, enacted last year, mandates that CEQA be revised so that the parking and LOS effects of transit-oriented infill projects would no longer be considered significant impacts. Instead impacts would be measured in terms of VMT².

¹ R. Cervero & K. Kockelman, *Travel Demand and the 3Ds: Density, Diversity, Design*, Transportation Research, 1996

² The Governor's Office of Planning and Research has issued Draft Guidelines on how this is to be implemented. The draft does not preclude jurisdictions from continuing to use LOS and automobile

The growing consensus that infill projects, especially transit-oriented developments (TODs), have fewer traffic impacts than other types of development and the new requirements brought on by the revisions to the Mitigation Fee Act raise the question as to whether the RTMF-JPA should adopt a policy that would reduce the fee for infill development and, if so, by how much.

Guidance from Measure C

The text of the ballot measure offers little guidance on how infill development is to be handled. The two most relevant paragraphs are,

“Regional traffic impacts shall be determined based upon the COG Regional Transportation Model analysis. The RTMF shall apply to all types of land uses and to the extent possible limit the number of categories of fees to agriculture, single family residential, multifamily residential, commercial-office, commercial-retail, light industrial, heavy industrial and certain traffic generating nonessential public facilities. Essential public facilities (as defined by state law) shall be exempt from such fees. However, provision should be made for unique types of land uses to be evaluated on an individual basis. Such unique projects and specific evaluation shall be paid for by the project applicant and performed by Fresno COG or its designee.

It is in the public interest and welfare to make exception for certain types of land uses. To that purpose, affordable housing shall be required to pay only 50% of any fee established for the land use category. Affordable housing is defined as housing affordable to persons with 80% of Fresno County median income or less annually. The definition for median income and affordable housing is as provided annually by the U.S. Housing & Urban Development Agency (HUD) to the County of Fresno.”

Three things can be taken from these paragraphs, namely:

- The analysis must be based on the FCOG regional transportation model.
- We are to limit the number of land use categories used in the program “to the extent possible” to those named in the measure. This could be interpreted to mean that the RTMF-JPA cannot introduce infill development as a new land use category unless authorized to do so by a higher authority such as state or federal law.
- The issue of offering discounts to different types of land uses was considered and such discounts were limited to affordable housing and essential public services. The absence of any mention of a discount for infill development could be interpreted as deliberate.

The statement that, “*The RTMF shall apply to all types of land uses ...*” (emphasis added) and the absence of any clear authority to offer discounts to infill projects appears to mean that the JPA is required to collect the fee in full unless state law provides authority to do otherwise.

Changes to the Mitigation Fee Act

The Mitigation Fee Act (Government Code section 66000, et seq.) provides the framework under which the RTMF was developed. The Act was recently (after the establishment of the RTMF) amended to include the following provision,

“66005.1. (a) When a local agency imposes a fee on a housing development pursuant to Section 66001 for the purpose of mitigating vehicular traffic impacts, if that housing development satisfies all of the following characteristics, the fee, or the portion thereof relating to vehicular traffic impacts, shall be set at a rate that reflects a lower rate of automobile trip generation associated with such housing

delay as a regulatory tool in their general plans and zoning codes. As a consequence, projects could still be subject to an LOS analysis and infrastructure improvement requirements, in addition to a VMT analysis and related mitigation measures.

developments in comparison with housing developments without these characteristics, unless the local agency adopts findings after a public hearing establishing that the housing development, even with these characteristics, would not generate fewer automobile trips than a housing development without those characteristics:

- (1) The housing development is located within one-half mile of a transit station and there is direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.*
- (2) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.*
- (3) The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.*

(b) If a housing development does not satisfy the characteristics in subdivision (a), the local agency may charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development.

(c) As used in this section, "housing development" means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.

(d) For the purposes of this section, "transit station" has the meaning set forth in paragraph (4) of subdivision (b) of Section 65460.1³. "Transit station" includes planned transit stations otherwise meeting this definition whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.

(e) This section shall become operative on January 1, 2011."

This section requires the RTMF-JPA to either adopt lower fees for certain infill developments or adopt a finding stating that lower fees are not warranted. In either case, it appears that the agency must base its decision on some sort of analytical assessment of trip generation rates ("*a rate that reflects a lower rate of automobile trip generation associated with such housing developments*"). As mentioned earlier, for the RTMF the analytical assessment must be performed using the FCOG travel demand model ("*Regional traffic impacts shall be determined based upon the COG Regional Transportation Model analysis*").

Section 66005.1.(d) cited above requires that the infill site be within one half-mile of a "transit station" as defined by paragraph (4) of subdivision (b) of Section 65460.1. That definition reads as follows⁴, "*Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station.*" "Bus hub" and "bus transfer station" are defined as,

"Bus hub" means an intersection of three or more bus routes, with a minimum⁵ route headway of 10 minutes during peak hours.

"Bus transfer station" means an arrival, departure, or transfer point for the area's intercity, intraregional, or interregional bus service having permanent investment in multiple bus docking facilities, ticketing services, and passenger shelters.

No place in Fresno County currently meets these criteria, which is why the fact that the law is already in effect has had little practical effect on the RTMF thus far. The reason no place meets the criteria is that the Fresno Area Express (FAX) and Clovis Transit Stageline routes run on 20- or 30-minute headways

³ This section is attached as Appendix B

⁴ The text of CGC Section 65460.1 is attached. Although paragraph 4 is cited, the definition of "transit station" actually appears in paragraph 5.

⁵ This is somewhat awkwardly phrased. A clearer way to say this is, "At a minimum, route headways cannot exceed 10 minutes".

during peak hours. Since the requirement is based on “route headways” rather than combined headways even if places are served by several routes they would not meet this requirement.

However, if the Fresno Bus Rapid Transit (BRT) system is implemented according to the current plan with 10-minute headways then the Downtown Transit Mall, the Manchester Transit Center, Shaw Avenue at Fresno State, and the River Park Shopping Center would all meet the requirement (see Exhibit 2). FAX is currently in the process of developing its strategic plan which may include re-organizing its routes; it is possible that additional locations could meet the criteria in the future.

Analysis of a Potential TOD Fee Reduction Using the FCOG Model

The FCOG travel demand model forecasts trips made by future residents in a way that takes account of the choice of modes available for each trip. So for future⁶ residents of TODs, the model takes into account the opportunity to use the BRT system or to walk or and bike for trips to certain destinations. The average vehicle-trips per person living in the four TODs shown in Exhibit 1 was computed and compared to the average for the rest of Fresno County. The model forecast a 31% reduction in per-capita vehicle trips for TOD residents. This is within the range of reductions found in field surveys of existing TODs⁷ (see Exhibit 1), which lends credibility to the results. The reduction forecast by the FCOG model is at the low end of the range but that is not surprising since it is the smallest city in the group and the only one with a bus-only transit system.

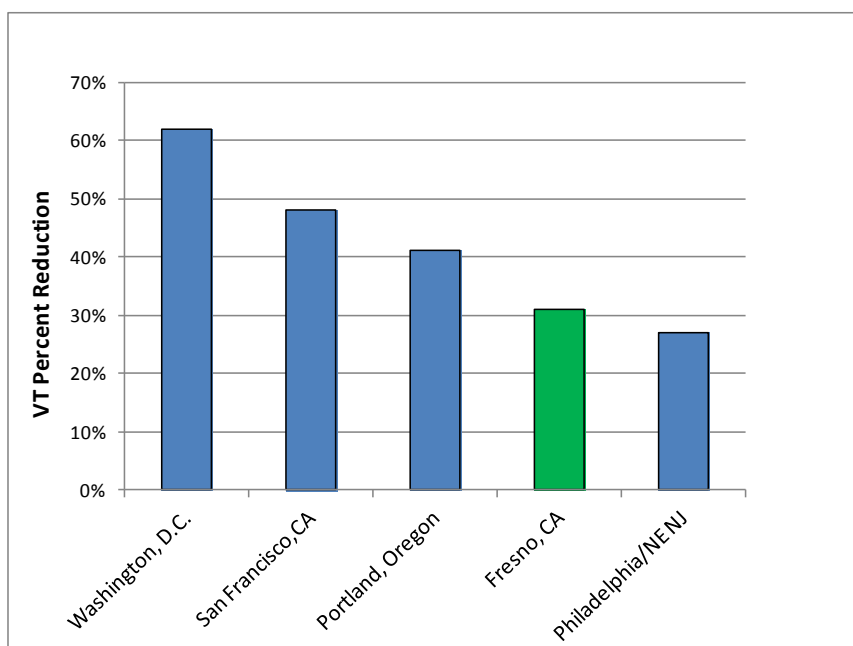


Exhibit 1: Reductions in Vehicle Trip-Making for TOD Residents Compared with Average

⁶ Year 2027, when Measure ‘C’ Extension expires and the RTMF comes to an end if not renewed.

⁷ Source: Transit Cooperative Research Program Report 128 - *Effects of TOD on Housing, Parking, and Travel*. Transportation Research Board, 2008.

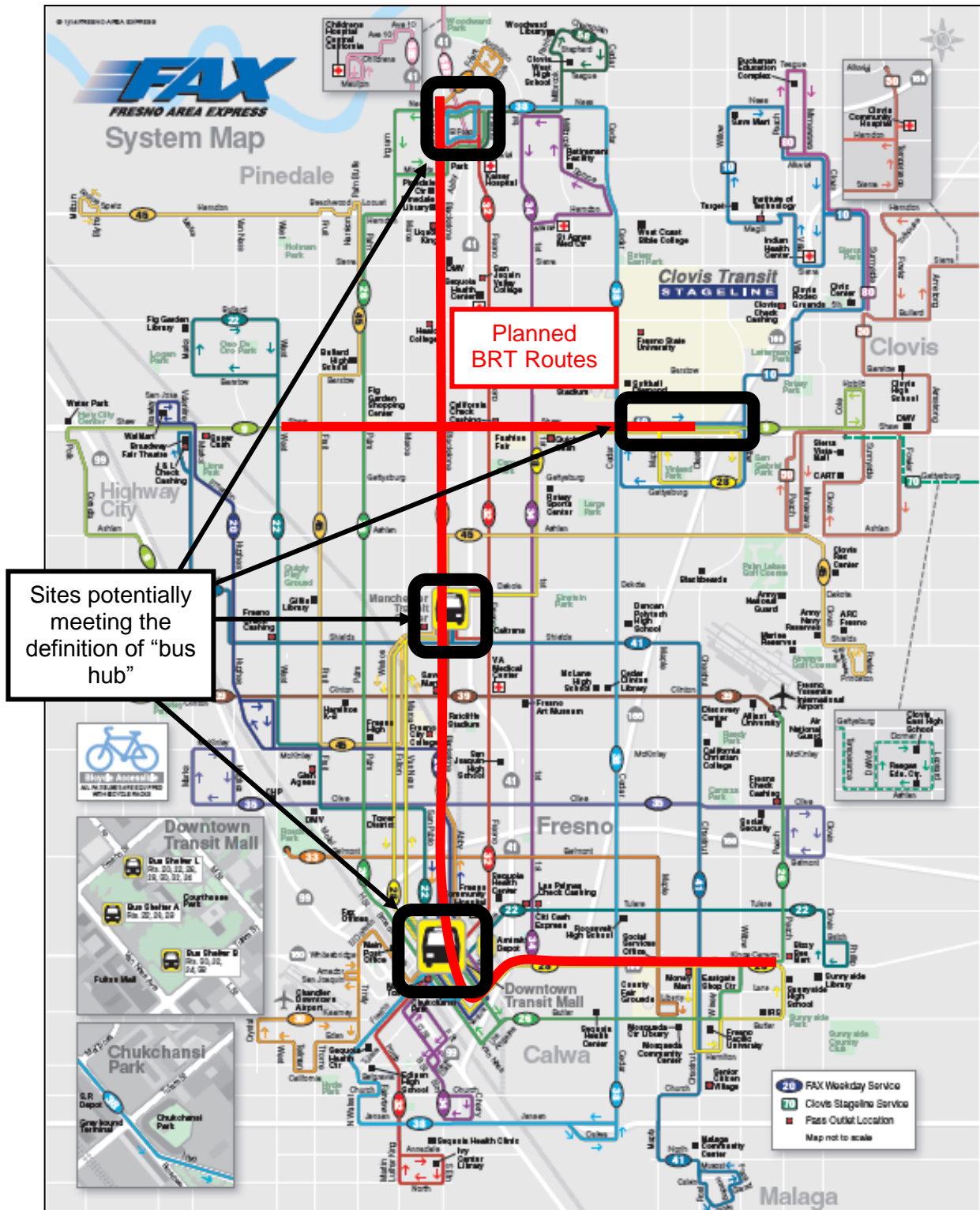


Exhibit 2: Fresno Area Bus Route Map and Potential TOD Sites

The FCOG model was also used to forecast the potential loss of RTMF revenue if a 31% fee reduction were to be given to residential development within the four likely TOD sites shown in Exhibit 2. This was done by multiplying the forecast number of new dwelling units⁸ by the fee per unit to get the total potential RTMF revenue, and then taking 31% of that as the total potential loss. This calculation is shown in the center columns of Exhibit 3. The potential loss in RTMF revenue from adopting this reduction is forecast to be on the order of \$665,000. Note that nearly two-thirds of the expected development in the four TODs is expected to be apartments for low-income households. Since this type of unit already pays the lowest RTMF rate of any residential type a further reduction of 31% is relatively small in absolute terms.

Residential Development Category	RTMF per Unit	TODs (only)		Entire BRT Corridor	
		New Units	Total RTMF	New Units	Total RTMF
Single-Family Dwelling (market-rate)	\$1,591	127	\$202,391	554	\$882,301
Single-Family Dwelling (affordable)	\$796	33	\$26,443	125	\$99,387
Multi-Family Dwelling (market-rate)	\$1,117	832	\$930,159	2,404	\$2,686,373
Multi-Family Dwelling (affordable)	\$559	1,766	\$986,738	2,697	\$1,506,756
Total		2,759	\$2,145,731	5,781	\$5,174,816
Recommended Fee Reduction			31%		31%
RTMF Revenue Lost			\$665,177		\$1,604,193

Exhibit 3: Calculation of Potential Loss of RTMF Revenue Due to Fee Reductions for TODs

It has been suggested that the discount for TODs should be extended beyond the sites meeting the State criteria to all residential development within half-a-mile from a BRT route as an encouragement to development in the areas targeted for growth in the Sustainable Communities Strategy. The potential loss of RTMF revenue from such a policy is calculated in the right-most columns of Exhibit 3. As can be seen in the exhibit, the addition of other parts of the BRT corridors would mean that about half of the new residences receiving the reduction would be market-rate units that would otherwise pay a relatively high RTMF fee. A policy extending the fee reduction to the entire BRT system would result in approximately \$1.6 million in lost RTMF revenue.

The calculations shown in Exhibit 3 are based on forecasts of all new units expected to be built between now and 2027 when Measure 'C' Extension, and RTMF, are scheduled to expire. The Mitigation Fee Act only requires that the reduction be offered to units that are completed after the site meets the criteria (in this case after the BRT system is opened). Depending on how many of these units are built before the BRT lines open the revenue loss could be less than is shown in Exhibit 3.

Administering a Potential Fee Reduction

In the event that the RTMF Board decides to adopt a fee reduction for TODs, instructions will need to be given to developers and agency staff on how the reduction will be implemented. Agencies that currently offer the fee reduction vary in the amount of documentation required from developers. The Western Riverside Council of Governments, as an example, requires developers to submit a map showing the location of their project in relation to at least seven non-residential land uses (individual shops, offices, parks, etc.) in order to prove that it really is a mixed-use site.

Given the limited geographic scope of the relevant area we do not believe that elaborate documentation is needed for the RTMF. We believe that the COG should prepare a map showing the locations where the

⁸ The FCOG model uses the growth assumptions in the new Sustainable Communities Strategy

TOD reduction is applicable and only require developers to show that their project is within the designated area. In the event that only part of a project is within the designated area then the fee reduction would apply only to that portion and not to the portion outside of the designated area.

Conclusions

Based on our analysis of this issue:

- We recommend that the RTMF comply with the revision to state law by offering a fee reduction to infill developments meeting the criteria set forth in CGC Section 66005.1.(a). The Board may wish to extend this reduction to the entire BRT corridor. In either case the fee reduction would only become effective once the BRT or some other public transportation service (high-speed rail?) creates conditions where the criteria are met.
- We recommend that the reduction be 31%. This figure was determined using the FCOG traffic model (per guidance in Measure 'C' Extension) and is in line with actual reductions in auto use found in existing TODs.
- We recommend that once any place in Fresno County meets the criteria set forth in CGC Section 66005.1.(a) that staff be instructed to prepare a map showing where the fee reduction will apply. Developers wishing to get the reduction should only need to show that their project, or a portion thereof, is located in the designated area. If a project is partly inside the designated area and partly outside then only the portion in the designated area would receive the fee reduction.

A draft resolution for adopting these recommendations is attached as Appendix C.

APPENDIX A – EXCEPTS FROM CALIFORNIA PUBLIC RESOURCES CODE

Some sections of the Public Resources Code are intended to make infill development easier. The definition of “infill” in the CPRC is:

Section 21061.2

“Infill site” means a site in an urbanized area that meets either of the following criteria:

(a) The site has not been previously developed for urban uses and both of the following apply:

- (1) The site is immediately adjacent to parcels that are developed with qualified urban uses, or at least 75 percent of the perimeter of the site adjoins parcels that are developed with qualified urban uses, and the remaining 25 percent of the site adjoins parcels that have previously been developed for qualified urban uses.*
- (2) No parcel within the site has been created within the past 10 years unless the parcel was created as a result of the plan of a redevelopment agency.*

(b) The site has been previously developed for qualified urban uses.

“Infill site” means a site in an urbanized area that meets either of the following criteria:

(a) The site has not been previously developed for urban uses and both of the following apply: (1) The site is immediately adjacent to parcels that are developed with qualified urban uses, or at least 75 percent of the perimeter of the site adjoins parcels that are developed with qualified urban uses, and the remaining 25 percent of the site adjoins parcels that have previously been developed for qualified urban uses. (2) No parcel within the site has been created within the past 10 years unless the parcel was created as a result of the plan of a redevelopment agency.

(b) The site has been previously developed for qualified urban uses.”

Note that this definition is based entirely on proximity to other developments; i.e. it does not include considerations of the transportation choices or its proximity to transit, and so is unrelated to VMT reductions. Later in the code there is a section, § 21081.2, which discusses agency findings for approving a project for which in an environmental impact report was certified. This section includes the following text with regards to statements of overriding consideration:

Sections 21081 and 21081.2

21081. Pursuant to the policy stated in Sections 21002 and 21002.1, no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

(a) The public agency makes one or more of the following findings with respect to each significant effect:

- (1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.*
- (2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.*
- (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.*

- (b) *With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.*

21081.2.

- (a) *Except as provided in subdivision (c), if a residential project, not exceeding 100 units, with a minimum residential density of 20 units per acre and within one-half mile of a transit stop, on an infill site in an urbanized area is in compliance with the traffic, circulation, and transportation policies of the general plan, applicable community plan, applicable specific plan, and applicable ordinances of the city or county with jurisdiction over the area where the project is located, and the city or county requires that the mitigation measures approved in a previously certified project area environmental impact report applicable to the project be incorporated into the project, the city or county is not required to comply with subdivision (a) of Section 21081 with respect to the making of any findings regarding the impacts of the project on traffic at intersections, or on streets, highways, or freeways.*
- (b) *Nothing in subdivision (a) restricts the authority of a city or county to adopt feasible mitigation measures with respect to the impacts of a project on pedestrian and bicycle safety.*
- (c) *Subdivision (a) does not apply in any of the following circumstances:*
- (1) *The application for a proposed project is made more than five years after certification of the project area environmental impact report applicable to the project.*
 - (2) *A major change has occurred within the project area after certification of the project area environmental impact report applicable to the project.*
 - (3) *The project area environmental impact report applicable to the project was certified with overriding considerations pursuant to subdivision (b) of Section 21081 to the significant impacts on the environment with respect to traffic or transportation.*
 - (4) *The proposed project covers more than four acres.*
- (d) *A project shall not be divided into smaller projects in order to qualify pursuant to this section.*
- (e) *Nothing in this section relieves a city or county from the requirement to analyze the project's effects on traffic at intersections, or on streets, highways, or freeways, or from making a determination that the project may have a significant effect on traffic.*
- (f) *For the purposes of this section, "project area environmental impact report" means an environmental impact report certified on any of the following:*
- (1) *A general plan.*
 - (2) *A revision or update to the general plan that includes at least the land use and circulation elements.*
 - (3) *An applicable community plan.*
 - (4) *An applicable specific plan.*
 - (5) *A housing element of the general plan, if the environmental impact report analyzed the environmental effects of the density of the proposed project.*
 - (6) *A zoning ordinance.*

This section exempts projects that meet the definition of Infill Development plus other requirements regarding project type (residential) project size (100 units or less) and proximity to transit from the requirement to make

findings regarding traffic impacts. In effect, their direct traffic impacts are automatically considered less-than-significant.

This exemption means that an agency need not override significant traffic impacts identified in the EIR and, apparently, to nothing else. Since the RTMF is designed to mitigate cumulative traffic impacts rather than direct traffic impacts it appears that this exemption would not have any bearing on the RTMF.

APPENDIX B – EXCEPTS FROM CALIFORNIA GOVERNMENT CODE

Section 65460.1

(a) The Legislature hereby finds and declares all of the following:

- (1) Federal, state, and local governments in California are investing in new and expanded transit systems in areas throughout the state, including Los Angeles County, the San Francisco Bay area, San Diego County, Santa Clara County, and Sacramento County.
- (2) This public investment in transit is unrivaled in the state's history and represents well over ten billion dollars (\$10,000,000,000) in planned investment alone.
- (3) Recent studies of transit ridership in California indicate that persons who live within a one-half-mile radius of transit stations utilize the transit system in far greater numbers than does the general public living elsewhere.
- (4) The greater use of public transit facilitated by the development of transit villages improves local street, road, and highway congestion by providing viable alternatives to automobile use.
- (5) The development of transit village development districts can improve environmental conditions by increasing the use of public transit, facilitating the creation of and improvement to walkable, mixed-use communities, and decreasing automobile use.
- (6) The development of transit village development districts throughout the state should be environmentally conscious and sustainable, and related construction should meet or exceed the requirements of the California Green Building Standards Code, Part 11 of Title 24 of the California Code of Regulations, or its successor code.
- (7) Only a few transit stations in California have any concentration of housing proximate to the station.
- (8) Interest in clustering housing and commercial development around transit stations, called transit villages, has gained momentum in recent years.

(b) For purposes of this article, the following definitions shall apply:

- (1) "Bus hub" means an intersection of three or more bus routes, with a minimum route headway of 10 minutes during peak hours.
- (2) "Bus transfer station" means an arrival, departure, or transfer point for the area's intercity, intraregional, or interregional bus service having permanent investment in multiple bus docking facilities, ticketing services, and passenger shelters.
- (3) "District" means a transit village development district as defined in Section 65460.4.
- (4) "Peak hours" means the time between 7 a.m. to 10 a.m., inclusive, and 3 p.m. to 7 p.m., inclusive, Monday through Friday.
- (5) "Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station.

APPENDIX C – DRAFT RESOLUTION

RESOLUTION NO. 2014-02

A RESOLUTION OF THE FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY ESTABLISHING A REDUCTION IN RTMF FEE LEVEL FOR CERTAIN INFILL DEVELOPMENT PROJECTS

The Board of Directors of the Fresno County Regional Transportation Mitigation Fee Agency (the “Board”) ordain as follows:

Section 1: Title

This Resolution shall be known as the “Fresno County Regional Transportation Mitigation Fee Infill Project Fee Reduction Resolution of 2014” (the “Resolution”).

Section 2: Findings

A. This Resolution establishes a policy for offering certain types of residential infill projects reductions in the “Fresno County Regional Transportation Mitigation Fee” (the “RTMF”), which is part of the “Fresno County Transportation, Safety, Road Repair Measure” approved by the voters of Fresno County on November 7, 2006 (the “Measure ‘C’ Extension”).

B. The Board finds that the Mitigation Fee Act (California Government Code section 66000, et seq.), which provides the legal framework for the RTMF and other impact fees was, after the RTMF came into effect, amended to provide a reduction in fees for infill projects having certain characteristics, unless the local agency adopts findings that such projects would not generate fewer automobile than other developments without those characteristics. The reduction is to reflect the lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics.

C. The Board finds that a new policy is needed to bring the RTMF into compliance with the Mitigation Fee Act, as amended.

D. The Board finds that analyses with the Fresno COG travel demand model provide substantial evidence that certain types of infill development projects generate approximately 31 percent less vehicular traffic than similar projects in other types of locations and so have on average fewer traffic impacts requiring mitigation.

E. The Board hereby adopts a new policy establishing a reduction in the RTMF for residential developments meeting certain criteria.

Section 3: Definitions

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

- A. **“Housing Development”** means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.
- B. **“Transit Station”** has the meaning set forth in paragraph (4) of subdivision (b) of the California Government Code Section 65460.1. "Transit station" includes planned transit stations otherwise meeting this definition whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.

Section 4: Policy on Fee Reduction for Residential Infill Development

- A. **Eligibility for Fee Reduction.** To be eligible for a fee reduction as a residential infill project a project must meet all of the following criteria:
- i. The housing development is located within one-half mile of a transit station and there is direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
 - ii. Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
 - iii. The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

If only part of a development project meets these criteria then the reduction shall apply only to that portion meeting the criteria.

- B. **Determination of Eligible Areas.** RTMF-JPA staff shall determine which localities in Fresno County meet the criteria in Section 4.A and provide a map of these localities to interested parties.

C. **Applying for the Fee Reduction.** Project developers desiring the reduction must submit evidence that their project, or a portion of their project, lies within the eligible areas identified by RTMF-JPA staff pursuant to Section 4.B. Developers of projects outside these areas may also request the reduction but must provide evidence demonstrating that their project meets the criteria set forth in Section 4.A. The RTMF-JPA shall determine whether or not to grant the reduction based on the evidence provided. All evidence pursuant to this fee reduction is to be submitted as attachments to the Record of Payment.

- D. **Amount of Fee Reduction.** The reduction in RTMF fee shall be 31 percent of the fee that would otherwise apply to the development in question.

Section 4: Effective Date

This Resolution shall become effective January 1, 2015.

By: _____

Chairman, Board of Directors

ATTEST:

Secretary to the Board

By: _____

RESOLUTION NO. 2014-02

A RESOLUTION OF
THE FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY
ESTABLISHING A REDUCTION IN RTMF FEE LEVEL FOR CERTAIN INFILL DEVELOPMENT
PROJECTS

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B. The Board finds that the Mitigation Fee Act (California Government Code section 66000, et seq.), which provides the legal framework for the RTMF and other impact fees was, after the RTMF came into effect, amended to provide a reduction in fees for infill projects having certain characteristics, unless the local agency adopts findings that such projects would not generate fewer automobile than other developments without those characteristics. The reduction is to reflect the lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics.

C. The Board finds that a new policy is needed to bring the RTMF into compliance with the Mitigation Fee Act, as amended.

D. The Board finds that studies by the California Air Resources Board and others provide substantial evidence that certain types of infill development projects generate approximately 31 percent less vehicular traffic than similar projects in other types of locations and so have on average fewer traffic impacts requiring mitigation.

E. The Board hereby adopts a new policy establishing a reduction in the RTMF for residential developments meeting certain criteria.

Section 3: Definitions

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

- A. **“Housing Development”** means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.
- B. **“Transit Station”** has the meaning set forth in paragraph (4) of subdivision (b) of the California Government Code Section 65460.1. "Transit station" includes planned transit stations otherwise meeting this definition whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.

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If only part of a development project meets these criteria then the reduction shall apply only to that portion meeting the criteria.

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D. **Amount of Fee Reduction.** The reduction in RTMF fee shall be 31 percent of the fee that would otherwise apply to the development in question.

Section 4: Effective Date

This Resolution shall become effective December 1, 2014.

By: _____

Chairman, Board of Directors

ATTEST:

Secretary to the Board

By: _____

Fresno Regional Transportation Mitigation Fee – 2014 Nexus Study Update

Final Report

Prepared for:



Prepared by:

**PARSONS
BRINCKERHOFF**

2329 Gateway Oaks Drive
Sacramento, CA 95833

November 11, 2014

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Executive Summary

The Fresno County Regional Transportation Mitigation Fee (RTMF) was created to fulfill the terms of the Measure 'C' Extension ballot measure, which was approved by Fresno County voters in 2006. . The RTMF became effective on January 1, 2010 and so is due for an update to ensure that the project list, estimated project costs, land use forecasts, and other key inputs are kept up-to-date. This report describes the methodology used in the update, the resulted proposed revised fee structure, and the revised forecast for RTMF program revenues.

Since the original RTMF nexus study was prepared (2007-to-2008) the Great Recession caused a prolonged slump in the economy with the real estate sector being particularly hard hit. New forecasts for future development, done as part of the new Sustainable Communities Strategy (SCS), incorporate both a lower existing base of households and employment and lower future growth rates. Moreover, the SCS and its companion Regional Transportation Plan were specifically designed to reduce the growth in auto use. These factors have resulted in reduced forecasts for future traffic congestion and less need for roadway capacity improvements. At the same time, Fresno has been fortunate to receive much more state and local grant funding than was foreseen in the original nexus study.

This combination of factors reduces the amount that needs to be and can be collected through the RTMF to mitigate the future regional transportation impacts of new development. Exhibit ES-1 shows the recommended revised fee structure, which takes the factors described above into account.

Land Use Category	Current Fee	Recommended Revised Fee	% Change
Residential Development Categories			
Single-Family Dwellings (market rate)	\$1,727 /DU	\$1,637 /DU	-5%
Single-Family Dwellings (affordable)	\$863 /DU	\$819 /DU	-5%
Multi-Family Dwellings (market rate)	\$1,212 /DU	\$1,150 /DU	-5%
Multi-Family Dwellings (affordable)	\$606 /DU	\$575 /DU	-5%
Non-Residential Development Categories			
Commercial/Retail	\$1.96 Sq.Ft.	\$1.61 Sq.Ft.	-18%
Commercial/Office/Service	\$1.23 Sq.Ft.	\$0.89 Sq.Ft.	-27%
Government	Exempt	Exempt	
Education	Exempt	Exempt	
Light Industrial	\$0.49 Sq.Ft.	\$0.32 Sq.Ft.	-35%
Heavy Industrial	\$0.10 Sq.Ft.	\$0.07 Sq.Ft.	-30%
Other Non-Residential	\$0.42 Sq.Ft.	\$0.28 Sq.Ft.	-33%

Exhibit ES-1: Current and Recommended RTMF Fees

The recommendation to reduce the fees stems primarily from the greater-than-expected grant funding available for some RTMF projects. This funding was assigned to specific projects and a portion covered costs which might otherwise have been covered by the RTMF. State law does not permit fees to be collected for costs already paid for through grants, so the fee must be lowered. The reduction is greater for non-residential development due to reduced growth projections for these types of development.

If this fee schedule is adopted, Fresno County will continue to have one of the lowest county-wide traffic impact fees among Valley and foothills counties. Nevertheless, if the forecasts for future residential and non-residential development prove correct, then total revenues from the RTMF over the life of the program will be approximately \$188M. This would be within the \$102M-to-\$235M target range of revenue set for the RTMF in the ballot measure.

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1.0 INTRODUCTION

1.1 Measure ‘C’ and the RTMF

When the voters of Fresno County approved a 20-year extension for Measure ‘C’ in 2006, they added a new element to the program in the form of a county-wide transportation impact fee. The Regional Transportation Mitigation Fee (RTMF) is intended to ensure that future development contributes its fair share towards the costs of infrastructure to mitigate the cumulative indirect regional transportation impacts of new growth in a manner consistent with the provisions of the Mitigation Fee Act. The text of the Measure “C” Extension stated that the primary purpose of the RTMF was to augment funding for the projects identified in the Regional Transportation Program Tier 1 Project List, and that the fee should also address improvements identified in the Fresno-Madera County Freeway Deficiency Study (FIDS). Under certain circumstances projects in the Tier 2 Project List might also receive funding from the fee program.

In addition to identifying the lists of projects potentially eligible to receive RTMF funding, Measure “C” Extension also provided guidance on how the RTMF was to be implemented. For example, Measure ‘C’ Extension stipulated that regional traffic impacts be determined based on the Council of Governments’ transportation model, and that the number of land use categories be limited to the extent possible to certain named categories, and that certain exemptions and discounts be offered. The fact that the RTMF must follow this guidance in addition to the provisions of the Mitigation Fee Act makes this a somewhat less flexible program than the impact fees adopted by individual jurisdictions based on their own needs.

Measure ‘C’ Extension stated that every city in Fresno County and the County of Fresno must adopt the RTMF or forfeit a portion of the Local Transportation Program Street Maintenance Allocation in an amount equal to the amount of RTMF that would otherwise have been paid for development projects within that jurisdiction. Every city and the County did adopt the fee, and chose to use the Joint Exercise of Powers Act to create the Fresno County Regional Transportation Mitigation Fee Joint Powers Agency (the Agency) to whom they delegated their power to enact, adopt, establish, implement, impose, collect, and administer the RTMF.

The Agency duly enacted policies for the implementation of the RTMF. The most important of these policies for the purposes of the current study was the decision to consider for RTMF funding only the projects in the Tier 1 Project List that are part of the state highway system, a portion of the Veterans Boulevard Project, and FIDS projects, while excluding local Tier 1 road projects and the entire Tier 2 Project List from inclusion in the program. The local Tier 1 projects and a portion of the Veterans Boulevard Project were excluded from the RTMF to avoid the possibility of double-charging development for projects covered by other fee programs (the City of Fresno City Wide Street Impact Fee, for example). The Tier 2 Project List was excluded due to doubts about the availability of funding for the non-RTMF portion of these projects. The Mitigation Fee Act does not allow fees to be collected for projects unless there is a realistic chance that the project will be implemented.

1.2 Experience from the First 4 Years of Operation

1.2.1 Applications Processed

As of May 2014, 6,665 applications have been processed to either pay the RTMF or to claim an exemption (see Exhibit 1 and Exhibit 2). Each application covers a single building, so in the case of single-family dwellings each house has its own application while for multi-family residences each application covers a multi-unit apartment building.

Application Type	Applications			Dwelling Units			Fee Collected
	Exempt	Non-Exempt	Total	Exempt	Non-Exempt	Total	
SFD	1,951	4,086	6,037	1,951	4,086	6,037	\$ 6,342,042
SFD (Affordable)	14	29	43	14	29	43	\$ 24,890
MFD	20	117	137	243	771	1,014	\$ 844,749
MFD (Affordable)	14	23	37	148	343	491	\$ 184,233
Total	1,999	4,255	6,254	2,356	5,229	7,585	\$ 7,395,914
% of Total	32%	68%		31%	69%		

Exhibit 1: Residential Applications Processed

Application Type	Applications			Square Feet of Building Space			Fee Collected
	Exempt	Non-Exempt	Total	Exempt	Non-Exempt	Total	
Education	5	0	5	20,650		20,650	\$ -
Government	5	0	5	85,125		85,125	\$ -
Retail	21	84	105	186,019	1,318,111	1,504,130	\$ 2,540,661
Office	15	89	104	101,778	718,463	820,241	\$ 801,492
Light Industrial	8	45	53	37,655	356,691	394,346	\$ 157,040
Heavy Industrial	3	96	99	9,751	2,183,372	2,193,123	\$ 207,766
Other	14	26	40	78,099	326,286	404,385	\$ 109,895
Total	71	340	411	227,283	3,584,812	3,812,095	\$ 3,816,853
% of Total	17%	83%		6%	94%		

Exhibit 2: Non-Residential Applications Processed

Of the residential units processed thus far, 7% have met the criteria for “affordable housing”, which is very close to the 8% originally forecast. Affordable housing is given a 50% reduction in fee, per the ballot measure.

Nearly a third (31%) of residential applications qualified for exemption with all exemptions being based on vesting. In contrast, only 6% of non-residential development qualified for an exemption, including some projects that were exempt because they were for governmental or educational entities.

Of the \$12,139,491 in fees collected as of October 1st, 66% have come from residential development and 34% from commercial development. The original forecast assumed that 76% of revenues would come from residential development. So the original forecast was reasonably close in terms of the mix of development expected.

1.2.2 Receipts by Month and Year

Exhibit 3 shows the RTMF receipts by month and year in tabular form; Exhibit 4 shows the same data as a graph.

Month	Year				
	2010	2011	2012	2013	2014
Jan	\$ 16,800	\$ 8,495	\$ 97,775	\$ 524,604	\$ 508,466
Feb	\$ 37,700	\$ 74,857	\$ 93,098	\$ 437,457	\$ 122,086
Mar	\$ 20,555	\$ 35,361	\$ 61,963	\$ 265,002	\$ 677,124
Apr	\$ 30,540	\$ 81,902	\$ 108,733	\$ 199,912	\$ 290,889
May	\$ 45,452	\$ 62,182	\$ 217,804	\$ 303,486	\$ 200,067
Jun	\$ 117,775	\$ 102,017	\$ 243,577	\$ 241,955	\$ 491,107
Jul	\$ 55,200	\$ 77,422	\$ 123,447	\$ 348,216	\$ 183,888
Aug	\$ 128,419	\$ 67,715	\$ 226,556	\$ 673,168	\$ 301,979
Sep	\$ 131,684	\$ 65,670	\$ 173,756	\$ 238,669	\$ 440,858
Oct	\$ 261,036	\$ 110,572	\$ 334,543	\$ 312,180	
Nov	\$ 119,037	\$ 75,373	\$ 133,403	\$ 324,234	
Dec	\$ 555,814	\$ 541,923	\$ 154,354	\$ 261,636	
Total	\$ 1,520,012	\$ 1,303,488	\$ 1,969,010	\$ 4,130,518	\$ 3,216,464

Receipts are generally increasing on a year-on-year

Exhibit 3: RTMF Receipts by Month (Table)

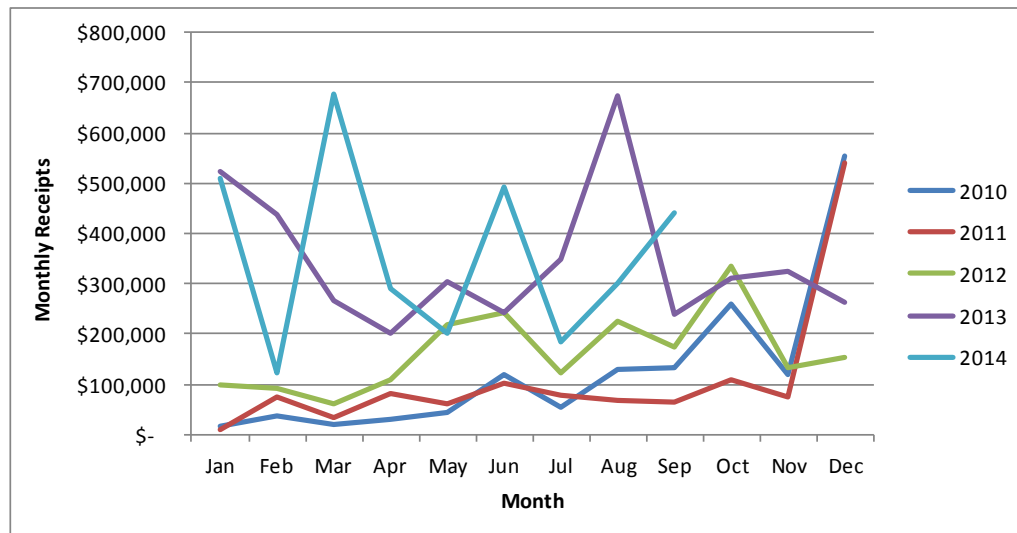


Exhibit 4: RTMF Receipts by Month (Graph)

This data shows several things:

- This is an erratic revenue source, with wide swings in receipts from one month to the next
- There is no strong pattern in terms of which months have the most activity. December 2010 and December 2011 were both unusually high, but this was due to applicants filing their paperwork

before new regulations went into effect on January 1st, including increases in the RTMF¹. When there are no important new regulations then December is not a particularly active month (2012 and 2013).

- There is a clear upward trend in receipts as the economy recovers. This trend should also accelerate as the stock of vested units depletes over time and the percentage of units paying the fee rises.

1.2.3 Comparison of Actual to Forecast Revenues

The original nexus study made forecast for revenues over the entire 20-year life of the program (\$221M) but did not make predictions for revenues in any given year. Distributed pro-rata, and taking into account the reduced fees for the first two years due to the phase-in of the fee, approximately \$40M might have been expected to be collected in the first four years of the program compared to approximately \$9M in actual receipts (22%).

It is very common for impact fee programs to have low receipts in the first few years because a high proportion of the construction activity is for projects that have vested exemptions from before the fee came into effect. Perhaps more important for the RTMF was unfortunate timing, in that the program came into effect in the midst of the worst real estate slump in generations. The slump has seriously reduced the amount collected from similar transportation mitigation fees in other parts of California, as can be seen in Exhibit 5 and Exhibit 6.

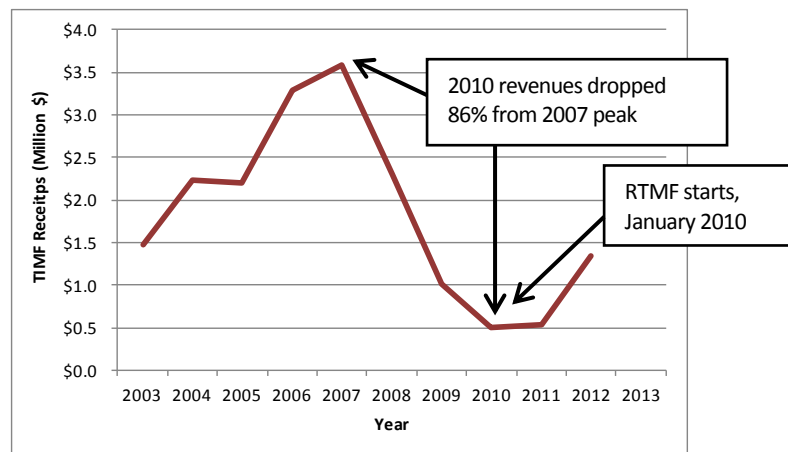


Exhibit 5: Revenues for the San Joaquin County Traffic Impact Mitigation Fee

¹ The RTMF was phased in over a three-year period, with increases effective on January 1st.

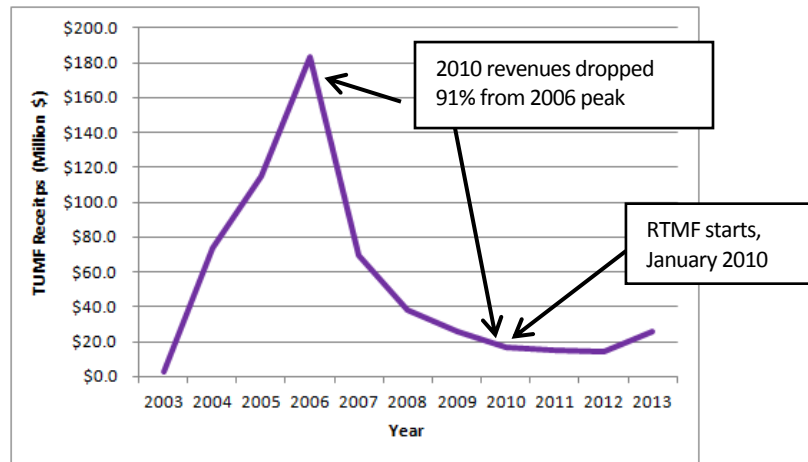


Exhibit 6: Revenues for the Western Riverside Transportation Uniform Mitigation Fee

While 2010 and 2011 were years of low revenue for the RTMF and its peer programs in other counties, revenues were up sharply in 2012 and 2013 (see Exhibit 7) as the real estate market began to recover. This is consistent with the Sustainable Community Strategy since, if the SCS target of about 118,400 new dwelling units being built between 2007 and 2027 is to happen, then development will need to accelerate from the approximately 1,300 DUs/year being produced now to an average of about 4,800 DUs/year for the remaining 13 years of the RTMF program.

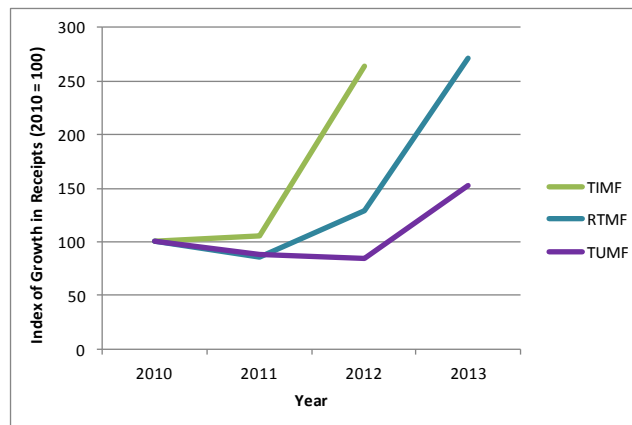


Exhibit 7: Revenues for Various Traffic Impact Fees, 2010 to 2013

1.3 Need for an Update

The purpose of conducting regular updates to the RTMF is to ensure that the nexus between the fees being collected and the impacts of development is maintained, by checking that the project list, project cost estimates, assumed funding from other sources, etc. are revised as the situation evolves over time. The RTMF became effective on January 1, 2010, and the current study is intended to provide the necessary update.

2.0 UPDATES OF KEY INPUTS

2.1 Growth Forecasts

The growth forecasts used in the original development of the RTMF were based on forecasts prepared for the 2000-2025 period by the Central California Future Institute (CCFI) and later extrapolated to 2030 by FCOG staff². Since that time, the Great Recession has reduced employment, the 2010 U.S. census has provided new information on the size and geographic distribution of the existing population, and a new Sustainable Communities Strategy has been developed and adopted. As a result of these developments the population and employment forecasts for 2030 have changed substantially from the original forecasts.

2.1.1 Forecasts of Households

Exhibit 8 shows the number of distribution of households in the 2007 base year of the previous version of the FCOG traffic model (i.e. the model that was used in the original development of the RTMF program), alongside the distribution in the current FCOG model. The latter is based on data from the 2010 U.S. Census. As can be seen in the exhibit, the original assumptions about the number of households in the cities of Fresno and Clovis were confirmed by the census data. However, the census found 75,000 households (24% of all households) living in the rural parts of the county compared to the original assumption of approximately 43,000 (15%).

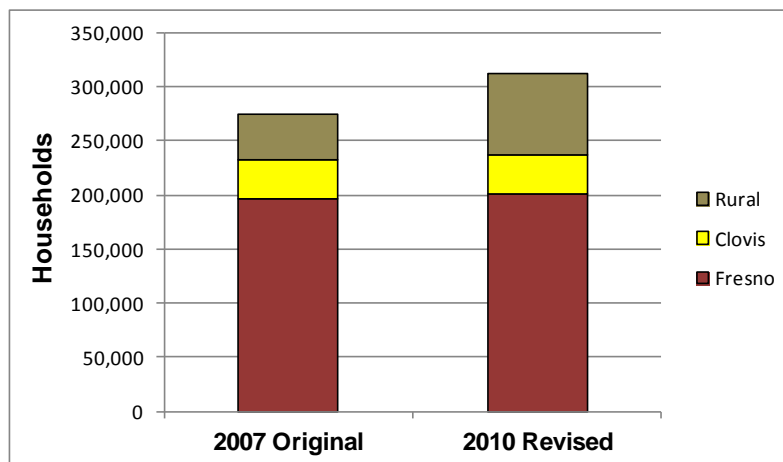


Exhibit 8: Estimates of 2007 and 2010 Households

Exhibit 9 shows the original and the revised forecasts for households by area in 2030. The revised forecast is based on the Sustainable Communities Strategy Scenario B, which was adopted on November 21, 2013 by the Fresno COG Policy Board as their preferred scenario. The revised 2030 forecast assumes 4% fewer households in 2030 than the original forecast, along with a distribution very close to that found in the 2010 U.S. Census.

² See 2006 Fresno COG Conformity Analysis Model Documentation

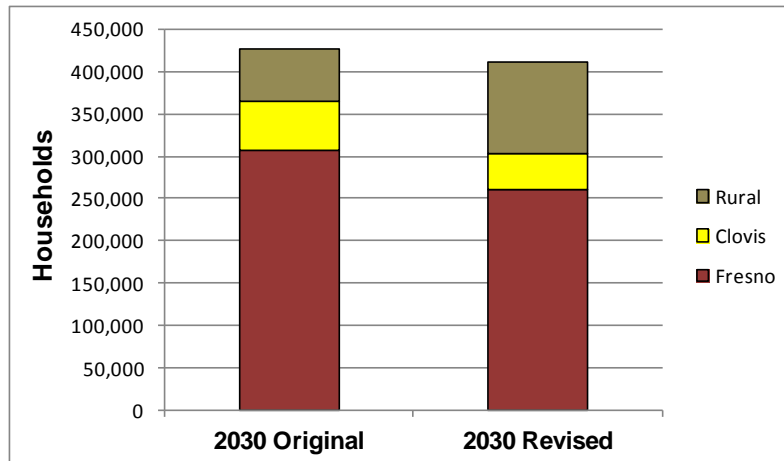


Exhibit 9: Forecasts of Households in 2030

The reduction in future population and the fact that more is located in the rural areas results in 17% fewer households living in the Fresno-Clovis area in 2030 than was assumed in the previous forecast. This has several effects on the RTMF, most notably:

- Fewer new households means less traffic impacts and therefore less need for roadway improvements as mitigation. Some projects may no longer be needed, or a smaller portion of the need may be attributable to new development.
- Fewer household means fewer new dwelling units paying the fee.

2.1.2 Forecasts of Employment

The forecasts for employment growth used in the original development of the RTMF predated the Great Recession and appears in retrospect to have been optimistic. The revised forecast based on the Sustainable Communities Strategy has both a lower base (in 2010) and a lower growth rate. The result is 27% less employment in 2030.

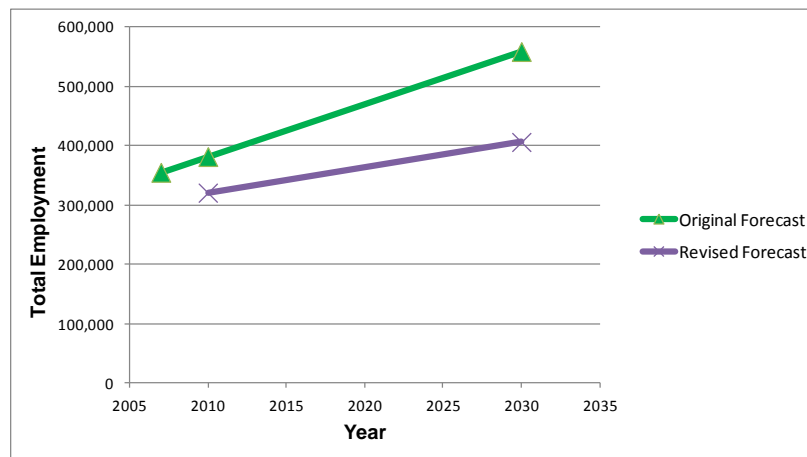


Exhibit 10: Forecasts of Employment in 2030

Exhibit 11 shows that the revised employment forecasts for 2030 are substantially lower than the previous forecasts across-the-board, with service jobs and retail showing the greatest reductions.

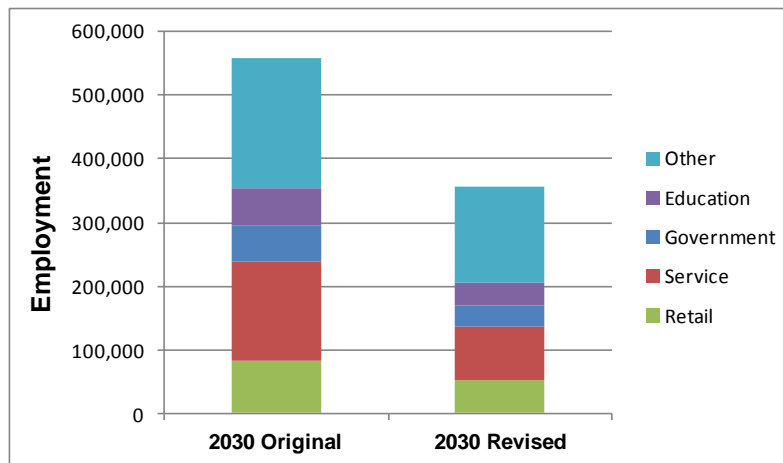


Exhibit 11: Forecast Composition of Employment in 2030

As with the forecasts for households, the reduced forecasts for employment growth mean that there will be less impacts from new development than previously forecast, and that there will be fewer new non-residential developments paying the RTMF.

2.2 Funding from Other Sources

When computing the amount of an impact fee, the amount of funding available from other sources must be deducted from the project cost estimates to ensure new development is not paying more than its fair share. State and federal funds for transportation improvements are channeled through the STIP, which is administered by the California Transportation Commission (CTC). For the purposes of this study there are two key features of the STIP; namely that the CTC allocates a share of statewide funding to Fresno County which FCOG then allocates among individual projects, subject to later review by the CTC, and that STIP funding is difficult to predict and varies widely from year to year depending on the budget situation on the state level.

In the case of the RTMF, the amount of funding available from other sources has changed dramatically from the assumptions made when the fee was first developed. At the time of the original nexus study (mid-2008) the outlook for state and federal funding at the time of the nexus study was bleak. The only funding known to be secured for Measure 'C' Tier 1 projects was \$33.4M for the SR-180 East Segment II Project. The study anticipated that there might very well be a shortfall in total funds for the Tier 1 projects, with perhaps no funding at all available for the Tier 2 and FIDS projects.

Since that time the Fresno region has been very successful in securing state and federal funding for Tier 1 projects. As can be seen in Exhibit 12 \$226.6M, approximately eight times the original estimate, has been secured for these projects. In some cases the funding covers more than the portion of the project need that is attributable to existing deficiencies. In such cases the surplus funding is deducted from the portion of project need that is attributable to new development and so results in a reduction in the RTMF. This is explained in more detail in the next chapter.

	Project ID	Project Name	Updated Project Cost Estimate	Funding from Other Sources (STIP, SHOPP, etc.)	
				Original Nexus Study	Current Neuxs Update
URBAN TIER 1	A	SR-180 East Seg II	\$33,478,000	\$33,479,701	\$33,478,000
	B	SR-180 West Seg II	\$7,519,000		\$2,213,000
	C	SR-41/SR-168/SR-180	\$67,700,000		\$55,000,000
	D	Willow Avenue	\$27,788,000		\$8,708,000
	E	Temperance Avenue	\$6,124,000		\$2,481,000
	F	Ventura Boulevard	\$3,427,000		\$0
	G	SR-99 Monterey Bridge Retrofit	\$1,602,000		\$0
	H	California Ave Widening	\$11,284,000		\$0
	I	Peach Ave Widening	\$22,281,000		\$9,204,000
	J	SR-41 Auxiliary Lane	\$25,996,000		\$0
	K	Herndon Ave Widening	\$131,618,000		\$16,787,000
	L	Shaw Ave Upgrades	\$12,696,000		\$116,000
	M	SR-99 North & Cedar Interchanges	\$110,059,000		\$0
	N	Veteran's Boulevard	\$144,211,000		\$500,000
RURAL TIER 1	A	SR-180 West	\$12,077,000		\$0
	B	SR-180 East Seg III	\$68,443,000		\$47,882,000
	C	SR-180 East Seg IV	\$40,100,000		\$17,309,000
	D	SR-180 East Seg V	\$96,448,000		\$57,757,000
	E	Friant Road Widening	\$4,120,000		\$0
	F	Golden State Boulevard	\$48,195,000		\$0
	G	SR-269 Bridge Improvement	\$30,250,000		\$15,250,000
	H	SR-180 West I5 Extension	\$305,110,000		\$0
	I	Mountain View Ave Widening	\$24,848,000		\$0
	J	Mendocino Ave Widening	\$3,536,000		\$0
	K	SR-99 American Ave Interchange	\$56,853,000		\$0
	L	I-5/SR-198 Interchange Improvement	\$18,236,000		\$0
Total for Tier 1			\$1,313,999,000	\$33,479,701	\$266,685,000
As a percent of total updated cost estimate				3%	20%

Exhibit 12: Funding Available from Other Sources

2.3 Project Costs

The cost of road construction has varied significantly over the course of the last decade, so it is important that this be factored into the fee structure for the RTMF.

Exhibit 13 shows Caltrans' construction price index for highway projects for the period from 1900 to 2014. As can be seen in the exhibit, there was a slow and stable rise in prices throughout the 1990's and early years of the 2000's. However, in 2004 a combination of a construction boom, rising land and fuel costs, and the effect of a weakening U.S. dollar on the cost of imported construction materials, caused construction prices to rise more in a single year than they had in the previous 15 years combined; the highest single-year increase since Caltrans started the index. This was followed in 2005 by the second-highest single-year increase. This sudden rise in prices meant that the project costs used to development the ballot measure became under-estimates. Thus when the RTMF was developed it was necessary to update the project cost estimates to 2006 prices (the most current available at the time).

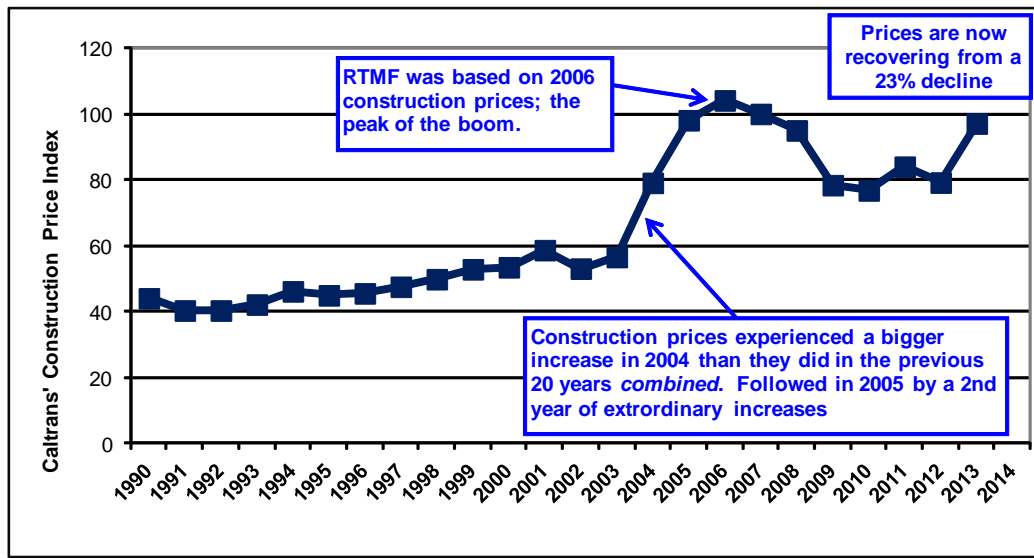


Exhibit 13: Caltrans' Construction Price Index, 1990-2014

Since the fee was originally calculated prices went into a four-year, 23% decline, followed in 2013 by another sharp rise in prices.

The Caltrans cost index is based on actual bid prices for projects done in the previous year. There is a second cost index, prepared by the Engineering News Record (ENR) that is computed based on the market prices for various major inputs to road projects (concrete, steel, aggregate, etc.). This index is less volatile than the Caltrans index because it does not include the effect of contractors' changing profit expectations in response to strong or weak market conditions. The two indices are compared in Exhibit 14.

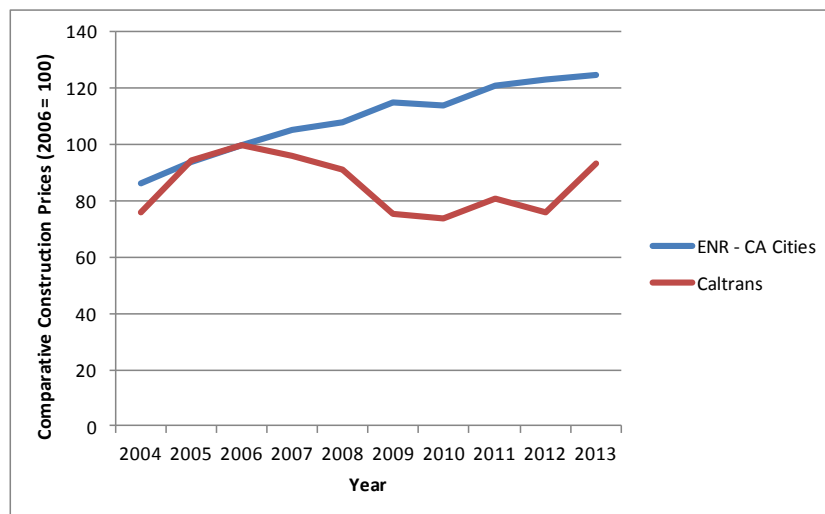


Exhibit 14: Caltrans and ENR Price Indices

As can be seen in Exhibit 14, the ENR index suggests that prices of key components are now 25% higher than the 2006 prices used in the original nexus study, while the Caltrans index suggests that contractors might be still be willing to accept 7% lower prices than they accepted in 2006; a lingering effect from the downturn in the construction market. Note, though, the sharp uptick in the Caltrans index since 2012, which suggests that low prices may not continue and that the two indexes may converge in the near future.

The text of Measure 'C' specifies that the ENR index for California Cities is to be used as the basis for cost adjustments for the RTMF. This decision was based in part on the relative stability of the ENR index, which makes the fee program more predictable for developers compared to the highly volatile Caltrans index. Therefore, for projects where no recent cost estimates are available, the project cost estimates were increased 25% from those used in the original fee calculation.

3.0 UPDATED FEE CALCULATION

An overview of the methodology used to compute the RTMF is provided in the section below, followed by sections providing more in-depth discussion of the key components. These are followed by section describing the resulting fees and the revenues that would be raised by the RTMF under the different sets of policy options.

3.1 Overview of the Fee Computation Methodology

The methodology used in the fee computation is outlined in Exhibit 15 below.

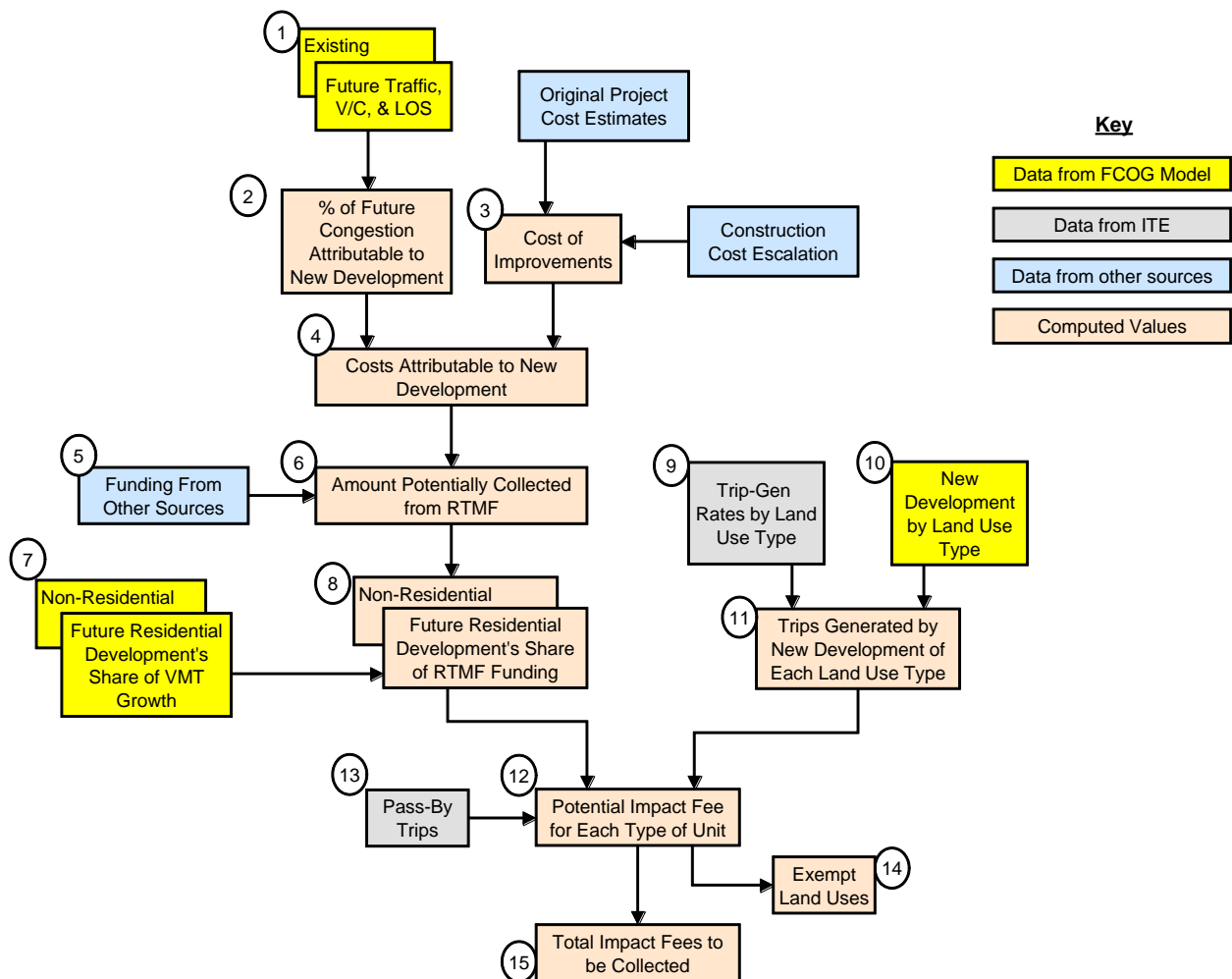


Exhibit 15: Steps in the Fee Computation

The major steps include:

- 1) The starting point was the set of outputs from the FCOG traffic model that were used to determine the volume-to-capacity (V/C) ratio for each project under 2008 and 2027 conditions.
- 2) The V/C ratios were then used to determine the percentage of the need for each project that is attributable to new development.
- 3) Revised cost estimates were prepared for each project as described in Chapter 2.
- 4) The outputs from steps 2 and 3 were used to determine the share of project costs attributable to new development. These estimates exclude certain project components such as beautification work that are not capacity-enhancing and so are ineligible by law to receive impact fee revenue.
- 5) Next, funding from other sources that is expected to be available for the listed projects was deducted from the amount needed from the RTMF.
- 6) The product of the previous two steps was the interim maximum amount of funding allowable by law that could potentially be collected using the RTMF.
- 7) The FCOG traffic model was also used to determine the growth in vehicle-miles traveled (VMT) that will be associated with residential and non-residential development.
- 8) The results of Steps 6 and 7 were then combined to determine the portion of each project's budget that could be attributed to new residential and non-residential development.
- 9) Next, the trip generation rate was determined for each land use type. For residential land uses the unit of measurement was VMT per day per dwelling unit, while for non-residential uses, trip-generation was measured in terms of VMT per day per job.
- 10) The number of new units of each land use type was taken from the FCOG traffic model.
- 11) The number of new units for each development type was then multiplied by the trip generation rate to produce the total number of new trips associated with each type of land use development.
- 12) The project funding attributable to residential and non-residential developments (from Step 8) was then divided by the expected number of new trips (from Step 11) to produce the maximum potential impact fee for each type of unit.
- 13) A percentage of trips were deducted from the certain land use types to account for pass-by trips.
- 14) The Agency established a policy, based on language in Measure "C" Extension, that certain types of land uses would be exempt from the RTMF. The fees from these land uses types were therefore deducted from the expected RTMF revenues.
- 15) The total amount of RTMF revenues to be collected were then computed by multiplying the expected number of new units of each type of non-exempt development by the fee charged to each unit.

The next sections describe several key steps in the process in more detail.

3.2 Determining the Percent of Project Need Attributable to Now Development

The procedure for determining the percentage of the need to improve a roadway facility that is attributable to new development is illustrated in Exhibit 16.

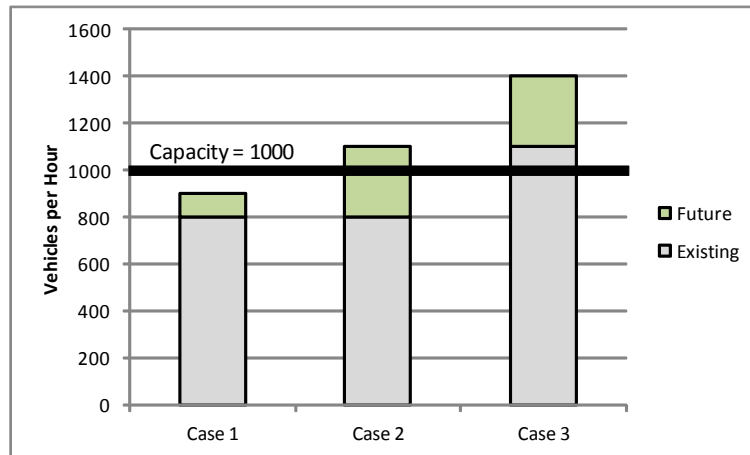


Exhibit 16: Examples of How the Percent Attributable to New Development is Determined

There are three possible cases, namely:

- In Case 1, the roadway facility is operating at below its capacity under existing conditions and is forecast to continue to do so under future (2030) conditions. In such cases there is no deficiency and so no impact fees can be collected for the project³.
- In Case 2 the facility operates below its maximum capacity under existing conditions but the capacity is insufficient to accommodate the expected future growth in traffic. In such cases the need to provide additional capacity is entirely attributable to new development.
- In Case 3 the traffic using the facility already exceeds its rated capacity and the expected growth in traffic will exacerbate the situation. In such cases the percentage attributable to new development is the portion of the volume beyond the rated capacity that comes from new development.

In each case the capacity is the maximum volume that can be accommodated at level-of-service 'D', which is the target vehicular LOS mandated by Fresno COG.

Exhibit 17 shows how this methodology was applied to the project on the Measure 'C' Tier 1 Project List and the FIDS projects, based on the latest version of the FCOG travel demand model. The exhibit also compares the updated results with those from the original nexus study.

³ This is not to say that the project is not justified; only that the justification is unrelated to the need to provide additional capacity to accommodate future development. The seismic retrofit of a bridge would be an example of a project where the need is not based on insufficient capacity.

	Project ID	Project Name	Existing (Pre-RTMF) Conditions				Future (2027) Conditions				Original Nexus Study	Nexus Update	Changes Resulting from the Updated Traffic Forecasts (if any)	
			Original Nexus Study		Nexus Update		Original Nexus Study		Nexus Update		% of Deficiency	% of Deficiency		
			V/C Ratio	LOS	V/C Ratio	LOS	V/C Ratio	LOS	V/C Ratio	LOS	Attributable to New	Attributable to New		
URBAN TIER 1	A	SR-180 East Seg II *	1.79	F	1.79	F	2.62	F	2.29	F	51%	39%	% attributable to new development decreases	
	B	SR-180 West Seg II *	1.59	F	1.59	F	2.11	F	1.91	F	46%	35%	% attributable to new development decreases	
	C	SR-41/SR-168/SR-180	0.90	D	0.90	D	1.42	F	1.07	E	100%	100%	No change	
	D	Willow Avenue	0.77	D	0.77	D	1.80	F	1.32	F	100%	100%	No change	
	E	Temperance Avenue	0.79	D	0.79	D	1.54	F	1.12	F	100%	100%	No change	
	F	Ventura Boulevard	0.67	C or better	0.67	C or better	1.03	E	0.81	D	100%	No Deficiency	Future deficiency eliminated	
	G	SR-99 Monterey Bridge Retrofit	0.61	C or better	0.61	C or better	1.01	E	0.69	C or better	100%	No Deficiency	Future deficiency eliminated	
	H	California Ave Widening	0.54	D	0.54	D	1.28	F	0.93	D	100%	No Deficiency	Future deficiency eliminated	
	I	Peach Ave Widening	1.40	F	1.40	F	1.76	F	1.59	F	47%	33%	% attributable to new development decreases	
	J	SR-41 Auxiliary Lane	0.51	C or better	0.65	C or better	0.70	C or better	0.71	C or better	No Deficiency	No Deficiency	No change	
	K	Hemdon Ave Widening	0.66	D	0.66	D	1.09	E	0.79	D	100%	No Deficiency	Future deficiency eliminated	
	L	Shaw Ave Upgrades	1.28	F	1.28	F	2.29	F	2.45	F	78%	80%	% attributable to new development increases	
	M	SR-99 North & Cedar Interchanges	0.17	C or better	0.17	C or better	0.65	C or better	0.22	C or better	No Deficiency	No Deficiency	No change	
	N	Veteran's Boulevard *	1.91	F	0.84	D	3.17	F	1.04	E	58%	100%	% attributable to new development increases	
RURAL TIER 1	A	SR-180 West	0.62	D	0.62	D	0.99	D	0.85	D	No Deficiency	No Deficiency	No change	
	B	SR-180 East Seg III	0.95	D	0.95	D	2.62	F	1.50	E	100%	100%	No change	
	C	SR-180 East Seg IV	1.00	E	1.00	E	1.34	E	1.28	E	100%	99%	% attributable to new development decreases	
	D	SR-180 East Seg V	0.96	D	0.96	D	1.31	E	1.24	E	100%	100%	No change	
	E	Friant Road Widening	0.24	C or better	0.24	C or better	0.39	C or better	0.28	C or better	No Deficiency	No Deficiency	No change	
	F	Golden State Boulevard	0.18	C or better	0.18	C or better	0.47	C or better	0.68	C or better	No Deficiency	No Deficiency	No change	
	G	SR-269 Bridge Improvement	0.57	C or better	0.57	C or better	0.90	D	0.97	D	No Deficiency	No Deficiency	No change	
	H	SR-180 West I5 Extension	0.35	C or better	0.35	C or better	0.57	C or better	0.52	C or better	No Deficiency	No Deficiency	No change	
	I	Mountain View Ave Widening	0.68	D	0.68	D	1.26	E	0.69	D	100%	No Deficiency	Future deficiency eliminated	
	J	Mendocino Ave Widening	0.22	C or better	0.22	C or better	0.30	C or better	0.38	C or better	No Deficiency	No Deficiency	No change	
	K	SR-99 American Ave Interchange	0.15	C or better	0.15	C or better	0.50	C or better	0.20	C or better	No Deficiency	No Deficiency	No change	
	L	I-5/SR-198 Interchange Improvement	0.17	C or better	0.17	C or better	0.28	C or better	0.21	C or better	No Deficiency	No Deficiency	No change	
	FREEWAY INTERCHANGE DEFICIENCY STUDY	1	SR-99/Mountain View	0.34	C or better	0.34	C or better	0.47	C or better	0.33	C or better	No Deficiency	No Deficiency	No change
		2	SR-99/Floral	0.23	C or better	0.23	C or better	0.24	C or better	0.16	C or better	No Deficiency	No Deficiency	No change
3		SR-99/Manning	0.27	C or better	0.27	C or better	0.49	C or better	0.18	C or better	No Deficiency	No Deficiency	No change	
4		SR-99/Central	0.43	C or better	0.43	C or better	0.32	C or better	0.49	C or better	No Deficiency	No Deficiency	No change	
5		SR99/Ventura	0.44	C or better	0.44	C or better	0.86	C or better	0.46	C or better	No Deficiency	No Deficiency	No change	
6		SR99/Fresno	0.56	C or better	0.56	C or better	0.91	D	0.66	C or better	No Deficiency	No Deficiency	No change	
7		SR99/Stanslaus	0.21	C or better	0.21	C or better	0.71	C or better	0.19	C or better	No Deficiency	No Deficiency	No change	
8		SR99/Belmont	0.72	C or better	0.72	C or better	1.14	F	1.12	F	100%	100%	No change	
9		SR99/Olive	0.12	C or better	0.12	C or better	0.78	C or better	0.05	C or better	No Deficiency	No Deficiency	No change	
10		SR99/Clinton	0.59	C or better	0.59	C or better	0.88	C or better	0.45	C or better	No Deficiency	No Deficiency	No change	
11		SR99/Ashlan	0.81	C or better	0.81	C or better	0.91	D	0.76	C or better	No Deficiency	No Deficiency	No change	
12		SR99/Shaw	0.44	C or better	0.44	C or better	0.71	C or better	0.35	C or better	No Deficiency	No Deficiency	No change	
13		SR99/Hemdon	0.26	C or better	0.26	C or better	0.57	C or better	0.29	C or better	No Deficiency	No Deficiency	No change	
14		SR41/Van Ness	0.36	C or better	0.36	C or better	0.67	C or better	0.57	C or better	No Deficiency	No Deficiency	No change	
15		SR41/Tulare&Divisadero	0.77	C or better	1.38	C or better	1.16	F	1.52	C or better	100%	27%	% attributable to new development decreases	
16		SR41/McKinley	0.65	C or better	0.65	C or better	0.77	C or better	0.67	C or better	No Deficiency	No Deficiency	No change	
17		SR41/Shields	0.59	C or better	0.59	C or better	0.84	C or better	0.58	C or better	No Deficiency	No Deficiency	No change	
18		SR41/Ashlan	0.65	C or better	0.99	C or better	1.06	E	1.02	E	100%	100%	No change	
19		SR41/Shaw	0.57	C or better	0.57	C or better	1.00	D	0.47	C or better	No Deficiency	No Deficiency	No change	
20		SR41/Bullard	0.64	C or better	0.64	C or better	1.19	F	0.55	C or better	100%	No Deficiency	Future deficiency eliminated	
21		SR41/Friant	1.04	E	1.04	E	1.27	F	1.07	E	84%	36%	% attributable to new development decreases	
22		SR180/N. Fulton & Van Ness	0.68	C or better	0.68	C or better	1.04	E	0.78	C or better	100%	No Deficiency	Future deficiency eliminated	
23		SR168/Bullard	0.19	C or better	0.19	C or better	0.78	C or better	0.27	C or better	No Deficiency	No Deficiency	No change	
24		SR168/Shaw	0.53	C or better	0.53	C or better	1.02	E	0.69	C or better	100%	No Deficiency	Future deficiency eliminated	

Notes:

* V/C Ratio of existing facilities that currently serve this function

Shaded cells in LOS columns indicate that the facility does not meet FCOG's LOS standard of "D" or better

Red font indicates a change that reduces the fee

Green font indicates a change that increases the fee

Exhibit 17: Determination of Percent of Project Need Attributable to New Development

As can be seen from Exhibit 17, there are 14 cases where the updated traffic forecasts, based on the assumptions for less development and reduced auto use, result in either the elimination of the expected deficiency or the reduction in the percent attributable to new development. There were only two cases where the percent of project need attributable to new development increased and for only one of those was the increase significant, namely Veterans Boulevard.

Unlike most of the Measure 'C' projects Veterans Blvd will be an entirely new facility. That means that there were no existing (i.e. pre-RTMF) traffic volumes that could be used directly to determine whether there was an existing deficiency. The original nexus study used the portion of Herndon Blvd just east of Golden State Blvd (highlighted in pink in Exhibit 18) as the proxy for Veterans Blvd. That segment showed an existing deficiency in 2008, which meant that only a portion of the need for Veterans Blvd. was attributable to new development. Upon reconsideration and in consultation with Caltrans' staff, for the updated study it was determined that a combination of Herndon and Shaw Avenues would be a better proxy for Veterans Blvd. than Herndon Ave. alone, and that the segments west of Golden State Blvd. would more closely simulate the function of Veterans Blvd. than the segments east of Golden State Blvd. (see the two segments highlighted in blue in Exhibit 18). Under these revised assumptions there was no deficiency in 2008, so 100% of the need for Veterans Blvd. was attributed to new development.

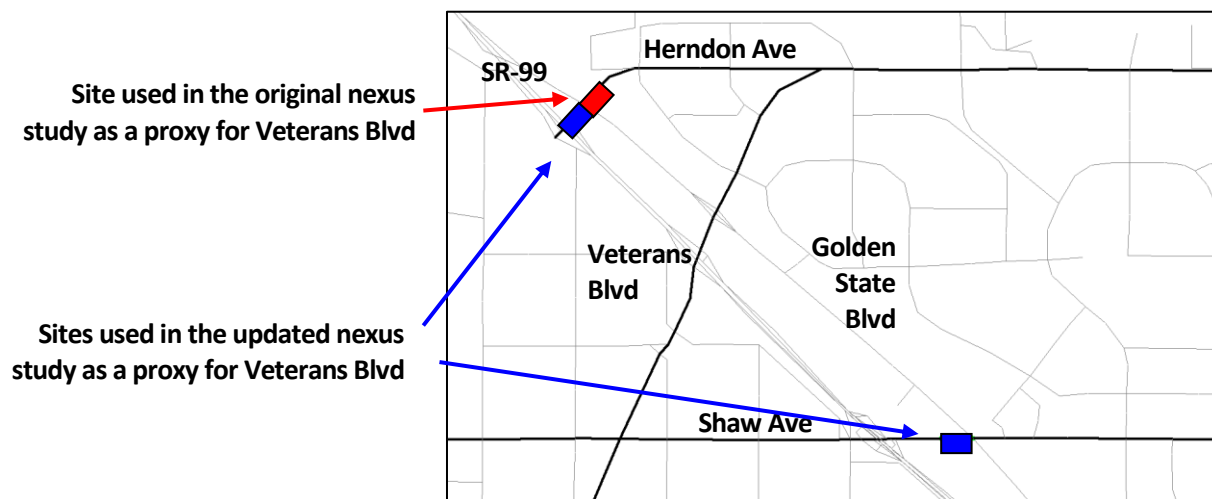


Exhibit 18: Road Segments Used to Analyze Veterans Blvd.

As can be seen from Exhibit 17, with the new forecasts for a less congested future there are only fifteen projects where the need for capacity improvements that can be attributed to new development. According to the Mitigation Fee Act, these are the only projects for which the Agency can collect the fee⁴.

⁴ Again, this is not to imply that the other projects are not needed, only that the need for them cannot legally be attributed to capacity deficiencies caused by new development. The Measure 'C' project list was approved by the voters of Fresno County and reflects the projects that they want and are willing to pay for, which does not necessarily correspond with traffic engineering methodologies.

3.3 Determining the Amount Potentially Collectable Through the RTMF

The amount potentially collectable through the RTMF program was calculated using the updated project costs, the percentage of project need attributable to new development shown in Exhibit 17, and the funding available from other sources shown in Exhibit 12. This calculation is shown in Exhibit 19.

Column H in Exhibit 19 shows funding available that is in excess of the funding needed to correct existing deficiencies (Column D). The funds shown in Column H show how future development in Fresno County has benefitted from state and federal grant funding, since if funds had not come from those other sources then these amounts would have been collectable from new development through impact fees.

	Project ID	Project Name	Updated Cost Estimate	% of Need Attributable to New Development	Costs Attributable to New Development	Costs Attributable to Existing Deficiencies (not New Development)	First 5 Years of RTMF Funding	Funding from Other Sources (STIP, SHOPP, etc.)	Total Funding Available from Other Sources	Funds from other sources beyond what is needed for existing deficiencies	Amount Potentially Collectable from Next 13 Years of RTMF
			(A)	(B)	(C) = (A)*(B)	(D) = (A) - (B)	(E)	(F)	(G) = (E) + (F)	If (G)>(D), (H)=(G)-(D) Otherwise (H) = 0	(I)=(C)-(H)
URBAN TIER 1	A	SR-180 East Seg II	\$33,478,000	39%	\$13,011,662	\$20,466,338	\$0	\$33,478,000	\$33,478,000	\$13,011,662	\$0
	B	SR-180 West Seg II	\$7,519,000	35%	\$2,623,116	\$4,895,884	\$752,000	\$2,213,000	\$2,965,000	\$0	\$2,623,116
	C	SR-41/SR-168/SR-180	\$67,700,000	100%	\$67,700,000	\$0	\$9,663,000	\$55,000,000	\$64,663,000	\$64,663,000	\$3,037,000
	G	SR-99 Monterey Bridge R	\$1,602,000	0%	\$0	\$1,602,000	\$0	\$0	\$0	\$0	\$0
	J	SR-41 Auxiliary Lane	\$25,996,000	0%	\$0	\$25,996,000	\$0	\$0	\$0	\$0	\$0
	M	SR-99 North & Cedar Inte	\$110,059,000	0%	\$0	\$110,059,000	\$0	\$0	\$0	\$0	\$0
	N	Veteran's Boulevard*	\$105,619,000	100%	\$105,619,000	\$0	\$3,552,000	\$500,000	\$4,052,000	\$4,052,000	\$101,567,000
RURAL TIER 1	A	SR-180 West	\$12,077,000	0%	\$0	\$12,077,000	\$0	\$0	\$0	\$0	\$0
	B	SR-180 East Seg III	\$68,443,000	100%	\$68,443,000	\$0	\$0	\$47,882,000	\$47,882,000	\$47,882,000	\$20,561,000
	C	SR-180 East Seg IV	\$40,100,000	99%	\$39,882,696	\$217,304	\$0	\$17,309,000	\$17,309,000	\$17,091,696	\$22,791,000
	D	SR-180 East Seg V	\$96,448,000	100%	\$96,448,000	\$0	\$0	\$57,757,000	\$57,757,000	\$57,757,000	\$38,691,000
	G	SR-269 Bridge Improve	\$30,250,000	0%	\$0	\$30,250,000	\$0	\$15,250,000	\$15,250,000	\$0	\$0
	H	SR-180 West I5 Extensio	\$305,110,000	0%	\$0	\$305,110,000	\$0	\$0	\$0	\$0	\$0
	K	SR-99 American Ave Inte	\$56,853,000	0%	\$0	\$56,853,000	\$0	\$0	\$0	\$0	\$0
	L	I-5/SR-198 Interchange Im	\$18,236,000	0%	\$0	\$18,236,000	\$0	\$0	\$0	\$0	\$0
FREEWAY INTERCHANGE DEFICIENCY STUDY	1	SR-99/Mountain View	\$5,835,177	0%	\$0	\$5,835,177	\$0	\$0	\$0	\$0	\$0
	2	SR-99/Floral	\$6,951,844	0%	\$0	\$6,951,844	\$0	\$0	\$0	\$0	\$0
	3	SR-99/Manning	\$14,489,592	0%	\$0	\$14,489,592	\$0	\$0	\$0	\$0	\$0
	4	SR-99/Central	\$8,668,281	0%	\$0	\$8,668,281	\$0	\$0	\$0	\$0	\$0
	5	SR99/Ventura	\$354,702	0%	\$0	\$354,702	\$0	\$0	\$0	\$0	\$0
	6	SR99/Fresno**	\$0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	7	SR99/Stanislaus	\$1,246,618	0%	\$0	\$1,246,618	\$0	\$0	\$0	\$0	\$0
	8	SR99/Belmont	\$8,748,895	100%	\$8,748,895	\$0	\$0	\$0	\$0	\$0	\$8,748,895
	9	SR99/Olive	\$7,649,318	0%	\$0	\$7,649,318	\$0	\$0	\$0	\$0	\$0
	10	SR99/Clinton	\$523,670	0%	\$0	\$523,670	\$0	\$0	\$0	\$0	\$0
	11	SR99/Ashlan	\$8,970,101	0%	\$0	\$8,970,101	\$0	\$0	\$0	\$0	\$0
	12	SR99/Shaw	\$18,744,409	0%	\$0	\$18,744,409	\$0	\$0	\$0	\$0	\$0
	13	SR99/Herdon	\$3,259,392	0%	\$0	\$3,259,392	\$0	\$0	\$0	\$0	\$0
	14	SR41/Van Ness	\$709,405	0%	\$0	\$709,405	\$0	\$0	\$0	\$0	\$0
	15	SR41/Tulare&Divisadero	\$8,819,191	27%	\$2,363,966	\$6,455,225	\$0	\$0	\$0	\$0	\$0***
	16	SR41/McKinley	\$6,270,171	0%	\$0	\$6,270,171	\$0	\$0	\$0	\$0	\$0
	17	SR41/Shields	\$9,645,003	0%	\$0	\$9,645,003	\$0	\$0	\$0	\$0	\$0
	18	SR41/Ashlan	\$7,038,263	100%	\$7,038,263	\$0	\$0	\$0	\$0	\$0	\$7,038,263
	19	SR41/Shaw	\$7,796,681	0%	\$0	\$7,796,681	\$0	\$0	\$0	\$0	\$0
	20	SR41/Bullard	\$18,196,232	0%	\$0	\$18,196,232	\$0	\$0	\$0	\$0	\$0
	21	SR41/Friant	\$3,548,314	36%	\$1,282,669	\$2,265,644	\$0	\$0	\$0	\$0	\$0***
	22	SR180/N. Fulton & Van N	\$3,224,567	0%	\$0	\$3,224,567	\$0	\$0	\$0	\$0	\$0
	23	SR168/Bullard**	\$0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	24	SR168/Shaw**	\$0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$1,130,179,825		\$413,161,267	\$717,018,558	\$13,967,000	\$229,389,000	\$243,356,000	\$204,457,357	\$205,057,274
As a percent of total updated cost estimate						63%	1%	20%	22%	18%	18%
<p>* This is for the interchange only. There is a separate project, funded by the City of Fresno, to provide surface streets to connect the interchange to Herdon Avenue and Shaw Avenue.</p> <p>** The FIDS Study analyzed this location but did not recommend that any improvements be made.</p> <p>*** These were left out of the RTMF program because no other source of funds is available for the non-RTMF portion</p>											

Exhibit 19: Calculation of the Amount Potentially Collectable Through the RTMF in the Next 13 Years

3.4 Residential and Non-Residential Shares of New Traffic

The amount of traffic generated by a new development is a function of the number of new trips associated with the development and the average length of those trips. Together, these two produce the total VMT associated with the development.

Outputs from the FCOG Travel Demand Model were used to forecast the growth in VMT for five different types of trips. The growth in VMT from new development was attributed to residential and non-residential developments based on trip type. The Agency chose to attribute all trips beginning or ending at the traveler's home to the residential land use while all trips not involving a residential location were attributed to non-residential land uses. This approach is consistent with the state of the practice for estimating trip generation as described in NCHRP Report 187⁵, a primary reference for travel estimation techniques used in travel demand modeling, which states that "*HBW (Home Based Work) and HBNW (Home Based Non Work) trips are generated at the households, whereas the NHB (Non-Home Based) trips are generated elsewhere.*"

The forecast growth in VMT from residential and non-residential land uses is shown Exhibit 20.

Trip Purpose	2007 Vehicle Miles Traveled		2027 Vehicle Miles Traveled		Trip End Attribution*		Growth in VMT	
					Residential	Non-Res	Residential	Non-Res
	(A)		(B)		(C)	(D)	(E) = (A-B) * (C)	(F) = (A-B) * (D)
Home-Work VMT	7,333,042	45%	7,947,758	42%	2.0	0.0	1,229,432	-
Home-Shop VMT	1,345,155	8%	1,741,214	9%	2.0	0.0	792,118	-
Home-Other VMT	4,378,702	27%	5,520,722	29%	2.0	0.0	2,284,042	-
Other-Work VMT	783,953	5%	825,584	4%	0.0	2.0	-	83,262
Other-Other VMT	2,295,151	14%	2,761,201	15%	0.0	2.0	-	932,100
Total Vehicle Trips	16,136,002	100%	18,796,479	100%			4,305,592	1,015,362
							81%	19%

* Each trip has two ends, the origin end and the destination end. RTMF policy, based on NCHRP Report 187, is to allocate both ends of any trip involving a residence to the residence

Exhibit 20: Percentage of VMT Growth Attributable to Residential and Non-Residential Development

Based on this calculation, 81% of VMT growth was attributed to residential development and 19% was attributed to non-residential development. These figures were used to determine the project costs attributable to new development, as shown in Exhibit 21.

The 19% of VMT growth being attributable to non-residential development (see Exhibit 20) is a significant departure from the original nexus study, which had 38% (twice as much) of VMT growth attributed to non-residential development. This stems from the fact that the new land use forecasts have only 4% fewer households but 27% fewer jobs than the original forecasts (see Section 2.1). The fact that non-residential growth is now projected to have only a small traffic impact ultimately results in larger fee reductions for non-residential development than for residential development.

⁵ Quick Response Urban Travel Estimation Techniques and Transferable Parameters User's Guide, Transportation Research Board, 1978

	Project ID	Project Name	Amount Potentially Collectable from RTMF	% of VMT Growth Attributable to:		Share of Project Costs Attributable to:	
				Residential Trips	Non-Res Trips	New Residential Development	New Non-Residential Development
			(A)	(B)	(C)	(D) = (A) * (B)	(E) = (A) * (C)
URBAN TIER 1	B	SR-180 West Seg II	\$2,623,116	81%	19%	\$2,122,565	\$500,552
	C	SR-41/SR-168/SR-180	\$3,037,000	81%	19%	\$2,457,470	\$579,530
	N	Veteran's Boulevard	\$101,567,000	81%	19%	\$82,185,652	\$19,381,348
RURAL TIER 1	B	SR-180 East Seg III	\$20,561,000	81%	19%	\$16,637,482	\$3,923,518
	C	SR-180 East Seg IV	\$22,791,000	81%	19%	\$18,441,947	\$4,349,053
	D	SR-180 East Seg V	\$38,691,000	81%	19%	\$31,307,856	\$7,383,144
FIDS	8	SR99/Belmont	\$8,748,895	81%	19%	\$7,079,402	\$1,669,493
	18	SR41/Ashlan	\$7,038,263	81%	19%	\$5,695,198	\$1,343,064
Total			\$205,057,274			\$165,927,572	\$39,129,702
As % of Total			100%			81%	19%

Exhibit 21: Project Costs Attributable to New Development

3.5 Trip-Generation Rates by Land Use Type

Trip generation (trip-gen) rates are a key connection between future land development and its expected traffic impacts. FCOG's travel demand model bases its trip-gen equations for residential land uses on the vehicle ownership of the household, with different rates for households with zero, one, and two vehicles. While this approach makes sense for a traffic model, it is impractical to use for an impact fee program because when a new development is proposed the only known quantities are the number of dwellings to be constructed; neither the developer nor the jurisdiction has any way of knowing the size of the households that will live in the houses or what the vehicle ownership rates of the future residents will be. A similar situation occurs for non-residential development. The developer and the jurisdiction only know the floor area of the buildings proposed for construction; they have no way of knowing the number of employees who will work in the building (which is likely to vary from year to year in any case). The employee-based trip-gen rates used in the traffic model would thus be awkward to try to use for collecting an impact fee. For these reasons, a different source of information on trip-gen rates is required.

By far the most commonly used reference for trip generation rates in the U.S. is the Institute of Transportation Engineers' (ITE's) *Trip Generation Manual*, which was chosen by the Agency as the reference to be used in this study. The 7th edition was the sources of the trip generation rates used in the original nexus study. This was updated to the 9th edition for the current update.

ITE's *Trip Generation Manual* has trip generation data for over a hundred land use categories. However, Measure 'C' stipulated that, "*The RTMF shall apply to all types of land uses and to the extent possible limit the number of categories of fees to agriculture, single family residential, multifamily residential, commercial-office, commercial-retail, light industrial, heavy industrial and certain traffic generating nonessential public facilities.*" ITE's land use categories were therefore aggregated into the land use categories stipulated in Measure 'C', with the trip generation rate for each Measure 'C' category derived from the average of the ITE land use codes within each category. This is show in Exhibit 22. Note that only land use types where trip generation rates for both floor area and for employees were used; this was to prevent distortions in the calculation of square feet per employee for each broad category.

Land Use Category	ITE Code	Weekday Trips per KSF*	Weekday Trips per Employee*	Square Feet per Employee	PM Peak Pass-by Trips**
Retail					
Building Materials and Lumber	812	45.16	32.12		
Specialty Retail Center	814	44.32	22.36		
Discount Store	815	57.24	28.84		17%
Hardware Store	816	51.29	53.21		26%
Nursery (Garden Center)	817	68.10	21.83		
New Car Sales	841	32.30	21.14		
Tire Store	848	24.87	3.24		
Supermarket	850	102.24	87.82		36%
Discount Supermarket	854	96.86	40.36		
Discount Club	861	41.80	32.21		
Furniture Store	890	5.06	12.19		53%
Average		51.75	32.30	624	33%
Service					
Hospital	610	13.22	4.50		
Clinic	630	31.45	8.01		
General Office	710	11.03	3.32		
Medical-Dentist Office Building	720	36.13	8.91		
Office Park	750	11.42	3.50		
Business Park	770	12.44	4.04		
Average		19.28	5.38	279	
Government/Public Sector					
Government Office Building	730	68.93	11.95	173	
Education					
Elementary School	520		15.71		
Middle School	522		16.39		
High School	530		19.74		
University/College	550		8.96		
Average			15.20		
Light Industrial					
General Light Industry	110	6.97	3.02	433	
Heavy Industrial					
General Heavy Industry	120	1.50	0.82	547	
Other					
Truck Terminal	30	9.89	6.99		
Industrial Park	130	6.83	3.34		
Manufacturing	140	3.82	2.13		
Warehousing	150	3.56	3.89		
Average		6.03	4.09	678	
Notes:					
* Average weekday daily trip generation data derived from <i>ITE Trip Generation Manual</i> (9th Edition), 2012					
** Average weekday PM peak pass-by trip rates derived from <i>ITE Trip Generation Handbook</i> (3rd Edition), August 2014					

Exhibit 22: Calculation of Trip Generation Rates for RTMF Non-Residential Land Use Categories

When the trip generation rates for each category were updated some categories changed more than others. For that reason the fees for different non-residential categories changed by different percentages.

3.6 Pass-By Trips

Some analyses of traffic impacts provide an allowance for what are termed “pass-by” trips. These are stops at intermediate destinations (coffee shops, gas stations, etc.) that occur in the course of a longer trip taken primarily for some other purpose, such as a home-to-work trip. It could be argued that such

trips add little to the overall mileage driven and therefore have only a minor impact on traffic conditions. The Agency chose to allow a pass-by reduction for retail development based on the average computed in Exhibit 22. The pass-by reduction is taken before the VMT growth for non-residential development is distributed among the non-residential land use categories, effectively assigning a larger share of the responsibility for VMT to other uses. So, for example, if a driver stops for coffee on the way to work in an office, this procedure would assign most of the VMT for that trip to the office and the remainder to the coffee shop.

3.7 Forecast Development by Land Use Category

Exhibit 23 shows a computation of the amount of new development forecast to occur over the 20-year life of Measure 'C' Extension (2007 to 2027). As was described in Section 2.1 of this report, the updated forecast incorporates the effects of the slump in development that occurred during the Great Recession.

Land Use Category	Unit	Number of Units in 2007	Forecast Number of Units in 2027	Total # of New Units During Measure 'C' period	New Units Already Processed (2010- 2014)	Average New Units/Year in Remaining 13 Years
		(A)	(B)	(C)=(B)-(A)	(D)	(E) = [(C)-(D)] / 13
Single-Family Dwellings (market rate)	Dwelling Unit	180,439	243,730	63,291	6,037	4,404
Single-Family Dwellings (affordable)*	Dwelling Unit	15,690	21,194	5,504	43	420
Multi-Family Dwellings (market rate)	Dwelling Unit	89,748	135,054	45,306	1,014	3,407
Multi-Family Dwellings (affordable)*	Dwelling Unit	7,804	11,744	3,940	491	265
Commercial/Retail	Employee	57,883	74,916	17,034	2,410	1,125
Commercial/Office/Service	Employee	94,792	125,686	30,894	2,940	2,150
Government	Employee	35,052	43,050	7,998	491	577
Education	Employee	37,674	38,464	790		61
Light Industrial	Employee	11,331	12,423	1,092	910	14
Heavy Industrial	Employee	22,662	24,846	2,184	4,012	0
Other Non-Residential	Employee	79,318	86,961	7,643	596	542

* per information provided by Fresno COG, 8% of new housing is to be considered affordable

Exhibit 23: Forecast of New Development

3.8 Computation of Fee Levels by Land Use Category

Using the information developed in the previous sections, a revised RTMF fee level for each land use category was computed. Exhibit 24 shows the computation of the revised fee for new residential development while Exhibit 25 shows a similar computation for non-residential development.

Land Use Category	Number of New Dwelling Units	Trip-Gen Rate	Total Trips Generated	Revised Fee Per New Dwelling Unit	Current Fee Per New Dwelling Unit	% Change in Fee
	(A)	(B)	(C)	(H)=(B)*(G) for market rate (H)=(B)*(G)/2 for affordable units	(I)	(J)=(H)/(I)-1
Single-Family Dwellings (market rate)	63,291	9.57	605,691	\$1,637	\$1,727	-5%
Single-Family Dwellings (affordable)	5,504	9.57	52,669	\$819	\$863	-5%
Multi-Family Dwellings (market rate)	45,306	6.72	304,457	\$1,150	\$1,212	-5%
Multi-Family Dwellings (affordable)	3,940	6.72	26,475	\$575	\$606	-5%
Total of New Residential Trips (D) >				989,291		
Costs Attribution to New Residential Trips (E) >				\$165,927,572		
Administrative Costs for RTMF (F) >				2%		
Cost per New Residential Trip (G) = (E)/(D)*(1+F) =				\$171		

Exhibit 24: Computation of Revised Fee Level for Residential Development

Land Use Category	Number of New Employees	Trip-Gen Rate	Total Trips Generated	Pass-By Reduction	Fee Per New Employee	Square Feet/ Employee	Revised Fee/ Square Foot	New Sq.Ft. of Development	Current Fee/ Square Foot	% Change in Fee
	(A)	(B)	(C)=(A)*(B)	(D)	(I)=[(B)-(D)]*(H)	(J)	(K) = (I)/(J)	(L) = (A) * (J)	(M)	(N)=(K)/(M)-1
Commercial/Retail	17,034	32.30	550,220	33%	\$1,004	624	\$1.61	10,632,448	\$1.96	-18%
Commercial/Office/Service	30,894	5.38	166,208		\$250	279	\$0.89	8,620,009	\$1.23	-27%
Government	7,998	11.95	95,574				Exempt		Exempt	
Education	790	15.20	12,011				Exempt		Exempt	
Light Industrial	1,092	3.02	3,298		\$140	433	\$0.32	473,105	\$0.49	-35%
Heavy Industrial	2,184	0.82	1,791		\$38	547	\$0.07	1,193,813	\$0.10	-30%
Other Non-Residential	7,643	4.09	31,242		\$190	678	\$0.28	5,185,402	\$0.42	-33%
Total of New Non-Residential Trips (E) >				860,344						
Costs Attribution to New Non-Residential Trips (F) >				\$39,129,702						
Administrative Costs for RTMF (G) >				2%						
Cost per New Non-Residential Trip (H) = (F)/(E)*(1+G) >				\$46						

Exhibit 25: Computation of Revised Fee Level for Non-Residential Development

Note that in every case the new fee is less than the current fee. This is due to the lower forecast of future congestion and consequent reduced need for capacity improvements and to the effect of increased funding from other sources that was described in Section 2.2. The reduction is different for different types of non-residential development because some of the trip-generation rates shown in Exhibit 22 changed more than others in the recent update of survey data.

With the reduction in fee level the RTMF would be only about half the average for its peer group. It would be one of the lowest county-wide impact fees in the San Joaquin Valley and foothills (see Exhibit 26).

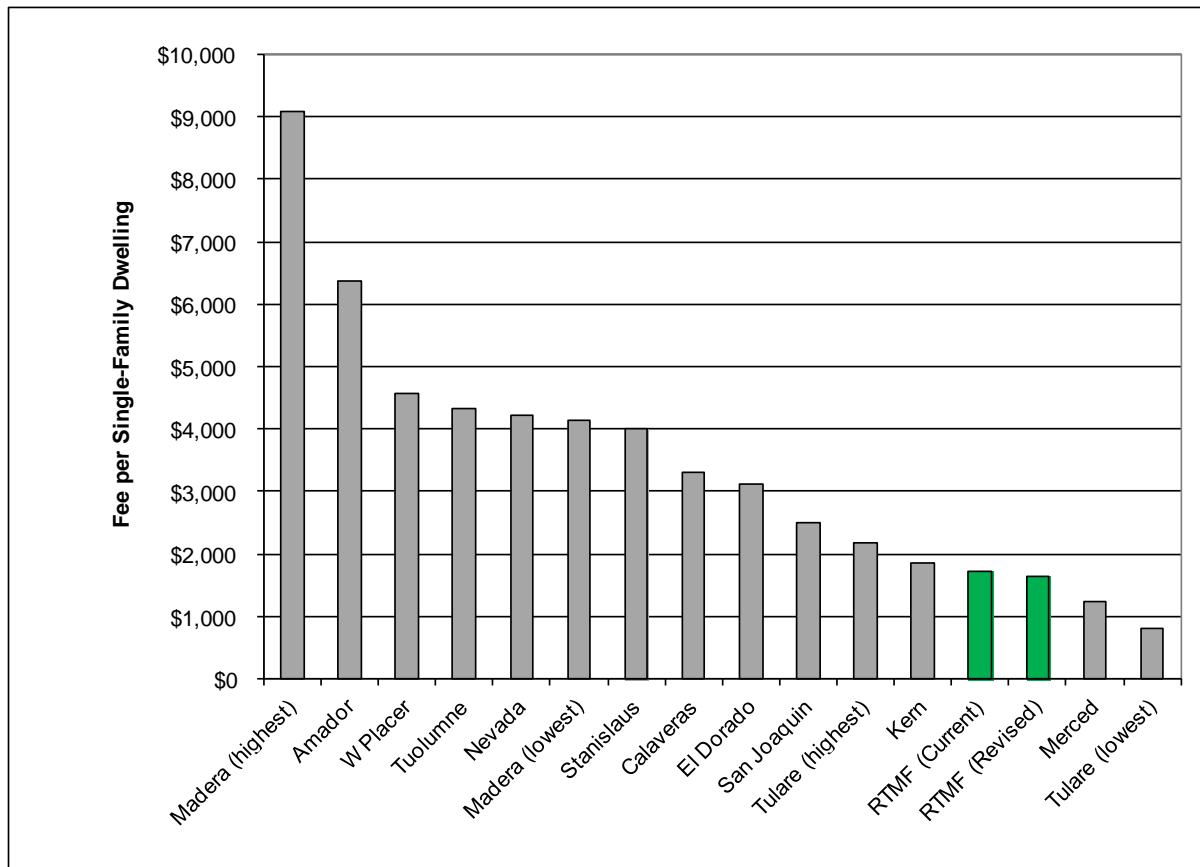


Exhibit 26: Comparison of County-Wide Impact Fees among Valley and Foothills Counties
(fee shown for comparative purposes is for a new single-family dwelling)

3.9 Revenues Raised by the RTMF Program

Based on the information found in Exhibit 24 and Exhibit 25, the total fee revenue expected to be generated by the RTMF in the remaining 13 years of the program and over the full life of the program (including the first 5 years) is shown in Exhibit 27.

Land Use Category	Fee per Unit	Average New Units/Year	Fees Generated per Year	Total Fees Generated 2015-2027
	(A)	(B)	(C)=(A)*(B)	(D)=(C)*13
Residential Developments (dwelling unit)				
Single-Family Dwelling (market-rate)	\$1,637	4,404	\$7,210,506	\$93,736,572
Single-Family Dwelling (affordable)	\$819	420	\$343,849	\$4,470,037
Multi-Family Dwelling (market-rate)	\$1,150	3,407	\$3,916,941	\$50,920,232
Multi-Family Dwelling (affordable)	\$575	265	\$152,490	\$1,982,370
Non-Residential Developments (Sq.Ft.)				
Commercial/Retail	\$1.61	708,830	\$1,140,130	\$14,821,686
Commercial/Office/Service	\$0.89	574,667	\$514,039	\$6,682,502
Education	Exempt	0	\$0	\$0
Government	Exempt	0	\$0	\$0
Light Industrial	\$0.32	31,540	\$10,198	\$132,580
Heavy Industrial	\$0.07	79,588	\$5,538	\$71,997
Other Non-Residential	\$0.28	345,693	\$96,624	\$1,256,106
Total			\$13,390,314	
RTMF Funds Expected to be Collected in Next 13 Years				\$174,074,082
RTMF Funds Collected in First 5 Years				\$13,967,000
Total Forecast Revenue from RTMF				\$188,041,082

Exhibit 27: Forecast of RTMF Revenues

The forecasted revenue shown in Exhibit 27 can be compared with the revenue target(s) set in Measure 'C' Extension. The ballot measure described the expected revenues from the RTMF two ways, namely,

*"Funds collected through the RTMF program will provide an anticipated **20% of Urban and Rural Measure "C" funds needed to deliver Tier 1 Projects** over the Measure "C" funding period (2007 through 2027)."* (Page 5 of ballot measure. Emphasis added)

*"**Approximately \$102 million** from developer fees. New growth and development throughout the County would be required to contribute to Tier 1 project costs as part of the Regional Transportation Mitigation Fee (RTMF) program."* (Page 8 of ballot measure. Emphasis added)

These two descriptions were consistent when the ballot measure was being developed but then diverged when project costs escalated (see Section 2.3). As can be seen in Exhibit 28, the current forecast for revenues falls between the forecasts in the ballot measure.

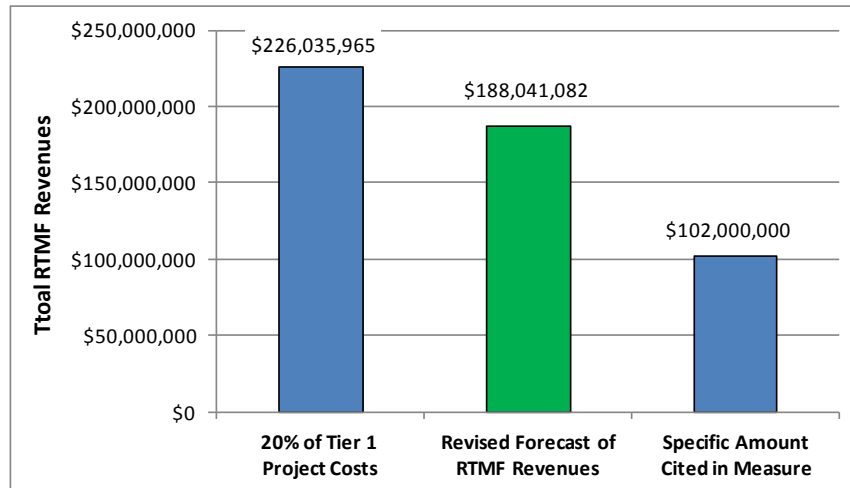


Exhibit 28: Comparison of RTMF Revenue Forecasts

It should be noted that revenues will only reach these levels if the pace of development accelerates to an average of approximately 4,800 single-family dwelling per year from its pace of 1,350 units/year over the first 4 years of operations.

3.10 Results in Terms of Project Funding

The revenue forecast computed in the previous section is compared to the amounts potentially fundable by project in Exhibit 29.

Projects Receiving Funds	Amount Potentially Fundable from RTMF
Urban Tier 1	
B SR-180 West Seg II	\$3,375,116
C SR-41/SR-168/SR-180	\$12,700,000
N Veteran's Boulevard	\$105,119,000
Rural Tier 1	
B SR-180 East Seg III	\$20,561,000
C SR-180 East Seg IV	\$22,791,000
D SR-180 East Seg V	\$38,691,000
Freeway Interchange Deficiency Study	
8 SR99/Belmont	\$8,748,895
18 SR41/Ashlan	\$7,038,263
Total Amount Potentially Fundable from RTMF	\$219,024,274
Forecast Total Revenues from RTMF	\$188,041,082
Forecast Revenues as % of Amount Fundable (remainder lost through discounts and exemptions)	86%

Exhibit 29: Possible Allocation of RTMF Revenues to Projects

Due to the exemptions and discounts mandated in Measure 'C' Extension, the RTMF will be able to fund only 86% of the amount potentially collectable under the Mitigation Fee Act.

As was shown in Exhibit 19, the majority of projects fundable through the RTMF already have some level of funding available to them. Exhibit 30 shows that state and federal funding sources are expected to cover 45% of the costs of RTMF-eligible projects, with the RTMF covering approximately 47%, leaving 8% to be covered by funds from other Measure 'C' sources such as sale tax revenue.

Projects Expected to Receive RTMF Funds	Total Project Costs	Funding from RTMF	Funding from State & Federal Sources (STIP, SHOPP, etc.)	Funding from Measure 'C' Sales Tax	Expected Date to Complete Financing
Urban Tier 1					
B SR-180 West Seg II	\$7,519,000	\$3,375,116	\$2,213,000	\$1,930,884	FY 2012/13
C SR-41/SR-168/SR-180	\$67,700,000	\$12,700,000	\$55,000,000	\$0	FY 2013/14
N Veteran's Boulevard	\$105,619,000	\$74,135,808	\$500,000	\$30,983,192	FY 2019/20
Rural Tier 1					
B SR-180 East Seg III	\$68,443,000	\$20,561,000	\$47,882,000	\$0	FY 2009/10
C SR-180 East Seg IV	\$40,100,000	\$22,791,000	\$17,309,000	\$0	FY 2012/13
D SR-180 East Seg V	\$96,448,000	\$38,691,000	\$57,757,000	\$0	FY 2016/17
Freeway Interchange Deficiency Study					
8 SR99/Belmont	\$8,748,895	\$8,748,895	\$0	\$0	FY 2026/27
18 SR41/Ashlan	\$7,038,263	\$7,038,263	\$0	\$0	FY 2026/27
Total	\$401,616,158 100%	\$188,041,082 47%	\$180,661,000 45%	\$32,914,076 8%	

Exhibit 30: Planned Funding for RTMF-Eligible Projects

4.0 MITIGATION FEE ACT FINDINGS

The Mitigation Fee Act, as set forth in the California Government Code Sections 66000 through 66008, establishes the framework for mitigation fees in the State of California. The Act requires agencies to make certain findings with respect to a proposed fee. These are described in the sections below.

4.1 Purpose of the Fee

Identify the purpose of the fee

The purpose of the RTMF is to establish a uniform, cooperative program to mitigate the cumulative indirect regional impacts of future developments on traffic conditions on high-priority state roadways in Fresno County. The fees will help fund improvements needed to maintain the target level of service in the face of the higher traffic volumes brought on by new developments.

4.2 Use of Fee Revenues

Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified

The Mitigation Fee Act requires that the local government identify the public facilities that are to be financed through the use of the impact fee. In the case of the RTMF there is guidance in Measure “C” regarding the intended uses of RTMF funds:

“The RTMF shall apply to Regional Transportation Program-Measure “C” projects identified in Tier 1, Tier 2 and other such regional projects as may be identified in the RTMF Study.”

“Although it is the primary purpose of the RTP-MC funds to augment Tier I funding levels, there is recognition that it is difficult to accurately project revenues / expenditures for a 20-year period. Therefore, in the event that additional resources (e.g. federal or state earmarks) are made available to fully fund all of the Tier I projects, then it is acknowledged that the Fresno County Transportation Authority (Authority), in consultation with the Council of Fresno County Governments (Fresno COG), will have the flexibility to fund other urban and rural street and road projects contained in the Tier 2 list of regional transportation projects. This would be accomplished through the Expenditure Plan update process, and appropriate Tier 2 list project(s) would be amended into the Tier 1 funded program. “

“The RTMF shall also be structured to effectively address improvements identified in the Fresno-Madera County Freeway Deficiency Study.”

Based on this guidance, the Agency determined that RTMF funds would be used for projects on the Regional Transportation Program Tier 1 list and those identified in the Fresno-Madera County Freeway Interchange Deficiency Study (FIDS). Furthermore, based on input from the member agencies and the public, FCOG adopted a policy that the regional fee should be used only for roads for regional significance. Only projects involving state facilities were considered “regional” under this policy.

Earlier sections of this report show how projects were identified for inclusion in the RTMF program. The list of projects to receive RTMF funding is shown in Exhibit 29.

4.3 Use/Type-of-Development Relationship

Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed

To determine the “use” relationship, the development being assessed an impact fee must be reasonably shown to derive some use or benefit from the facility being built using the fee. In the case of the RTMF the projects to be funded were selected based on their ability to satisfy three sets of criteria, namely: that they were of high priority as expressed by the voters through the Measure “C” Extension priority project lists, that they performed a regional (as opposed to local) function, and that the need for the project was at least in part attributable to new development. The fact that the projects that will be funded by the RTMF are high-priority regional roads means that all of the county’s new residents and businesses will benefit in important ways from the maintenance of a reasonable level of service. Most drivers in the new developments can be expected to use these roads regularly, and those that do not will nevertheless benefit because good traffic conditions on the RTMF-funded roads will keep drivers from diverting to other roads and causing congestion in other parts of the county. Even residents or workers in the new developments who do not drive at all will benefit from access to goods and services made possible in part by the serviceability of the regional road network.

4.4 Need/Type-of-Development Relationship

Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed

To determine the “need” relationship the facilities to be financed must be shown to be needed at least in part because of the new development. One of the purposes of the RTMF study is to determine extent to which each of the projects on the Measure “C” project lists are needed because of new land development. This was determined by analyzing the forecast traffic demand with the expected degree of new development and comparing that with the demand without new development. Projects were analyzed individually and the degree to which the need for the project was attributable to new development varied widely from project to project. This analysis is described in an earlier chapter of this report.

4.5 Proportionality Relationship

Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed

The “proportionality” relationship requires that there be rough proportionality between the fee charged to each type of development and the cost of the facility being financed. In the case of the RTMF the differences in the traffic generated by different types of development were factored into the fee to be charged for each type, as is described earlier in this report.

4.6 Sources and Amounts of Funds

Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).

Most of the projects that are planned to receive RTMF funding require funding from other sources as well. Exhibit 30 identifies the other sources of funds needed to complete the projects receiving RTMF funds and the amount of funding planned from each source.

4.7 Timing of Funds

Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.

Exhibit 30 identifies the approximate dates when the funding required to complete the projects receiving RTMF funds is expected to become available.

BEFORE THE
FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY
RESOLUTION No. 2014-03

In the Matter of:
Regional Mitigation Fee Nexus Update

WHEREAS, FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY adopted Resolution 2009-01 establishing the “Fresno County Regional Transportation Mitigation Fee” (the “RTMF”) as directed by the “Fresno County Transportation, Safety, Road Repair Measure” approved by the voters of Fresno County on November 7, 2006 (the “Measure ‘C’ Extension”).

WHEREAS, the Mitigation Fee Act, as set forth in the California Government Code Sections 66000 through 66008, establishes the framework for mitigation fees in the State of California. The Act requires the FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY to make certain findings with respect to its proposed fees at intervals not-to-exceed five years.

WHEREAS, the Fresno Council of Governments has prepared “Fresno Regional Transportation Mitigation Fee – 2014 Nexus Study Update” to address the statutory requirements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY (the RTMF Board) ordain as follows:

Section 1. Findings

A. Purpose of the Fee

The purpose of the RTMF is to establish a uniform, cooperative program to mitigate cumulative indirect regional impacts of future developments on traffic conditions on high-priority state roadways in Fresno County. The fees will help fund improvements needed to maintain the target level of service in the face of the higher traffic volumes brought on by new developments.

B. Relationship between the fee and the purpose for which it is charged

RTMF funds shall be used to mitigate the impacts of new development on the regional state highway projects by funding new development’s fair share of responsibility for projects on the Regional Transportation Program Tier 1 list and those identified in the Fresno-Madera County Freeway Interchange study (FIDS). These high priority projects were selected to insure that all of the county’s residents and businesses will benefit from the maintenance of a reasonable level of service. The traffic demand for new development was compared to the demand without out new development to determine traffic impact. The differences in traffic generated by each type of development and the cost of each highway facility were factored into the fees for each type of development.

C: Sources and Amounts of Funding to Complete Financing

The funding from various state, federal, and local funding sources that are planned to be used for completion of the projects receiving RTMF funds are those found in the Fresno County Regional Transportation Mitigation 2014 Nexus Study.

D: Approximate Dates on which funds are available

The expected date to complete financing for eligible projects are those found in the Fresno County Regional Transportation Mitigation 2014 Nexus Study.

Section 2. Fee Rates

The fee structure adopted in Resolution 2009-01 shall not be used after December 31, 2014 and instead shall be replaced with this fee structure:

Land Use Category	RTMF Fee
Residential Development Categories	
Single-Family Dwellings (market rate)	\$1,637 /DU
Single-Family Dwellings (affordable)	\$819 /DU
Multi-Family Dwellings (market rate)	\$1,150 /DU
Multi-Family Dwellings (affordable)	\$575 /DU
Non-Residential Development Categories	
Commercial/Retail	\$1.61 Sq.Ft.
Commercial/Office/Service	\$0.89 Sq.Ft.
Government	Exempt
Education	Exempt
Light Industrial	\$0.32 Sq.Ft.
Heavy Industrial	\$0.07 Sq.Ft.
Other Non-Residential	\$0.28 Sq.Ft.

Section 3. Effective Date

This Resolution 2014-03 shall become effective January 1, 2015.

By: _____
Chairman, Board of Directors

ATTEST:

Secretary to the Board

By: _____