

# MEMORANDUM

DEPARTMENT OF PUBLIC WORKS  
County of Placer

TO: BOARD OF SUPERVISORS DATE: July 12, 2011  
FROM: KEN GREHM / ANDREW GABER  
SUBJECT: TRAFFIC MITIGATION FEES ANNUAL ADJUSTMENT

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## **ACTION REQUESTED / RECOMMENDATION**

Continue the Public Hearing held on June 7, 2011 Board of Supervisors Meeting and consider deferring the annual inflationary adjustment to the Capital Improvement Costs and corresponding Countywide Traffic Mitigation Fees for all Benefit Districts.

## **BACKGROUND / SUMMARY**

In April 1996, your Board adopted an Ordinance establishing Traffic Fees, Capital Improvement Programs (CIP's) and a process to collect the fees. In July 1999, the Board approved an ordinance to allow for annual adjustments to the traffic mitigation fees to account for changes in construction costs. Section 15.28.030 of the County Code states that the Director shall make a recommendation as to the annual adjustment based on the Engineering News Record (ENR) Construction Cost Index (CCI). The actual adjustment is the discretion of the Board. The CCI for the previous year increased by 3.9%.

The proposed increase reflects the national average change in construction labor and material costs since April 2010. Last year the ENR CCI was 1.6%, for the increase between April 2009 and April 2010, however, your Board chose to maintain current fee levels. In June 2009, a 2.5% increase was approved which was approximately half of the April 2008 to April 2009 ENR Index increase of 5.1%.

The Building Industry Association (BIA) and their members have indicated a desire to review all County fees and standards associated with construction of new housing and commercial projects. Staff recommends that discussions with BIA commence and that any actions on fees be held at the completion of those discussions when action on other fees and standards that may be considered by your Board. The discussions are estimated to take three to six months.

## **ENVIRONMENTAL**

This action is categorically exempt from CEQA as it relates to obtaining funds for capital projects necessary to maintain service within existing service areas (Section 21080(b)(8)).

## **FISCAL IMPACT**

There is no immediate impact to the County budget but a lack of an inflationary adjustment may lead to insufficient funds in the future to construct all projects within the various Capital Improvement Programs.

