

Exhibit 1

2022 Nexus Study for the Placer East and Placer West Fee Districts

Introduction

Since 1996, Placer County has implemented the Countywide Traffic Impact Fee Program (Fee Program) and Capital Improvement Program (CIP) to partially fund transportation infrastructure projects throughout the County (Placer County Code Section 15.28). The program was originally established using the *Placer County General Plan Proposed Traffic Impact Fee Program and Nexus Analysis Study* (DKS Associates, 1996). The Fee Program consists of 11 fee districts. The focus of this nexus study update are the fee districts of Placer West and Placer East.

As shown in Figure 1, the Placer West fee district generally encompasses the unincorporated area west of Lincoln-Sheridan Boulevard and north of Baseline Road, excluding the Sunset Area Plan and Regional University Specific Plan. The community of Sheridan is located in the Placer West fee district.

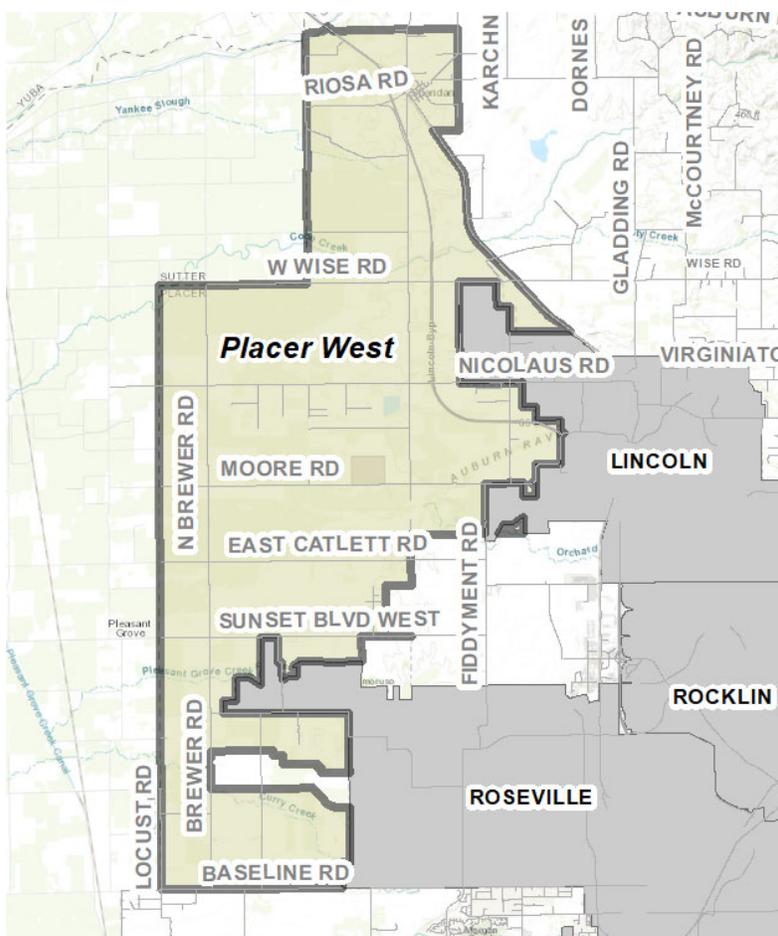


Figure 1: Placer West Fee District Boundary

As shown in Figure 2, Placer East includes the unincorporated area north of the North Fork of the American River from Clipper Gap to Donner Summit. This fee district includes communities such as Weimar, Gold Run, Dutch Flat, Emigrant Gap, Serene Lakes, and more.

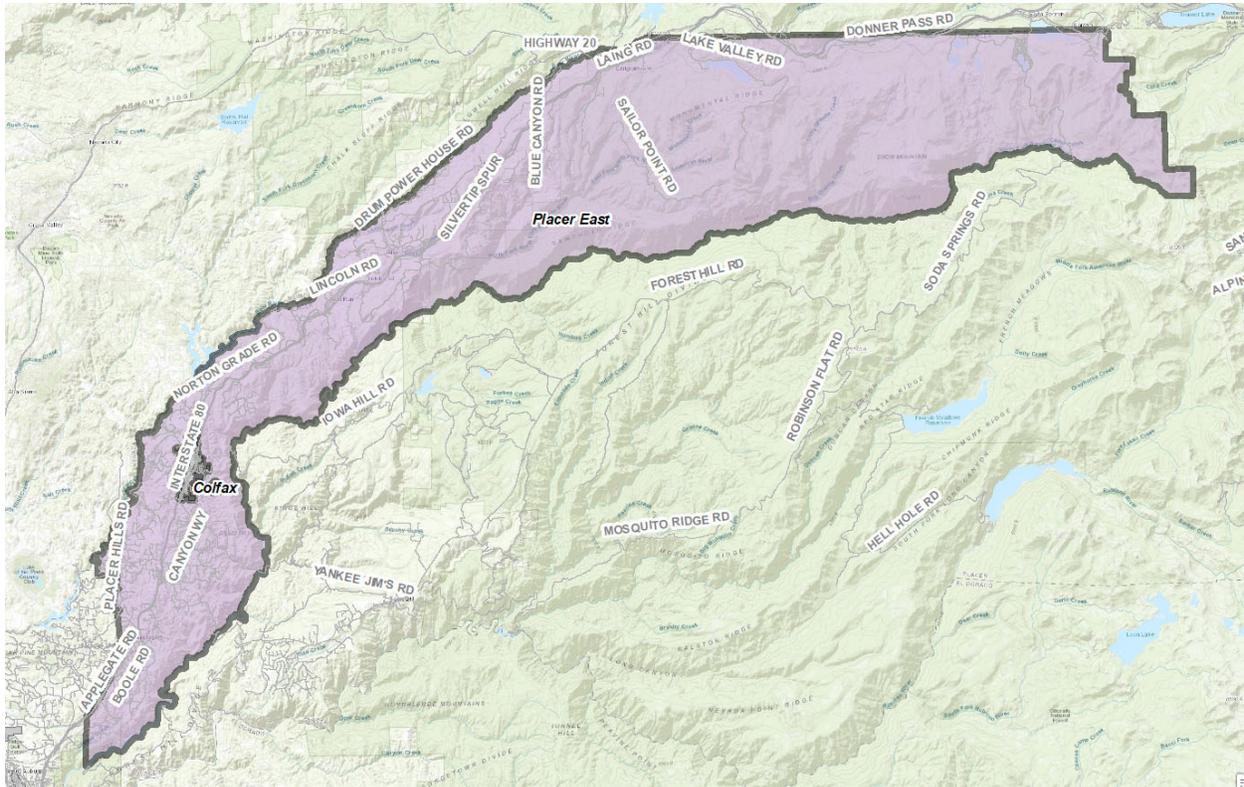


Figure 2: Placer East Fee District Boundaries

Placer County is proposing to suspend fee collections in Placer West and update fees in Placer East. This fee program is designed to facilitate the transportation infrastructure improvements needed to accommodate future development's traffic demand. The intent of the program is to provide a system by which future development can contribute their proportional share of the cost of infrastructure needed as a result of that future development. The purpose of this nexus study is to update the project lists and costs, update fee amounts, and demonstrate that each fee district continues to comply with the requirements of the Mitigation Fee Act (also known as Assembly Bill (AB) 1600 or California Government Code Section 66000 et seq.).

In the Countywide Traffic Fee Program, each fee district operates independent of the others. Fees collected in a district are typically expended in the same district. Therefore, each fee district is essentially treated as a stand-alone fee program. The update to each fee district is described below.

Placer West Fee District

The Placer West fee district was originally established in 1996. The current fee is \$3,011 per dwelling unit equivalent (DUE). A DUE is a term used to represent the transportation demand of one single-family dwelling unit. The transportation demand for other types of development is estimated by comparing the trip generating and trip length characteristics of various land use types to those of a single-family dwelling. The average annual fee collection in Placer West was approximately \$11,400 per year over the last ten years, or approximately 3.8 DUE's per year. The current total fund balance is approximately \$232,000.

The Placer West fee district currently includes four projects:

- Brewer Road bridge replacement at Curry Creek
- Fiddymment Road shoulder widening
- Intersection improvements at Moore Road/Fiddymment Road
- Nicolaus Road bridge replacement at Racoon Creek.

Since the last update, significant land development growth has been approved in the Sunset Area Plan and the City of Lincoln which resulted in changes to the fee district boundaries. As a result, the projects along Fiddymment Road and Moore Road are no longer located in the fee district. Additionally, the Brewer Road and Nicolaus Road bridge replacement projects are complete.

There are no remaining projects on the Placer West CIP project list. Additionally, most of the Placer West fee district is located in the Placer County Conservation Program area and very little future development is anticipated. Therefore, fee collections in Placer West should be suspended until there is a need for additional projects.

The existing fund balance is needed to fund past development's fair share towards future safety projects in Placer West. This practice is consistent with Placer County Code Section 15.28.030 (O), which states, "Should excess funds be collected prior to dissolution of this fee program, those excess funds shall be used for construction of transportation improvements within the Placer County road network Traffic Limitation (TL) zone area." The TL zone area refers to the fee district boundaries.

Roadway engineering safety standards are the service standard used to identify transportation infrastructure improvements that are needed as new development occurs. New development typically increases traffic volumes on roadways and as traffic volumes increase, traffic safety issues increase. New development can also increase pedestrian and bicycle activity that can conflict with vehicular traffic.

Safety improvements will occur as needed throughout the fee district. Safety improvements are typically warranted at locations where the collision rate exceeds the statewide average for similar facilities. Safety improvements often involve improving a roadway to meet current design standards.

The County will continue to monitor county-maintained roadways in Placer West for collision hot spots. The existing fund balance will be used to partially fund safety improvements, as needed. The type, location, and timing of safety projects will depend on the collision analysis and available funding. Safety improvements could include a variety of strategies, including shoulder widenings, high-friction surface treatment, turn lanes, intersection realignment, improving sight distance, sign upgrades, and more.

Safety improvements will be prioritized based on existing collision rates, trends, or other applicable data. Any future safety improvements will be designed to improve the safety of the roadway. However, because the location and type of safety improvements is currently unknown, it is not possible to predict how each improvement will affect collision rates and trends.

Although this update would suspend fees for new development in the Placer West fee district in the Countywide Traffic Fee Program, projects will still be subject to other regional transportation fee programs. Each applicable program is described below.

- South Placer Regional Transportation Authority (SPRTA) is a Joint Powers Authority comprised of Placer County, City of Roseville, City of Rocklin, and City of Lincoln. The fee program funds transportation projects that are of regional significance, including widening Sierra College Boulevard, State Route (SR) 65, Auburn Folsom Road, the Lincoln Bypass, HOV lanes on Interstate 80 (I-80), in addition to interchange improvements at I-80/Douglas Boulevard, I-80/Atlantic Street, I-80/Rocklin Road, and I-80/SR 65. This fee program is currently being updated by SPRTA.
- The City of Roseville/ Placer County Joint Traffic Fee Program funds improvements to Baseline Road and recently funded the Walerga Road bridge replacement at Dry Creek.

Upon approval of this nexus study, Countywide Traffic Fee collections will be suspended in the Placer West fee district. The fee could be reinstated in the future with adoption of an updated nexus study.

Placer East Fee District

The Placer East fee district was also established in 1996 as part of the Countywide Traffic Fee Program. The current fee is \$3,993 per DUE. The average annual fee collection in Placer East was approximately \$74,300 over the last ten years, or 18.6 DUE's per year. This growth pattern is expected to continue, as land in Placer East is subdivided. Most of the growth comes from new single-family dwelling units. As development occurs, increases in traffic are expected on the County's roadway system.

Service Standards

Roadway engineering safety standards are the service standard used to identify transportation infrastructure improvements that are needed as new development occurs. New development typically increases traffic volumes on roadways and as traffic volumes increase, traffic safety issues increase. New development can also

increase pedestrian and bicycle activity that can conflict with vehicular traffic. Improvements, such as wider shoulders, better sight distance, and improved signage and striping are needed to maintain safety, as guided by various roadway engineering standards.

New development also increases recreational demand in scenic areas of the fee district, such as the North Fork of the American River. Additionally, new development increases the need for reliable evacuation and emergency response routes through rural areas, especially in high fire hazard severity zones.

Placer East Capital Improvement Program

The existing Placer East fee district Capital Improvement Program (CIP) currently includes 20 projects. There are 18 shoulder widening projects, along with a bridge replacement on Crother Road at Wooley Creek and bridge repair/intersection improvements at the intersection of Crother Road and Placer Hills Road. The project list has not been updated since the original nexus study in 1996 and as a result, the projects are underfunded. The shoulder widening along Donner Pass Road was constructed last fall by Nevada County with funding from the fee program. No other projects are currently active.

The Department of Public Works (DPW) proposes to change the project list to include targeted shoulder widenings, a bridge replacement on Yankee Jims Road and targeted safety improvements at various locations throughout the fee district. The shoulder widenings would occur on portions of Applegate Road, Canyon Way, Giesendorfer Road, Gold Run Road, Lincoln Road, Paoli Lane, Placer Hills Road, Ponderosa Way and Tokayana Way. Each roadway segment will be widened to provide wider shoulders to the extent feasible, given existing roadside features.

These roadways were identified for shoulder widenings based on planned bicycle facilities, parallel capacity to I-80, and access to local schools. According to Placer County's Local Roadway Safety Plan, Hit Object collisions are the most common type of collision that occur on county roadways. Shoulder widening projects can help reduce traffic collisions by providing more space between vehicles and objects adjacent to the roadway. Providing additional roadway width could also be beneficial for emergency response and evacuation. In addition, these shoulder widening projects can be completed in conjunction with planned surface treatments in the next five to ten years. The funding for each shoulder widening has been updated to reflect current costs. Combining shoulder widenings with surface treatment projects results in a more efficient use of the fee district funding and other County resources.

Additionally, the Yankee Jims Road bridge replacement project has been added to the project list. The project would replace the existing one-lane suspension bridge that was built in 1930. The bridge replacement is needed to improve the safety of the structure, widen the bridge from one lane to two lanes, and provide emergency response and evacuation routes. Additionally, the area around the bridge has become a popular recreation destination, leading to further need for additional capacity.

The fee update will also provide partial funding for targeted safety improvements within the Placer East fee district. DPW will continue to monitor county-maintained roadways in Placer East for collision hot spots. The fees will be used to partially fund safety improvements, as needed. The type, location, and timing of safety projects will depend on the collision analysis. Safety improvements could include a variety of strategies, including shoulder widenings, high-friction surface treatment, turn lanes, intersection realignment, improving sight distance, sign upgrades and more.

Safety improvements will be prioritized based on existing collision rates, trends, or other applicable data. Any future safety improvements will be designed to improve the safety of the roadway. However, because the location and type of safety improvements is currently unknown, it is not possible to predict how each improvement will affect collision rates and trends.

The total project cost for each project described above was estimated by County staff and provided in the Proposed CIP table. The total traffic impact fee amount was reduced by the other funding anticipated for the Yankee Jims Road bridge replacement project and various safety projects.

Finally, funding for fee program administration and future updates has been added to the CIP project list. While the industry standard for fee program administration is generally around one to three percent of CIP project costs, the Placer East fee district assumes administrative costs at 0.1 percent of the total project costs. This funding will support on-going responsibilities for the fee program, including annual and five-year reporting requirements, annual adjustments, future program updates and general accounting responsibilities.

Placer East Fee Calculation

To calculate the updated fee amount, the existing fund balance is subtracted from the total project cost allocated to the fee program. Refer to the proposed CIP for cost estimates for each project. The remaining project cost is then divided by the total anticipated development. The anticipated development is based on the Placer County General Plan land use and zoning designations, as well as historical growth rates. The 1996 nexus study identified 5,297 existing DUE's with a projected growth of 972 DUE's in the fee district. The Placer East fee district has seen an average of 18.6 DUE's constructed per year, resulting in approximately 465 DUE's constructed since 1996. That leaves a remaining balance of approximately 507 DUE's in the Placer East fee district.

As of March 2022, the Placer East fee district has a current total fund balance of approximately \$3,107,000 of previously collected fees. Numerous projects from the existing project list will carry over to the updated project list, as discussed above. Placer County will utilize the remaining fund balance to help fund project costs, reducing the amount of funds the fee program needs to collect.

The fee amount is calculated by subtracting the existing fund balance from the total project cost allocated to the fee program. The remaining cost is then divided by the number of remaining DUE's in the fee district.

Fee Calculation:

Total Cost Allocated to Fee District	\$5,166,000
Existing Fund Balance	\$3,107,000
Remaining Cost Allocated to Fee District	\$2,059,000
Total Remaining DUE's in Fee District	507
Average Cost per DUE	\$4,061

The updated fee program cost is \$4,061 per DUE, which is an increase of 1.7% from the current fee of \$3,993 per DUE. However, fees are scheduled to increase to \$4,283 per DUE on July 1, 2022 due to the annual CCI adjustment that was approved by the Board of Supervisors on April 19, 2022. The updated fee amount represents a 5.2% reduction compared to the pending fee adjustment. The fee shall be calculated using the DUE conversion rates in the most recent version of the Countywide Traffic Fee Program Schedule, available on the County's website.

Nexus Findings

California Government Code Section 66000 et seq. requires that a fee program demonstrate a nexus between the fee, the transportation improvements funded by the fee, and the future development which will be subject to the fee. The nexus study must demonstrate that there is a reasonable relationship between the fee, the cost of the improvements, and the transportation impact of future development. More specifically, the nexus study must:

- Identify the purpose of the fee.
- Identify the use to which the fee is to be applied. If the use is financing public facilities, the facilities must be identified.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- Determine how there is a reasonable relationship between the need for a public facility and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

The requirements of the nexus study are outlined below.

Identify the Purpose of the Fee

The Traffic Fee for each fee district will fund the roadway improvements needed to serve new development in that fee district and provide convenient and safe access to and throughout the fee district.

Identify the Use of the Fee

The fee will be used to fund or partially fund needed roadway safety improvements and shoulder widenings, as identified in this nexus study and the CIP project lists. The fee may be used for all stages of project implementation, including planning, environmental, right-of-way acquisition, design, and construction. Additionally, the fee will fund administrative responsibilities and requirements of the fee program.

Determine Reasonable Relationship between the Fee's Use and Type of Development

The use of the fees to help pay for capital projects included in the fee program project list has provided the mechanism for new development projects to contribute funding towards transportation improvements that are needed to maintain service standards related to roadway safety needs. The fees vary by type of development project and their relative usage of transportation facilities.

Determine Reasonable Relationship between the Need for the Facility and Type of Development

The development of new residential and non-residential land use has resulted in increased vehicular traffic, resulting in the need for additional roadway safety improvements. The additional roadway improvements are needed to maintain the established safety standards for roadways in each fee district.

Determine Reasonable Relationship between the Amount of the Fee and the Cost of or Portion of the Facility Attributed to the Development on which the Fee is Imposed

The amount of the fee and cost of new facilities are apportioned to each land use based on their relative contribution to increased vehicular traffic using the DUE rates. Each land use type is converted to DUE's, according to the trip generation rate of the land use. This ensures that the fee imposed is proportional to the traffic generated by each land use.

Implementation

Upon adoption by the Board of Supervisors, fee collections for the Placer West fee district will be suspended. New development will not be required to pay the Countywide Traffic Fee in the Placer West fee district. However, other regional fee programs will still apply to new development, including the SPRTA Regional Fee Program and City of Roseville/Placer County Joint Traffic Fee Program. In the future, fee collections for Placer West may be reinstated, upon approval from the Board of Supervisors. Any future updates would require an update to the nexus analysis.

In the Placer East fee district, the new fee rate will go into effect 60 days after adoption by the Board of Supervisors per State law.