

# MEMORANDUM

DEPARTMENT OF PUBLIC WORKS  
County of Placer

TO: BOARD OF SUPERVISORS

DATE: June 7, 2011

FROM: KEN GREHM / ANDREW GABER 

SUBJECT: TRAFFIC MITIGATION FEES ANNUAL ADJUSTMENT

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## ACTION REQUESTED / RECOMMENDATION

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 of 3.9% in construction costs based on the Engineering News Record Construction Cost Index.

## 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. 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 of the prior year to April of the current year. Based on this information, an increase of 3.9% is proposed for all districts. Attachment 1 shows current and proposed fees by benefit district. If approved, the fee adjustments would become effective August 8, 2011.

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 the increase was not approved by the Board partially due to concerns from the Building Industry Association (BIA). The BIA wanted to initiate a discussion of all County fees and standards. The BIA representative indicated that they would contact the County Executive office to arrange a meeting. There has, to date, been no contact to arrange a meeting. 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 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.

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 the discretion of the Board.

## **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**

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 August 8, 2011.

Attachment: Resolution  
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

Resol. No:.....  
Ord. No:.....

First Reading:.....

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.

Attest:  
Clerk of said Board

\_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
**THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, MAKES THE FOLLOWING FINDINGS:**

- 1) 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.
- 2) 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.

- 3) The Board of Supervisors finds the term administration as used in section 15.28.030 D includes costs necessary to administer the fee program.
- 4) On June 9, 2009, the Board of Supervisors approved an adjustment of 2.5%, which was approximately half of the April 2009 Index. No increase was approved in 2010.
- 5) The Engineering News Record publication reports a 3.9% increase in the Construction Cost Index between April 2010 and April 2011.
- 6) 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.
- 7) 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 of construction. All collected fees will continue to be used as set forth in the Traffic Mitigation Fee Program.
- 8) There still exists a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- 9) 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.
- 10) There still exists a reasonable relationship between the unexpended funds in the current fee programs and the improvements for which they were collected.
- 11) Funds collected and held for 5 years have been reviewed. These funds are still needed for the purpose that they were collected.

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

**TRAFFIC MITIGATION FEES  
Adjustment Comparison  
By Countywide Benefit District**

Benefit District	<u>Current</u> <u>Countywide</u> <u>Fee</u> <u>(August 2009)</u>	<u>Proposed</u> <u>Countywide</u> <u>Fee</u> <u>(Aug 2011)</u>	<u>Hwy. 65 JPA</u>	<u>SPRTA Regional</u>	<u>County/Roseville</u>	<u>Total</u>
	Fee per DUE	Fee per DUE	Fee Per DUE	Fee Per DUE	Fee Per DUE	Fee Per DUE
Auburn/Bowman	\$4,705	\$4,888.50	\$0	\$0	\$0	\$4,888.50
Dry Creek	\$3,362	\$3,493.12	\$0	\$667	\$861	\$5,021.12
Foresthill (Residential)	\$4,425	\$4,597.58	\$0	\$0	\$0	\$4,597.58
Foresthill (Non-Residential)	\$2,304	\$2,390.74	\$0	\$0	\$0	\$2,390.74
Granite Bay	\$5,928	\$6,159.19	\$0	\$848	\$57	\$7,064.19
Meadow Vista	\$4,863	\$5,052.66	\$0	\$0	\$0	\$5,052.66
Newcastle/Horseshoe Bar	\$4,634	\$4,814.73	\$0	\$1,398	\$37	\$6,249.73
Placer Central Fee	\$1,995	\$2,072.81	\$0	\$1,834	\$43	\$3,949.81
Placer East	\$3,227	\$3,352.85	\$0	\$0	\$0	\$3,352.85
Placer West	\$2,471	\$2,567.37	\$0	\$1,864	\$91	\$4,522.37
Sunset	\$2,843	\$2,953.88	\$2,030.56	\$1,429	\$233	\$6,646.44
Tahoe Region	\$4,587	\$4,765.89	\$0	\$0	\$0	\$4,765.89

- Note:
- 1) This change reflects an increase of 3.9% for the period from April 2010 to April 2011 for the Countywide Fee. The rate is based on the Construction Cost Index as published by the Engineering News Record publication.
  - 2) The change becomes effective August 8, 2011.
  - 3) SPRTA = South Placer Regional Transportation Authority
  - 4) DUE = Dwelling Unit Equivalent
  - 5) JPA = Joint Powers Authority

