

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS County of Placer

TO: BOARD OF SUPERVISORS

DATE: October 7, 2014

FROM: KEN GREHM / STEPHANIE HOLLOWAY *KG SH*

SUBJECT: **TRAFFIC MITIGATION FEES ANNUAL ADJUSTMENT**

ACTION REQUESTED / RECOMMENDATION

1. Conduct a Public Hearing and Adopt a Resolution to increase the Capital Improvement Costs and corresponding Countywide Traffic Mitigation Fees for all Benefit Districts, except Auburn Bowman, to reflect an increase of 2.8 percent in construction costs based on the Engineering News Record Construction Cost Index. There is no net County cost.

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 2013 to April of 2014. Based on this information, an increase of 2.8 percent is proposed for all districts; except Auburn Bowman as a CIP update and Traffic Mitigation Fee increase was approved by your Board on July 8, 2014. Attachment 1 shows current and proposed fees by benefit district. If approved, the fee adjustments would become effective December 8, 2014.

The Board of Supervisors considered this item at the July 8, 2014 meeting. At that time, the Board gave direction to staff to further identify the validity of projects listed within the Capital Improvement Program(s) for each Benefit District. This work has been completed, and findings have been reported to the specific Supervisor assigned to each Benefit District area. No changes are proposed to the projects listing of the CIP(s).

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 change in construction labor and material costs since April of 2013. A CCI adjustment has not been applied to the Program for the last 4 years. In June of 2009, a 2.5 percent increase was approved which was approximately half of the April 2008 to April 2009 ENR Index increase of 5.1 percent.

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.

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 December 8, 2014.

Attachment: Resolution
Attachment 1

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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:.....

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

Chair, 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 percent, which was approximately half of the April 2009 Index. No increase has been applied for past 4 years.
- 5) The Engineering News Record publication reports a 2.8 percent increase in the Construction Cost Index between April 2013 and April 2014.
- 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 Countywide Fee</u> Fee per DUE	<u>Proposed Countywide Fee</u> Fee per DUE
Auburn/Bowman	\$4,911	\$4,911
Dry Creek	\$3,010	\$3,094
Foresthill (Residential)	\$4,425	\$4,549
Foresthill (Non-Residential)	\$2,301	\$2,365
Granite Bay	\$5,928	\$6,094
Meadow Vista	\$4,863	\$4,999
Newcastle/Horseshoe Bar	\$4,634	\$4,764
Placer Central Fee	\$1,995	\$2,051
Placer East	\$3,227	\$3,317
Placer West	\$2,471	\$2,540
Sunset	\$1,600	\$1,645
Tahoe Region	\$4,714	\$4,846

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- Note: 1) This change reflects an increase of 2.8 percent for the period from April 2013 to April 2014 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 December 8, 2014.
- 3) Sunset Countywide Fee is 'per 1000 SF' for new Square Footages

