



MEMORANDUM
PUBLIC WORKS AND FACILITIES
TRANSPORTATION DIVISION
County of Placer

TO: Board of Supervisors

DATE: July 12, 2016

FROM: Ken Grehm, Director of Public Works and Facilities

SUBJECT: Transportation / Countywide Traffic Mitigation Fees Annual Adjustment

ACTION REQUESTED

Conduct a Public Hearing and adopt a Resolution to increase the Capital Improvement Costs and corresponding Countywide Traffic Mitigation Fees for all Benefit Districts to reflect an increase in construction costs of 2.88 percent, from April 2015 to April 2016, based on the Engineer News Record Construction Cost Index.

BACKGROUND

In April 1996, your Board adopted an Ordinance establishing traffic fees, Capital Improvement Programs (CIPs) 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. The annual adjustment is determined based on the Construction Cost Index (CCI) as a 20-city average published in the Engineering News Record (ENR) from April 2015 to April 2016. Based on this information, an increase of 2.88 percent is proposed for all districts. Attachment 1 shows current and proposed fees by benefit district. If approved, the fee adjustments would become effective on September 12, 2016.

The Construction Cost Index (CCI) is the appropriate index to use for adjustments to the Capital Improvement Program and corresponding Traffic Mitigation Fee program as it is the accepted industry standard for changes in highway construction costs and accounts for a number of factors that affect the price of construction, including labor and materials. It is also the index used for annual traffic mitigation fee adjustments to the Highway 65 Joint Powers Authority, City of Roseville/Placer County, and the South Placer Regional Transportation Authority (SPRTA) fee programs. The proposed increase reflects the national average annual change in construction labor and material costs since April of 2015.

Section 15.28.030 of the County Code states that the Director shall make a recommendation as to the annual adjustment based on the ENR Construction Cost Index. The actual adjustment is at the discretion of the Board.

ENVIROMENTAL IMPACT

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

Adjusting the fees to current conditions will allow revenues to keep pace with the cost to construct the improvements. If approved, the new fees will become effective on September 12, 2016.

ATTACHMENTS

Resolution w/Attachment 1

Before the Board of Supervisors County of Placer, State of California

In the matter of: a Resolution modifying the Capital Improvement Program and Traffic Fee Program to adjust for changes in construction costs Chapter 15, Subchapter 28, Placer County Road Network Limitation Zone.

Resolution No: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, periodic adjustments should be applied to the County's Capital Improvement Program (CIP) and Traffic Mitigation Fee Program to ensure sufficient funding of the CIP projects.

WHEREAS, current County Ordinance Subsection (f) of Section 15.28.030 of Placer County Code provides a mechanism to adjust the cost estimates within the Capital Improvement Program and associated fee schedule used to collect fees through the Traffic Mitigation Fee program.

WHEREAS, the Board finds the term administration as used in section 15.28.030(d) includes costs necessary to administer the fee program.

WHEREAS, the Engineering News Record publication reports a 2.88 percent increase in the Construction Cost Index between April 2015 and April 2016.

WHEREAS, the industry standard used to estimate changes in construction costs is reported in the publication, Engineering News Record. This publication is circulated nationwide to the engineering profession and regularly reports indices for changes in construction costs.

WHEREAS, the purpose of the fee adjustment shall be to continue appropriate funding for transportation projects identified in the Capital Improvement Program by keeping pace with increased costs for construction. All collected fees will continue to be used as set forth in the Traffic Mitigation Fee program.

WHEREAS, there still exists a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

WHEREAS, there still exists a reasonable relationship between the need for the Capital Improvement Program and the type of development projects on which the fee is imposed.

WHEREAS, there still exists a reasonable relationship between the unexpended funds in the current fee programs and the improvements for which they were collected.

WHEREAS, funds collected and held for 5 years have been reviewed and are still needed for the purpose that they were collected.

BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, that this Board adopt the Traffic Mitigation Fees as shown in Attachment 1.

Attachment 1

Traffic Mitigation Fees
Fee Adjustment Comparison by Countywide Benefit District

| Benefit District | Fees Per DUE | | | | |
|-----------------------------------|------------------|----------------|-------------------|----------------------|----------------|
| | County | Hwy. 65 JPA | SPRTA Regional | County/ Roseville | Total |
| Auburn/Bowman | \$4,911 \$5,052 | \$0 | \$0 | \$0 | \$5,052 |
| Dry Creek | \$3,094 \$3,183 | \$0 | \$624 | \$756 | \$4,563 |
| Foresthill (Residential) | \$4,549 \$4,680 | \$0 | \$0 | \$0 | \$4,680 |
| Foresthill (Non-Residential) | \$2,365 \$2,433 | \$0 | \$0 | \$0 | \$2,433 |
| Granite Bay | \$6,094 \$6,270 | \$0 | \$620 | \$0 | \$6,890 |
| Meadow Vista | \$4,999 \$5,143 | \$0 | \$0 | \$0 | \$5,143 |
| Newcastle/Horseshoe Bar/Penryn | \$4,764 \$4,901 | \$0 | \$1,524 | \$0 | \$6,425 |
| Placer Central | \$2,051 \$2,110 | \$0 | \$1,920 | \$0 | \$4,030 |
| Placer East | \$3,317 \$3,413 | \$0 | \$0 | \$0 | \$3,413 |
| Placer West | \$2,540 \$2,613 | \$0 | \$1,467 | \$165 | \$4,245 |
| Sunset Industrial (NEW) | \$1,645 \$1,692* | \$1,451 | \$1,280 | \$246 | SEE NOTE* |
| Sunset Industrial (EXISTING) | \$0 | \$1,451 | \$1,280 | \$246 | \$2,977 |
| Tahoe | \$4,846 \$4,986 | \$0 | \$0 | \$0 | \$4,986 |

Note:

1. This change reflects an increase of 2.88 percent for the period from April 2015 to April 2016 for the Countywide Fees. The rate is based on the Construction Cost Index as published by the Engineering News Record publication.
2. The change becomes effective September 12, 2016
3. Sunset Countywide fee is 'per 1000 SF' for new square footages