THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office **BOARD AGENDA #** 6:35 p.m.

Urgent ☐ **Routine** ☒ **AGENDA DATE** July 20, 2010

CEO Concurs with Recommendation YES ☒ **NO** ☐ (Information Attached) **4/5 Vote Required YES** ☐ **NO** ☒

SUBJECT:

Public Hearing to Consider Adoption of Revised Regional Transportation Impact Fees and Related Matters

STAFF RECOMMENDATIONS:

1. Conduct a Public Hearing to consider adoption of the revised Regional Transportation Impact Fee;
2. Accept the June 15, 2010 Regional Transportation Impact Fee Study;
3. Approve and adopt the Findings set forth in the Regional Transportation Impact Fee Study and in this item, and as required by Section 66001 of the California Government Code;
4. Approve the revised Regional Transportation Impact Fees as recommended in the Study to be effective 60 days from date of adoption, Monday, September 20, 2010;

Continued on Page 2

FISCAL IMPACT:

Since adoption of the program in 1990, Stanislaus County has collected over $161 million in Public Facilities Fees (PFF) and over $28 million in interest. Over $104 million has been distributed to fund needed capital improvements including transportation infrastructure, jail expansion, library facilities and park improvements. The balance of these funds are dedicated to large, long term capital improvement projects including new jail construction and major road construction.

Continued on Page 2

BOARD ACTION AS FOLLOWS: **No.** 2010-472

On motion of Supervisor DeMartini, **Seconded by Supervisor** Monteith
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

1) X **Approved as recommended**
2) ____ **Denied**
3) ____ **Approved as amended**
4) ____ **Other:**

MOTION:

Elizabeth A King

ATTEST: ELIZABETH A. KING, Assistant Clerk **File No. M-64-I-6**

RECOMMENDATIONS Continued:

5. Authorize staff to meet with all nine cities and the Stanislaus Council of Governments (StanCOG) to begin the development and formation of an inclusive Regional Transportation Impact Fee (RTIF) program;

6. Direct staff to return to the Board within 18 months with a status report and recommendations regarding the Regional Transportation Impact Fee;

7. Approve the Industrial Incentive Program with a sunset date of July 1, 2015 and direct staff to return to the Board with annual updates on program participation and costs; and

8. Approve the proposed revisions to the Public Facilities Fees Administrative Guidelines making changes to the qualifying criteria for participation in the Installment Payment Program.

FISCAL IMPACT Continued:

The revised Public Facilities Impact Fee Study, approved by the Board on March 30, 2010, projected population and employment growth in Stanislaus County through the year 2030 and identified needed capital facilities to service that growth. The recommendations presented today update the program to include the regional transportation impact fee (RTIF) component, completing the comprehensive program update. Over $905 million of transportation projects are included in the analysis, of which $600 million is proposed to be funded by new development through the RTIF.

County staff has been working on the PFF Update for over two years, and has employed the services of Willdan & Associates to assist in the preparation of the program. Over this two year period, approximately $200,000 has been expended with this firm to support this effort. As staff begins working with the Cities to develop a more inclusive RTIF program, it is anticipated that there will be a need to examine an increased number of regional projects and perhaps, multiple zones. This effort may require extensive traffic modeling. As such, staff will return to the Board to request fair share proportional funding at a time when all ten of the agencies have identified a project scope and budget. There is no additional request for funding related to this item at this time.

Participation in the Industrial Incentive Program will create a funding deficit in the Public Facility Fee program and staff will be required to track the amount of fees "forgiven" through participation in the program and identify other non-PFF funding to address this deficit. This funding could come from any number of sources including STIP funding, federal earmarks, transportation sales tax funding, State proposition funding, American Reinvestment and Recovery Act funding (ARRA), etc....

DISCUSSION:

For the past several years, county staff has been working on a comprehensive update of the County's Public Facility Fee Program. This comprehensive update was presented to the Board of Supervisors on March 30, 2010, at which time the Board approved all components of the revised Public Impact Fee Study, with the exception of the Regional Transportation Impact Fee (RTIF) portion. At the hearing, staff was directed to return to the Board within approximately 90 days with recommendations regarding the Regional Transportation Impact Fee component.

Staff has conducted significant outreach to our various stakeholders, including both one-on-one and group meetings with city representatives, to identify challenges and opportunities relative to the regional transportation impact fee. The recommendations presented to the Board in this item address some of the more immediate nexus based issues presented, while directing staff to work collaboratively with the cities over the next year to year and a half in discussing potential solutions to the broader issues related to the imposition, collection and distribution of regional transportation impact fees.

Program History

The primary objective of the PFF program is to ensure that new development pays the capital costs associated with growth. Authority to impose the fees is granted by the Mitigation Fee Act contained in California Government Code Sections 66000 et seq.

Stanislaus County's Public Facility Fee Program (PFF) was developed in 1989. The multi-jurisdictional nature of the program was unique at the time of initial adoption and has served as a model for many other jurisdictions throughout the State. Currently, 19 California counties either have some form of an impact fee program or are in the process of developing one. Stanislaus County's program still remains one of the most comprehensive and well established programs in the State.

The PFF program collects impact fees from new development throughout the County, both in cities and the unincorporated area, to fund the public facilities required to accommodate growth. The program includes two types of impact fees: Countywide fees which are collected from new development both in the cities and in the unincorporated area to fund public facilities for services provided to all county residents, and Unincorporated fees collected only from new development in the unincorporated area for facilities needed to serve those areas such as sheriff patrol and neighborhood park facilities.

The County has long standing agreements with each of the nine cities whereby cities collect PFF, or require vouchers confirming payment of the fees, on behalf of the County that apply to County-provided services within incorporated areas.
In exchange, within city spheres of influence, the County defers to the City on most land use decisions as well as requires the collection of city sphere impact fees where applicable upon the issuance of building permits.

Since the program's original adoption in 1990, it has undergone three updates. In 1992, in response to a severe recession, the fees were reduced by removing over $200 million of State highway projects with the expectation that the funding would be replaced "by new Federal and State gas tax revenues and project specific traffic mitigation fees."

In 2003, a comprehensive update was completed which included the addition of an Animal Services category, the inclusion of regional and neighborhood park lands and the reprogramming of the fire fee to a broader emergency services category. In 2005, the program experienced an inflationary update using five separate cost inflation indexes.

Comprehensive Update

The March 30, 2010 Public Facilities Impact Fee Study was a comprehensive update of the PFF program. The fees approved in the update represent reorganization and streamlining of the existing 31 land use categories into 18 categories, including residential, office, industrial, commercial and special cases such as drive through components, gas stations, motel/hotels and golf courses. (See attachment one for an all category fee comparison: 2005 to 2010 Update)

The County's facility inventory and service demand factors were completely reevaluated. All land values identified in the program update were revised by an independent, third party analysis in light of the current economic environment (winter 2009 valuations). The approved update was based on growth projections to calendar year 2030 from StanCOG, and uses California Department of Finance data to establish the base year land use estimates. A new information technology fee category was added to the program to fund large enterprise-wide applications which represent significant capital investments.

Fee calculation methodology remains consistent with past practice and is based on a current level of service approach called the "Existing Inventory Method". The Existing Inventory method identifies the existing per capita investment in facilities for a given facility category (i.e. the facility standard), by dividing the current value of facilities by the current service population. That standard is then applied to projected population growth (over the 20 year program window) to determine a fee that will maintain the existing level of service. The exceptions to this approach are:

- Transportation related fee category which is based on a "Planned Facilities Method" which allocates costs based on the ratio of planned facility costs to demand from new development, and;

- Animal Services fee category which is based on a "System Plan Method" that calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development. This approach creates an existing deficiency that must be met through non-fee funding.

Independent land valuation analysis.
A third party, independent consultant prepared detailed land value analysis on all existing facilities. The land value analysis was performed in late 2009 and reflects a current market valuation of all land included in the program. It will be important moving forward that this analysis occur annually at regular inflationary adjustment cycles in order to remain consistent with trend in market land values.

Consolidation of Land Use Categories
The new fee program consolidated the land use categories from the existing 31 to 18. This streamlined approach will make the process of understanding, calculating and administering the fee program more efficient and understandable to our development community customers.

Elimination of Medical Office Category
The Medical Office category was folded into the general office category.

Identification of a Drive Through Category
This is a fixed fee/base rate addition for those developments that propose a drive through component. This will be charged per drive through lane. This addition aligns with the elimination of the Fast Food category.

The Fast Food Category was eliminated
The new drive through lane fixed fee/base rate approach is a more accurate assessment of the traffic impacts associated with fast food uses. In addition to fast food uses, drive through activity can be readily found in pharmacies, coffee establishments, dry cleaning, banking and other business activities.

The program administrative fee was reduced from 2.5% to 1%
Based on a review of projected PFF administration costs, the administrative fee has been reduced from 2.5% of the total fee to 1% of the total fee. The County will review the adequacy of the administrative fee with each comprehensive fee program update.

Policy Amendments Proposed in this Update

Just prior to the March 30, 2010 Public Hearing, the Chief Executive Officer was approached by the City Managers with a suggestion to broaden the scope of the program to include those regional transportation projects currently contained in the various City Capital Facilities Fees (CFF) programming. This recommendation from the cities also requested that final approval authority for the authorization of funds reside with StanCOG or a Joint Power Authority (JPA) to be developed.

In light of city concerns regarding the transportation updates proposed in early drafts and requests from city partners to pursue an all inclusive regional transportation impact fee program, action on the transportation component of the new fee update was deferred approximately 90 days to allow staff to meet with the cities and understand and respond to concerns they may have.

During our preparation for this County PFF Update staff met individually with each of the nine city managers and their senior leaderships to listen to their long term issues, goals and objectives. Those issues were then formalized in an issues matrix (see attachment three) and vetted in two public forums held on April 28, 2010 and May 26, 2010 respectively.

Based on this input, the Regional Transportation Impact Fee component has been modified to include additional programming and study corridors in several key south county areas (see attachment graphic two). These areas include:

- Future South County Corridor planning;
- State Highway 33 Corridor;
- Faith Home Road and Circulation issues related to Beard Industrial Park;
- State Route 132;

The addition of an Industrial Rail credit is included which will adjust each of the large industrial land use trip rates down to account for trips served by rail.

For the most part the Cities agreed with this interim approach provided that all ten (10) jurisdictions (nine cities and the county) begin work <u>immediately</u> on developing a long term regional solution that will outline in detail a new regional transportation program that best suits all ten of the jurisdictions transportation needs.

County staff is committed to working as a partner with all of our city colleagues toward developing and implementing this new regional program. It is staff's intention to return to your Board in 18 months to share the framework and/or status of this collaborative regional effort.

Updating Fees in the Current Economy

As we find ourselves mired in the worst economy in decades, a discussion is necessary as to the wisdom of revising fees in the current economic climate.

First, it is important to recognize that in the proposed program, 13 of the 18 program categories in both the unincorporated and incorporated area go down. This includes land uses such as multi-family residential, general office, small and medium retail/commercial, small industrial, hospitals, nursing homes, and motels and hotels. The decrease in these fees is largely due to the update in population assumptions and the revised land valuations.

Secondly, the current program has not been updated since 2005, and modification of land values to reflect current market conditions lowers the fees for several land use categories, even after updating the Animal Services fee and the creation of an Information Technology component.

Industrial Incentive Program

As stated previously, Public Facilities Fees are going down in the vast majority of land use categories as part of this comprehensive update. The one exception is with the Large Industrial categories, which are experiencing an overall increase. In researching this issue, it was discovered that during the 2005 inflationary adjustment, in addition to some clerical errors, trip rates were selected to minimize the burden on industrial development. This "hand picking" of favorable rates resulted in an overall decrease in most large industrial categories at the same time all other program categories were being increased for inflation. Since that time, the methodology has been revised to allocate the public facilities burden consistently to all land uses based on data from the latest Institute of Transportation (ITE) manual, including appropriate factors to address diversion of traffic and causality factors.

Having corrected the program methodology, staff felt it was important to develop some type of incentive program so that our region remains economically competitive when it comes to job creation and attraction. To that end, staff worked with representatives from the manufacturing sector on the development of an Industrial Incentive Program. Participation in this program will go a long way in offsetting increases in the large industrial fees related to this comprehensive program update.

The program applies a discount in the amount of Public Facilities Fees (PFF) paid to the County based on a sliding scale, with the standard maximum discount reaching 60% of the total fee in the Manufacturing sector and up to 75% in the Warehouse and Distribution sectors. Incentive eligibility for Warehouse developments start at the 150,000 sq. ft entry level. In Manufacturing and Distribution the entry level project size eligibility is set at 100,000 sq. ft. Points are awarded based on total capital investment, new jobs created and average hourly wage, In addition, bonus points can be awarded based on the projects ability to generate additional revenue to the County, address a community need, attract other support businesses, demonstrate significant efforts in reducing greenhouse gases or be located in a location that meets strategic objectives of the County (i.e. transit oriented development, diverted trips through use of rail, infill, anchor to a new business park, etc...).

Participation in the Industrial Incentive Program will create a funding deficit in the Public Facility Fee program and staff will be required to track the amount of fees "forgiven" through participation in the program and identify other non-PFF funding to address this deficit. This funding could come from any number of sources including STIP funding, federal earmarks, transportation sales tax funding, State proposition funding, American Reinvestment and Recovery Act funding (ARRA), etc....

Proposed Modifications to the PFF Administrative Guidelines

The current PFF Administrative Guidelines outlined requirements for the Installment Payment Program for Qualifying Non-Residential Projects, which was implemented in 2005 as an incentive for job retention and development. The program allows a fee deferment in lieu of paying public facility fees for non-residential projects whose successful development activity will create at minimum 30 new jobs. The incentive allows the eligible developer to elect to pay up to 80% of calculated fees in equal annual payments. The property owner/developer may enter into a Multi-year PFF Payment Agreement with Stanislaus County to pay an initial amount of 20% of the total fee due at building permitting with the balance to be paid in equal annual payments. In no case shall the payment period exceed four years.

This Installment Payment Plan has not been utilized over the past five years since implementation.

The PFF Committee (who oversees and reviews all PFF related issues) is recommending that the PFF Administrative Guidelines be revised to grant some discretion to the PFF Committee in the application of this incentive for those non-residential projects that facilitate job creation or retention, address an identified community need, provide a "living wage" (defined as at least 1-1/2 times the minimum wage), will likely attract other support businesses, can demonstrate they are making significant efforts to reduce greenhouse gases, or are located in locations that meet strategic objectives of the County (i.e. transit oriented development, diverted trips through use of rail, infill, anchor to a new business park, etc...)

Proposed/Revised Installment Payment Plan Language

In lieu of paying public facility fees for a project, a non-residential developer whose successful development activity will facilitate job creation or retention, address an identified community need, provide a "living wage" (defined as at least 1-1/2 times the minimum wage), or are located in locations that meet strategic objectives of the County (i.e. transit oriented development, diverted trips through use of rail, infill, anchor to a new business park, etc.), may make application to the Public Facilities Fee Committee to enter into a Multi-Year PFF Payment Agreement with Stanislaus County to pay an initial amount of 20% of the total fee due at building permitting with the balance to be paid in equal annual payments. In no case shall the payment period exceed four years.

Qualified projects must meet the following standards:

1) Project is of commercial, retail and/or industrial nature. Residential developments are NOT eligible for this fee deferment program;

2) Facilitates job retention and/or creation within the first 12 months of project completion;

3) The applicant provides satisfactory evidence that the project has one or more of the following characteristics:

a) Provides for "living wage" jobs at least 1½ times the minimum wage
b) Supports a community need
c) Will likely attract other businesses
d) Will make a significant effort to reduce greenhouse gases; or
e) Sited in a location that meets strategic objectives of the County (transit oriented development, diverted trips through use of rail, infill, anchor to new business park, etc...)

Recommendations

If the recommendations contained in this report are adopted:

1. The revised fees will be effective beginning Monday, September 20, 2010.

2. Staff will begin work directly with our city partners toward the development of a Regional Transportation Impact Fee program for all communities.

3. Staff will return to the Board within 18 months to share the development of a Regional Transportation Impact Fee program and/or the status of this process.

4. Staff will bring a PFF program update report to the Board of Supervisors on an annual basis to adjust for inflation and land values to remain consistent with existing market conditions.

5. The PFF Payment Plan Incentive will be modified to allow additional decision making latitude by the PFF Committee when considering eligible businesses.

POLICY ISSUES:

When adopting the fees, the Board is required to document five findings which are outlined and explained in Chapter 17 of the June 15, 2010 Regional Transportation Impact Fee Study. Those findings are summarized below:

1. *Identify the purpose of the fee*: Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate County interest by enabling the County to provide services to new development.

2. *Identify the use to which the fees will be put:* The fees would be used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the County. Fees addressed in this report have been identified by the County to be restricted to funding the following facility categories: animal services, behavioral health, criminal justice, detention, fire protection, emergency services, health, libraries, other county, regional and neighborhood parks, sheriff, and information technology.

3. *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed:* The County will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, and vehicles used to serve new development. Facilities funded by the fees are expected to provide a countywide network of facilities accessible to the additional residents and workers associated with new development. Under *the Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

4. *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed:* Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. For most facility categories service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted less than one resident based on an analysis of the relative use demand between residential and non-residential development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

5. *Determine how there is a reasonable relationship between the fees amount and the cost of facilities or portion of the facilities attributable to the development on which the fee is imposed:* The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

STAFFING IMPACTS:

There are no new or additional staffing impacts associated with this item. Staff from a variety of County departments, including the Chief Executive Office, CEO Capital Projects Division, County Public Works, and County Counsel have assisted in the development of the fee study.

Contact Person: Keith D. Boggs, Chief Executive Office, 209.652.1514
boggsk@stancounty.com

Attachments:
1. Stanislaus County Public Facility Fee Schedule 2010 Proposed and 2005 – 2010 Fee Comparative
2. PFF Transportation Projects Realignment including Study Corridor Areas
3. City Partners Issues Matrix March/April 2010
4. Industrial Incentive Program guidelines
5. Regional Transportation Impact Fee (RTIF) Program Update

Table 1: Development Impact Fee Summary - Unincorporated

Land Use	Animal Services	Behavioral Health	Criminal Justice	Detention	Emergency Services	Health	Library	Other County Facilities	Regional Parks	Neighbor-hood Parks[1]	Sheriff[1]	County-wide IT	RTIF	Admin Charge	Total Fee
Residential (Per Dwelling Unit)															
Single Family	$ 66	$ 145	$ 126	$ 926	$ 19	$ 293	$ 416	$ 1,513	$ 236	$ 511	$ 517	$ 44	$ 3,968	$ 88	$ 8,868
Multifamily	46	101	88	647	13	205	290	1,056	165	357	361	31	2,432	58	5,850
Nonresidential (Per Thousand Square Feet)															
Office	N/A	$ 40	$ 34	$ 261	$ 6	$ 83	N/A	$ 428	N/A	N/A	$ 146	$ 11	$ 3,200	$ 42	$ 4,251
Industrial															
Industrial (Small)	N/A	$ 9	$ 8	$ 58	$ 1	$ 19	N/A	$ 95	N/A	N/A	$ 33	$ 3	$ 1,459	$ 17	$ 1,702
Industrial (Large)															
Manufacturing	N/A	13	11	84	2	27	N/A	137	N/A	N/A	47	4	1,536	19	1,880
Distribution	N/A	5	4	34	1	11	N/A	55	N/A	N/A	19	1	1,792	19	1,941
Warehouse	N/A	3	2	16	0.40	5	N/A	27	N/A	N/A	9	1	947	10	1,020.40
Commercial[2]															
Small Retail	N/A	$ 34	$ 29	$ 219	$ 5	$ 70	N/A	$ 359	N/A	N/A	$ 123	$ 10	$ 1,818	$ 27	$ 2,694
Medium Retail	N/A	34	29	219	5	70	N/A	359	N/A	N/A	123	10	2,714	36	3,599
Shopping Center	N/A	34	29	219	5	70	N/A	359	N/A	N/A	123	10	2,509	34	3,392
Shopping Mall	N/A	34	29	219	5	70	N/A	359	N/A	N/A	123	10	1,536	24	2,409
Church	N/A	$ 34	$ 29	$ 219	$ 5	$ 70	N/A	$ 359	N/A	N/A	$ 123	$ 10	$ 589	$ 14	$ 1,452
Hospital	N/A	34	29	219	5	70	N/A	359	N/A	N/A	123	10	1,050	19	1,918
Nursing Home	N/A	34	29	219	5	70	N/A	359	N/A	N/A	123	10	384	12	1,245
Special Cases[3]															
Drive Through (per lane)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 15,949	$ 159	$ 16,108
Gas Station (per pump)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,221	62	6,283
Motel/Hotel (per room)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	640	6	646
Golf Course (per acre)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	768	8	776

[1] Charged only in unincorporated areas.

[2] Small Retail is less than 50,000 sq. ft.; Medium Retail ranges from 50,000 -100,000 sq. ft.; Shopping Center ranges from 100,000 - 300,000 sq. ft.; Shopping Mall is greater than 300,000 sq. ft.

[3] Charged as noted (per lane, per pump, per room or per acre), in addition to commercial fees (excluding RTIF).

Table 2: Development Impact Fee Summary - Incorporated

Land Use	Animal Services	Behavioral Health	Criminal Justice	Detention	Emergency Services	Health	Library	Other County Facilities	Regional Parks	Neighbor-hood Parks[1]	Sheriff[1]	County-wide IT	RTIF	Admin Charge	Total Fee
Residential (Per Dwelling Unit)															
Single Family	$ 66	$ 145	$ 126	$ 926	$ 19	$ 293	$ 416	$ 829	$ 236	N/A	N/A	$ 44	$ 3,968	$ 71	$ 7,139
Multifamily	46	101	88	647	13	205	290	579	165	N/A	N/A	31	2,432	46	4,643
Nonresidential (Per Thousand Square Feet)															
Office	N/A	$ 40	$ 34	$ 261	$ 6	$ 83	N/A	$ 235	N/A	N/A	N/A	$ 11	$ 3,200	$ 39	$ 3,909
Industrial															
Industrial (Small)	N/A	$ 9	$ 8	$ 58	$ 1	$ 19	N/A	$ 52	N/A	N/A	N/A	$ 3	$ 1,459	$ 16	$ 1,625
Industrial (Large)															
Manufacturing	N/A	13	11	84	2	27	N/A	75	N/A	N/A	N/A	4	1,536	18	1,770
Distribution	N/A	5	4	34	1	11	N/A	30	N/A	N/A	N/A	1	1,792	19	1,897
Warehouse	N/A	3	2	16	0.40	5	N/A	15	N/A	N/A	N/A	1	947	10	999.40
Commercial[2]															
Small Retail	N/A	$ 34	$ 29	$ 219	$ 5	$ 70	N/A	$ 198	N/A	N/A	N/A	$ 10	$ 1,818	$ 24	$ 2,407
Medium Retail	N/A	34	29	219	5	70	N/A	198	N/A	N/A	N/A	10	2,714	33	3,312
Shopping Center	N/A	34	29	219	5	70	N/A	198	N/A	N/A	N/A	10	2,509	31	3,105
Shopping Mall	N/A	34	29	219	5	70	N/A	198	N/A	N/A	N/A	10	1,536	21	2,122
Church	N/A	$ 34	$ 29	$ 219	$ 5	$ 70	N/A	$ 198	N/A	N/A	N/A	$ 10	$ 589	$ 12	$ 1,166
Hospital	N/A	34	29	219	5	70	N/A	198	N/A	N/A	N/A	10	1,050	16	1,631
Nursing Home	N/A	34	29	219	5	70	N/A	198	N/A	N/A	N/A	10	384	9	958
Special Cases[3]															
Drive Through (per lane)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 15,949	$ 159	$ 16,108
Gas Station (per pump)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,221	62	6,283
Motel/Hotel (per room)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	640	6	646
Golf Course (per acre)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	768	8	776

[1] Charged only in unincorporated areas.

[2] Small Retail is less than 50,000 sq. ft.; Medium Retail ranges from 50,000 -100,000 sq. ft.; Shopping Center ranges from 100,000 - 300,000 sq. ft.; Shopping Mall is greater than 300,000 sq. ft.

[3] Charged as noted (per lane, per pump, per room or per acre), in addition to commercial fees (excluding RTIF).

Draft - June 15, 2010.

Table 3: Stanislaus County - Public Facilities Fee Comparison to Existing Fees: Unincorporated

	2005 Fee	Proposed Fee	Change
Residential (Per Dwelling Unit)			
Single Family	$ 9,041	$ 8,868	$ (173)
Multifamily	7,584	5,850	(1,734)
Nonresidential (Per Thousand Square Feet)			
Office	$ 7,393	$ 4,251	$ (3,142)
Industrial			
Industrial <20,000 sq. ft.	$ 3,515	$ 1,702	$ (1,813)
Industrial (Large)			
Manufacturing	703	$ 1,880	$ 1,177
Distribution	146	1,941	1,795
Warehouse	66	1,020	954
Commercial			
Retail <50K	$ 10,891	$ 2,694	(8,197)
Retail 50K-100K	7,217	3,599	(3,618)
Retail 100K-300K	4,686	3,392	(1,294)
Shopping Mall	4,133	2,409	(1,724)
Church	$ 2,173	$ 1,452	(721)
Hospital	3,123	1,918	(1,205)
Nursing Home	1,799	1,245	(554)
Special Cases [2]			
Drive Through (per lane)	N/A	$ 16,108	N/A
Gas Station (per pump)	$ 3,360	6,283	2,923
Motel/Hotel (per room)	2,173	646	(1,527)
Golf Course (per acre)	2,652	776	(1,876)

[1] Charged only in unincorporated areas.

[2] Special land use roads fees are charged as noted (per lane, per pump, per room or per acre), in addition to commercial fees charged per 1,000 square feet.

Draft - June 15, 2010.

Table 4: Stanislaus County - Public Facilities Fee Comparison to Existing Fees: Incorporated

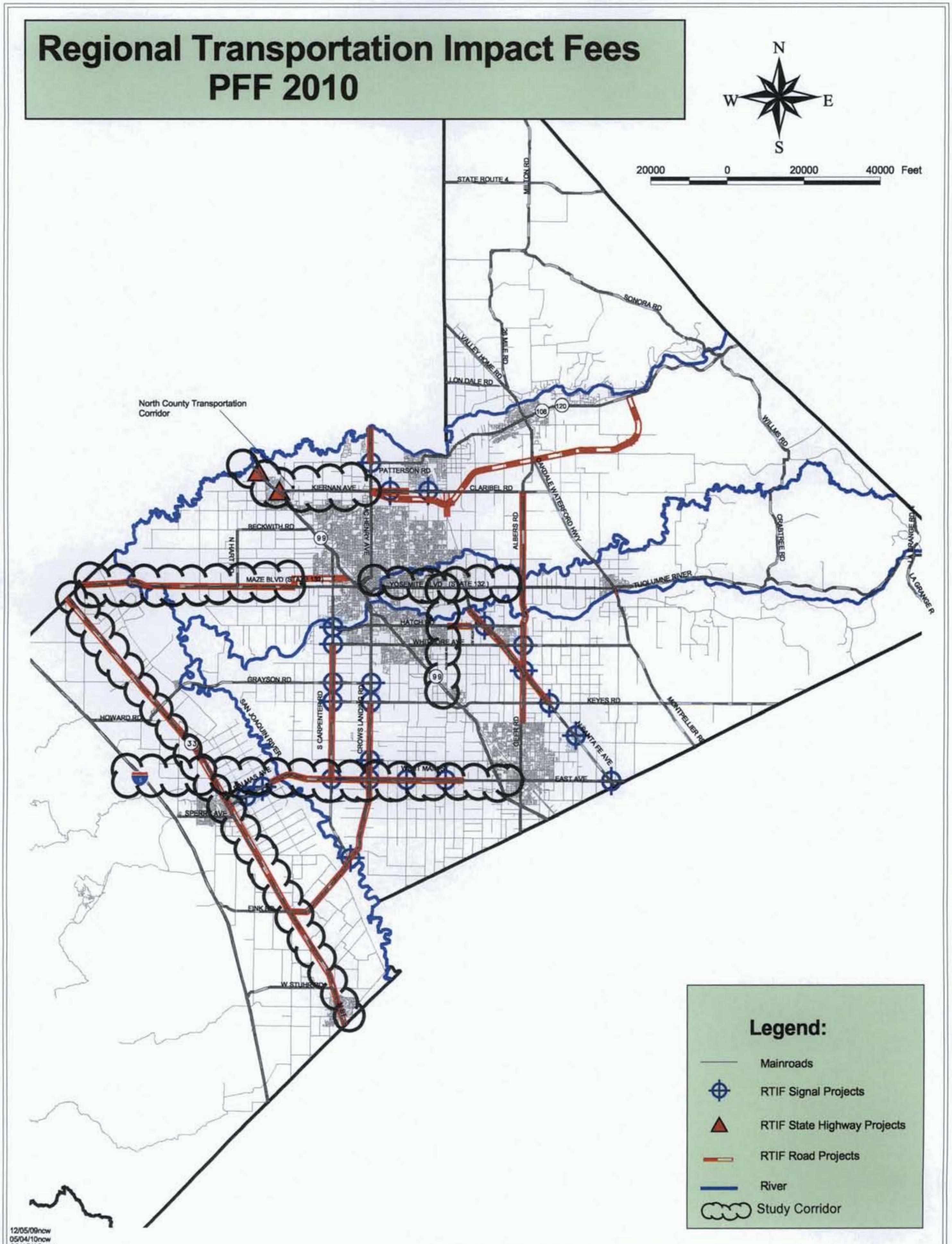
	2005 Fee	Proposed Fee	Change
Residential (Per Dwelling Unit)			
Single Family	$ 8,038	$ 7,139	$ (899)
Multifamily	6,580	4,643	(1,937)
Nonresidential (Per Thousand Square Feet)			
Office	$ 6,841	$ 3,909	$ (2,932)
Industrial			
Industrial <20,000 sq. ft.	$ 3,278	$ 1,625	$ (1,653)
Industrial (Large)			
Manufacturing	656	$ 1,770	$ 1,114
Distribution	135	1,897	1,762
Warehouse	62	999	937
Commercial			
Retail <50K	$ 10,560	$ 2,407	(8,153)
Retail 50K-100K	6,885	3,312	(3,573)
Retail 100K-300K	4,355	3,105	(1,250)
Shopping Mall	3,802	2,122	(1,680)
Church	$ 1,842	$ 1,166	(676)
Hospital	2,791	1,631	(1,160)
Nursing Home	1,468	958	(510)
Special Cases [2]			
Drive Through (per lane)	N/A	$ 16,108	N/A
Gas Station (per pump)	$ 3,029	6,283	3,254
Motel/Hotel (per room)	1,842	646	(1,196)
Golf Course (per acre)	2,321	776	(1,545)

[1] Charged only in unincorporated areas.

[2] Special land use roads fees are charged as noted (per lane, per pump, per room or per acre), in addition to commercial fees charged per 1,000 square feet.

Draft - June 15, 2010.

Regional Transportation Impact Fees
PFF 2010



Summary of City Issues and Concerns Issue/Concern		Concern shared by:	County Staff Recommendation Short-term/Long-term issue	County Staff Comments/ Suggested Potential Solutions
1	Regional (multi-jurisdictional) cooperation and influence in transportation fee program development, prioritization and programming	ALL CITIES	Long-term	County staff supportive of this effort but would appreciate clarity over what is needed beyond effective exercise of existing MOU authority.
2	Regional projects missing from the study	Ceres, Modesto, Patterson, Newman, Waterford, Riverbank, Turlock	Short-term	County staff acknowledges concern and is evaluating projects that should be included in the program, at least at a study level.
3	Establishment of Zones (concepts varied widely)	Ceres, Newman, Oakdale, Riverbank, Turlock, Waterford, Patterson	Short-term/Long-term	County staff will support this effort if that is where the 10 jurisdictions desire to go but have concerns over segregation of zone funds that may make it difficult to assemble enough money to do major projects.
4	County at a competitive advantage as their fees are lower than fees inside a city which pay CFF and PFF	Ceres, Hughson, Turlock, Patterson, Riverbank, Newman, Modesto	Long-term	County staff acknowledges this as a concern of cities but feels there is very little C/I vacant lands available outside of Crows Landing and the Salida Community Plan Area, which will have their own additional infrastructure development fees in addition to PFF
5	Project nexus – example: concern over a large portion of program earmarked for NCC, which the south and west side communities will receive little benefit from. Difficulty in explaining benefit of current program to electeds and constituents	Ceres, Newman, Patterson, Turlock, Riverbank, Oakdale, Waterford	Short-term	Address concerns of regional equity; answer question of whether nexus is required by sub-area or by the County as a whole.
6	Economic Competitiveness - remaining competitive both as a city and as a region compared to other jurisdictions outside the County.	Ceres, Newman, Oakdale, Riverbank, Turlock, Patterson, Modesto	Short-term	Provide regional competitiveness analysis prepared by Willdan with cities. Could analyze positive economic impacts from program investments.
7	Area of Influence fee / Economic Influence Zone – projects in the unincorporated areas BEYOND THE SPHERE in close proximity to a city should pay for impacts to city roadway system	Oakdale, Patterson, Turlock, Waterford, Riverbank, Newman, Modesto	Long-term	County staff generally supportive of this process but feel it will take some work to establish proper area of influence sub-zones and appropriate fee structure.
8	Land use planning needs to be part of the transportation fee development. (Riverbank additional comments: To ensure consistency with SB 375 and the Valley Blueprint planning efforts, as well as to strengthen the nexus for the proposed fee, land use and transportation planning and funding must be coordinated and reviewed simultaneously)	Riverbank, Hughson, Modesto, Turlock, Waterford, Patterson	Long-term	County staff agree but feels this will be a long-term issue that will need to go hand-in-hand with Mayor's growth strategy and SB375 efforts

Issue/Concern		Concern shared by:	County Staff Recommendation Short-term/Long-term issue	County Staff Comments/ Suggested Potential Solutions
9	Attraction of small/medium retail in sales tax poor cities reduces impact on regional roadway system and should reflect some type of credit. (Riverbank additional comments: This should *apply to all of the smaller cities, not just "sales tax poor" cities.* At the heart of the matter is that the existing regional traffic model is Modesto centric and not reflective of market realities. The current model assumes that all services are going to Modesto, driving an increase in impacts on county roads. Putting a small/medium retail use (or any kind of retail use) in Riverbank, or any other city, is going to reduce trips on County roads because our citizens won't have to go to Modesto for everything.	Patterson, Waterford, Newman, Riverbank	Long-term	County staff interested in pursuing an adjustment to the trip rate table for small/medium retail development in those communities.
10	Establish separate trip rates for infill development (infill vs. greenfield)	Modesto, Riverbank, Turlock	Long-term	County staff willing to discuss further
11	Regional (multi-jurisdictional) control in transportation fee program development, prioritization, programming and expenditure control of all regional projects	Riverbank, Turlock, Patterson, Modesto, Oakdale	Long-term	County staff will support this effort provided that the fee is levied by the multi-jurisdictional organization as well.
12	Need to start including city regional projects and not just unincorporated regional projects	Modesto, Turlock, Oakdale, Riverbank, Patterson	Long-term	County staff willing to discuss further
13	Should not be raising industrial rates in this economy. (Riverbank additional comments: Please note that the proposed industrial incentive for manufacturing uses, if the building is less than 50,000 sq ft, the new fee is better. If the building is more than 50,000 sq. ft., the new fee goes up. Same is true for distribution and warehousing in the over 50k under 100k window.	Modesto, Riverbank, Turlock	Long-term	County staff is not supportive of artificially lowering the fee program but would prefer the Industrial Incentive Model in interim.
14	Development of an approach conceptually similar to part of San Joaquin County's model where cities retain a percentage of regional TR fee/funds and share a percentage portion with the COG and the County. (Riverbank additional comments: The system needs to reflect local control over funds coming from a city and reflect the fact that local leaders know what regional improvements are important to that city. A potential solution would be a system where cities agree to a common rate *structure and then retain a fixed proportion of the fees collected* within their respective city and send a remaining fee percentage to the MPO and County.	Riverbank, Turlock, Waterford, Modesto	Long-term	County staff feels this could be problematic from a nexus and governance perspective.
15	Should factor in other potential revenue sources	Riverbank, Turlock	Long-term	County staff feels the current fee program already has funding gaps due to inability to collect for external trips.

Issue/Concern		Concern shared by:	County Staff Recommendation Short-term/Long-term issue	County Staff Comments/ Suggested Potential Solutions
16	NCC should be removed from fee program and funding should be covered by a development corporation which would provide project funding via sales and property taxes generated by areas benefiting from the corridor. (Riverbank additional comments: (this) should be listed as a potential solution to Issue concern #5)	Riverbank, Waterford	Long-term	County staff generally disagree with potential "for profit" development corporation as proposed by Riverbank, but would be supportive of establishment of Regional Transportation Fee Zones for major expressways as proposed by City of Oakdale.
17	Concerns over diverted trip and xy trips methodology	Riverbank, Turlock, Waterford	Long-term	County staff disagree with this concern.
18	Make programming of some projects contingent upon approval of sales tax measure. (Riverbank additional comments: The PFF study should be used to frame the issue and define the need for approval of sales tax measure. The public needs to know that there is such an overwhelming demand for transportation facilities that Stanislaus County cannot begin to raise enough funds by regional fees alone, that there are shortfalls in the system.	Riverbank	Long-term	County staff disagree with contingent approach - however agree that the PFF program is an appropriate forum for framing the importance of self help status. NOTE: The 3.23.10 Update speaks to this important issue.
19	The population table places a disparate amount of employment growth in the County to the disadvantage of cities	Turlock	Long-term	County staff disagree and feels that these estimates have little impact on the overall fee program. If the growth does not occur as assumed in the program, the impact to the roadway system will also not occur and the corresponding fees not collected. A redistribution of the employment to cities would not change the fee amount. This issue has been agendized for May 26th PFF Workshop discussion.
20	Re-examine individual PFF agreements (City-County)	ALL CITIES	Long-term	County staff willing to discuss further

Large Industrial Investment Incentive Program
Stanislaus County
7.2010

One of the priorities of the Stanislaus County Board of Supervisors is the development of "A strong local economy". Goal 1 of this priority is to facilitate job creation through: facilitating business park development, increasing workforce preparation skills and managing incentives and fee programs. The Large Industrial Investment Incentive Program has been developed to assist the facilitation of job creation in Stanislaus County in the Industrial sector.

The program applies a discount in the amount of Public Facilities Fees (PFF) paid based on a sliding scale, with the standard maximum discount reaching 60%. Every 5 points are the equivalent of a 1% discount in the PFF, up to a maximum of 300 points.

NOTE: Given the disparate impact the 2010 increase in fees has on very large industrial facilities when compared to other categories, industrial facilities greater than 300,000 square feet can automatically qualify for an additional discount. This discount is an additional 5% for manufacturing (up to a total of 65%), 15% for distribution and 15% for warehouse above any discount determined (up to a total of 75%) by the criteria listed above.

Points are determined based on the following criteria:

1. **Total Capital Investment** – 3 points are awarded for every $1 million of project capital investment to include land acquisition and development, building design and construction, tenant improvements, fixtures, construction management and non County PFF government charges and fees – City fees can be included in this category.

2. **New Jobs Created** – 1 point is awarded for every new full time manufacturing or warehousing job created within the first 12 months of project completion. 1.5 points are awarded for every new full time distribution job created within the first 12 months of project completion. "New" is defined as a newly created position in Stanislaus County. There is NO minimum new job requirement to qualify for participation in the program.

3. **Average Hourly Wage** – 1 point is awarded for every 1% of average hourly wage above the minimum wage calculated based upon on-site employees. Salaries of management and corporate officers are not included in the calculation of the average hourly wage.

4. **Bonus Points** (50 point maximum)

Additional Revenue	Points can be achieved in the Additional Revenue category for those projects that will contribute significant sales tax, mil tax or some other revenue source that goes directly to the County (excludes property tax which has been previously accounted for in the Capital Investment category).
Community Need	Points can be achieved in the Community Need category for those projects that are in a sector that has been previously identified as a "Community Need" such as bio-medical support, agricultural export, high-tech, etc...)
"Attraction" Factor	Points can be achieved in the "Attraction Factor" category for those manufacturing uses that by their very nature will likely attract other sizeable suppliers and support businesses.
"Green" Factor	Points can be achieved in the "Green Factor" category for those projects that can demonstrate they are making significant additional efforts to reduce greenhouse gases consistent with the goals of SB375/AB32.
Location	Points can be achieved in the Location category for those projects that are sited in locations that meet strategic objectives of the County (transit oriented development, diverted trips through use of rail, infill, anchor to new business park, etc...)

To participate in the program, applicants must enter into a written Agreement with the County that will provide for substantiation by the County of capital investment, job creation and average hourly wages, and ensure sustainability of the jobs for a minimum 2 year period. An audit will be conducted at the end of the first and second years of the program to verify that the original assumptions did in fact materialize, and if not, to adjust the Public Facility Fee due accordingly.

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Council Member

Ken Krause
Council Member

Murray Day
Council Member

BOARD OF SUPERVISORS
2010 JUL 16 A 10:05

July 15, 2010

Stanislaus County Board of Supervisors
1010 Tenth Street, Suite 6500
Modesto, CA 95354

RE: Transportation Impact Fee

Dear Supervisors:

The City of Waterford has worked with County Staff regarding the Transportation component of the County Impact Fee that you are going to consider adopting at your July 20th meeting. We submitted this concern in writing last year when the county scheduled its first meetings with Cities on the Impact Fee study. Getting to the point, the City of Waterford feels that this transportation fee lacks nexus as it applies to mostly commercial development that will occur in the foreseeable future in the smaller cities of Stanislaus County, especially Waterford, Newman and Hughson. Waterford has presented traffic counts, economic data and illustrated the results of our recently completed General Plan study as support for this concern. In addition the rough proportionality criteria applied to impact fee studies does not seem to fit with the situation in the county's smaller communities.

County staff has noted Waterford's concerns and even verbally acknowledged that the economic data does indicate that residents of small cities like Waterford travel for the majority of their needs outside of their home communities. Waterford's contention is that the establishment of small commercial types of enterprises in our community would generally have the tendency to reduce traffic on the county road system rather than increase it. Most small commercial enterprises in Waterford would generally not attract new trips by people from other areas in the county. This is confirmed by the difference in economic data, probably the most illustrative being sales tax generated per capita. In the last meeting the county had with the cities, Waterford's concern was acknowledged but the solution was put off to a later date. But in these economic times we think some action is warranted now. While this is a small issue and a small amount countywide, it is a big deal to Waterford and some of the other affected cities.

Since County Staff has the data Waterford has presented to them and has heard the detail of our concerns already, we are biasing this correspondence towards brevity. What we would like you to consider is the concept of not levying the Impact Fee on small commercial enterprises in any Stanislaus County City whose Sales Tax per Capita is less than 50% of the Countywide Sales Tax per Capita Average. This exemption would include establishments with buildings less then 10,000 gross square feet and include all commercial, like retail, restaurants and fast foods. It is obvious that Waterford and the other Cities with this issue do not have the economic shopping synergy and diversity of the more affluent communities. The Sales Tax per Capita and similar economic data is a strong indicator that the nexus is lacking for this fee as it relates to small commercial enterprises in Waterford and similar communities.

To illustrate our point somewhat, the following are the Sales Tax per Capita numbers taken from State Board of Equalization data for the 2008/09 fiscal year:

Stanislaus County Unincorporated	$117.84
Ceres	76.09
Hughson	54.10
Modesto	90.11
Newman	29.21
Oakdale	104.00
Patterson	47.36
Riverbank	79.67
Turlock	106.20
Waterford	31.00
Average	108.81
50% of Average (computed)	54.41

We would appreciate your favorable consideration of this matter. Waterford also acknowledges and shares the concerns of the other cities, specifically the impacts of industrial developments in proximity to cities and the issues regarding the North County Corridor. We feel that these issues have solutions and we see a willingness by the county to address them. We are looking forward to working with the county and the other cities on resolving these.

The solution we have proposed here is straightforward. In the future it could certainly be fine tuned. Note that we are not saying that Waterford Residential or Industrial Development is an issue in regards to the county transportation fee. Especially in regards to the residential units the economic data combined with the traffic data strongly supports the imposition of the county road system fee on new residential growth. But it does not support the imposition of this fee on small commercial new development.

Very truly yours,

Charlie Goeken
Mayor

Cc: Rick Robinson, County CEO
Stanislaus County City Managers
Bob Borchard, Waterford City Planner

STANISLAUS COUNTY

REGIONAL TRANSPORTATION IMPACT FEE (RTIF) STUDY

DRAFT REPORT

JUNE 15, 2010

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Executive Summary

This report summarizes an analysis of the need for regional transportation facilities to support future development within Stanislaus County through 2030. It is the County's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee.

Background and Study Objectives

The primary policy objective of this regional transportation impact fee (RTIF) program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to calculate and present fees that will enable the County to expand its inventory of regional transportation facilities – and therefore maintain its facilities standards – as new development leads to service population increases.

The County imposes regional transportation impact fees countywide under authority granted by the *Mitigation Fee Act* (the *Act*), contained in *California Government Code Sections 66000 et seq*. This report provides the necessary findings required by the Act for adoption of the fees presented in the fee schedule contained herein. The County has existing agreements with the incorporated cities in the County to implement the impact fees.

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or the expansion of current facilities to serve new development. Fee revenues are programmed through the County's 20-year Capital Improvement Plan (CIP), from which projects are prioritized, with a subset of approved and funded projects in a more specific five-year CIP. The County also has master facilities planning documents as required by law and publishes an auditor's report.

Methodology Used in This Study

The impact fees calculated in this study are based on maintaining a specified facility standard on roadways. All projects included in this study met the County's roadway level of service standards at the time they were added to the County's Public Facilities Fee (PFF) program. The costs of facilities associated with growth required to maintain that standard are allocated to new development using the planned facilities approach. The planned facilities approach allocates costs based on the ratio of planned facility costs to demand from new development.

Fee Schedule

Table E.1 summarizes the schedule of maximum justified regional transportation impact fees based on the analysis contained in this report.

Table E.1: Regional Transportation Facilities Fee Schedule

Land Use	Cost Per Trip	Trip Demand Factor	Fee[1]	Admin (1%)	Total Fee[1]	Fee / Sq. Ft.
Residential (per dwelling unit)						
Single Family	$ 2,560	1.55	$ 3,968	$ 40	$ 4,008	
Multi-family	2,560	0.95	2,432	24	2,456	
Nonresidential (per 1,000 square feet)						
Office	2,560	1.25	3,200	32	3,232	3.23
Industrial						
Industrial (Small)	2,560	0.57	1,459	15	1,474	1.47
Industrial (Large)						
Manufacturing	2,560	0.60	1,536	15	1,551	1.55
Mixed Use / Distribution	2,560	0.70	1,792	18	1,810	1.81
Warehouse	2,560	0.37	947	9	956	0.96
Commercial						
Small Retail (<50,000 sq. ft.)	2,560	0.71	1,818	18	1,836	1.84
Medium Retail (50-100,000 sq. ft.)	2,560	1.06	2,714	27	2,741	2.74
Shopping Center (100-300,000 sq. ft.)	2,560	0.98	2,509	25	2,534	2.53
Shopping Mall (>300,000 sq. ft.)	2,560	0.60	1,536	15	1,551	1.55
Church	2,560	0.23	589	6	595	0.60
Hospital	2,560	0.41	1,050	11	1,061	1.06
Nursing Home	2,560	0.15	384	4	388	0.39
Special Cases						
Drive Through (per lane)	2,560	6.23	15,949	159	16,108	N/A
Gas Station (per pump)	2,560	2.43	6,221	62	6,283	N/A
Motel/Hotel (per room)	2,560	0.25	640	6	646	N/A
Golf Course (per acre)	2,560	0.30	768	8	776	N/A

[1] Fee per dwelling unit or thousand square feet of building space unless otherwise noted

Sources: Table 1 and Table 6; Willdan Financial Services.

1. Introduction

This report presents an analysis of the need for regional transportation facilities to accommodate new development in Stanislaus County. This chapter provides background for the study and explains the study approach under the following sections:

- Study objectives;
- Stanislaus County's Regional Transportation Impact Fee Program;
- Study Methodology;
- Fee Program Maintenance; and
- Organization of the report.

Study Objectives

The primary policy objective of a regional transportation facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to calculate and present fees that will enable the County to expand its inventory of regional transportation facilities – and therefore maintain its facilities standards – as new development leads to increases in service demands.

The County imposes public facilities fees in unincorporated areas under authority granted by the *Mitigation Fee Act (*the *Act)*, contained in *California Government Code* Sections 66000 *et seq*. This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein. The County has agreements with the incorporated cities within the County to implement the County impact fees.

The County of Stanislaus is forecast to experience substantial growth in both incorporated cities and unincorporated areas through this study's planning horizon of 2030. This growth will create an increase in demand for public services and the County facilities required to deliver them. Given the revenue challenges that are common to most cities and counties in California; the County has decided to use a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts, facility plans, and engineering studies to ensure that the County's regional transportation fee program is representative of the transportation facility needs resulting from new development.

Stanislaus County Regional Transportation Impact Fee Program

This section provides a brief overview of the Stanislaus County Regional Transportation Impact Fee (RTIF) program.

RTIF Overview

The RTIF program collects impact fees from new development throughout the County, both in cities and the unincorporated area, to fund the regional transportation facilities required to accommodate growth. The RTIF is charged to new development at the same rate countywide, including incorporated cities.

The RTIF was originally established in 1990 as part of Stanislaus County's Public Facilities Fee (PFF) program. The fee has been updated several times since the initial adoption, most recently in 2005. For a complete history of the PFF program please refer to Stanislaus' County's March 23, 2010 Public Facilities Fee Study, prepared by Willdan Financial Services

The projects included in the RTIF have been reduced in number and scope through the iterations of this report. When the comprehensive public facilities fee update project was initiated in 2006, County staff envisioned that funding from Measure "K", a self-help sales tax initiative on the November 2006 ballot would be used to supplement impact fee revenue needed to complete the transportation projects being considered at that time. Measure "K" would authorize the Stanislaus County Local Transportation Authority to impose a one-half cent Retail Transaction and Use tax for a maximum of 30 years to fund specific transportation, traffic relief, safety and road maintenance programs identified in the Stanislaus County Local Transportation Improvement Plan. Measure "K" failed to receive the two-thirds vote needed for approval. As a result, the comprehensive public facilities fee update process was postponed until other supplemental funding for transportation projects could be identified.

In November 2008 another self-help sales tax measure, Measure "S", was placed on the ballot in an attempt to provide a supplemental funding source for transportation facilities projects. The measure received 66.42% of the vote, just short of the two-thirds majority vote required for approval. From a facilities funding standpoint, the failure of the measure was unfortunate because revenue from the sales tax would have provided the needed matching funds for the County to obtain a much larger share of federal stimulus funding for road improvements, as well as limiting the funding that could be dedicated to the non-impact fee shares of RTIF projects.

Consequently, this update to the County's RTIF program has been affected by the failure to approve the self help sales tax measures. The project list for the RTIF has been greatly reduced, and the City/County Roads fee (another transportation facility component of the original PFF program) has been eliminated completely, to ensure that sufficient non-fee funding is available to fund the non-impact fee shares of the transportation projects included in the program. Additionally, the project list has also been modified to create a more equitable distribution of projects, countywide.

2010 RTIF Update Process

This study began as part of the PFF update process. During that process it became evident that the transportation components of the PFF were creating concern among the stakeholders, including the development community and the incorporated cities that would be collecting the fees within their boundaries. County staff decided to delay the transportation component of the PFF to allow the other fee categories, many of which yielded lower fees than currently existed, to be adopted. The Board of Supervisors adopted the other PFF categories in a public hearing on March 30, 2010. At that hearing the Board also authorized staff to investigate the RTIF further, and return in 90 days to present the updated RTIF.

County staff held meetings with stakeholders, both individually and in workshops to fully understand the issues that were of concern. These meetings resulted in a compilation of 20 distinct concerns. The issues were then divided into issues that could be addressed within the short term 90 day timeframe, or issues that must be addressed in a longer timeframe.

To find solutions to the short term concerns, the Stanislaus County Public Works Department then reexamined the project list to address some of the equity issues raised. Project costs were comprehensively re-examined, and several project initiation and development study projects were added in the southern portion of the County. Additionally, Fehr & Peers transportation consultants were retained to run the traffic model to examine each of the projects included in the revised project list.

Beyond the short term solutions presented in this study, it is clear that the RTIF will need to be overhauled again in the near future. Should this fee update be adopted, the city managers for each of the incorporated cities in the County have agreed to work together within an 18 month period to modify the RTIF to address the long term concerns voiced by the stakeholders. Long term solutions may include, but are not limited to, revising the administrative structure of the program, further revising the project list, the creation of fee zones, and a system of credits for certain land uses.

Role of the Capital Improvement Plan

All fee-funded capital projects are programmed through the County's Capital Improvement Plan (CIP). Use of a CIP helps the County identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the County ensures a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

Study Methodology

Regional transportation impact fees are calculated to fund the cost of regional transportation facilities required to accommodate growth. The five steps followed in a public facilities fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for regional transportation facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development and their costs:** Estimate the total amount and cost of planned facilities, and identify the share required to accommodate new development;
4. **Identify alternative funding requirements:** Determine if any non-fee funding is required and/or available to complete projects; and,
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the public facilities fee schedule.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards: *demand standards, design standards* and *cost standards*. *Demand standards* determine the amount of facilities required to accommodate growth. In this case, the RTIF seeks to maintain a specific level of service on its roadways. *Design standards* determine how a facility should be designed to meet expected demand, and directly related to the costs of planned facilities. The projects included in the RTIF have all been designed to meet state and county engineering standards. Finally, *cost standards* are a method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand.

The RTIF analysis contained in this report converts project costs to serve growth (identified by *demand* and *design standards*), into a *cost standard* (cost per trip from new development), which is then used as the basis of the fee. A fee for a particular land use is equal to the cost per trip, multiplied by the trip generation rate (trip demand factor) for that land use.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. Often there is a two step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the **existing inventory method**, the **system plan method**, and the **planned facilities method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The **existing inventory method** allocates costs based on the ratio of existing facilities to demand from existing development. Under this method new development funds the expansion of facilities at the same standard currently serving existing development. This method is not used in this study.

The **system plan method** calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development. This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. This method is not used in this study.

The **planned facilities method** allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when specific planned facilities can be identified that only benefit new development. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This method is appropriate when to use in this analysis because the specific planned facilities that benefit new development have been identified. Under this method new development funds the expansion of facilities at the standards used for the master facility plan. **This method is used to calculate the RTIF in this report**.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. Impact fee levels must be adjusted frequently to account for inflation. Should the cost of facilities rise more quickly than the fee amounts collected, the facilities needed to serve new development will be underfunded. To avoid collecting inadequate revenue, costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the Engineering News Record, is necessary to accurately adjust the impact fees. For a list of recommended indices, and step-by-step instructions for adjusting fees for inflation, see Chapter 3.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of regional transportation facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 3.

Organization of the report

This report is organized as follows:

- Chapter 1, Introduction (this chapter): Summarizes facilities financing in California, the history of the RTIF in Stanislaus County, and the general approach;
- Chapter 2, Regional Transportation Impact Fee Analysis: Describes the technical analysis used to calculate the RTIF, and presents a fee schedule.
- Chapter 3, Implementation: Provides guidelines for the implementation and ongoing maintenance of the public facilities fee program.
- Chapter 4, *Mitigation Fee Act* Findings: summarizes the five statutory findings required for adoption of the proposed fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025).

2. Regional Transportation Impact Fee (RTIF) Analysis

This chapter summarizes an analysis of the need for regional traffic improvement facilities, including roadway and intersection improvements, to accommodate new development. In prior versions of the PFF program this fee was known as the "Inter-City Fee." Inter-city traffic improvements are those improvements that enable transportation between cities in Stanislaus County, and are thus regional in nature. The chapter documents a reasonable relationship between new development and the impact fee for funding of these facilities.

Trip Generation Rates

Estimates of new development and its consequent increased trip demand provide the basis for calculating the traffic facilities fee. Using the planned facilities standard, the value of all planned traffic facilities is divided by the total number of trips generated by new development and then assigned to new development on a per trip basis. This approach allows the County to use fee revenues for projects that add to the transportation system's ability to accommodate new development.

The need for transportation improvements is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of peak hour vehicle trips associated with a development, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the County's system of transportation facilities across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trips adjustments made to all trip generation rates to calculate trip demand are described below. These adjustments are consistent with the approach used in the existing RTIF program.

- Trip rates are adjusted for diverted trips. Depending on the land use, the trip rate is adjusted down by a certain percentage to allocate burden to other land uses to which trips were diverted.
- Causality adjustment factors incorporate trip lengths and location decisions to allocate burden by land use.

Table 1 shows the calculation of trip demand factors by land use category based on the adjustments described above. PM peak hour trip rates are based on data from the Institute of Transportation Engineers' Trip Generation Manual, 7th Edition. The diverted trip factor and the causality adjustment factor were developed by Recht, Hausrath & Associates for Stanislaus County's initial 1990 development impact fee study.

Most projected development in Stanislaus County can be classified under one of the land uses in Table 1. Some agricultural land uses, particularly large commercial dairies, are classified as an industrial land use (warehouse) due to similarities in trip generation rates for the purposes of calculating a fee. Agricultural outbuildings that are not associated with an increase of workers (i.e. pole barn, storage barn, etc.) are not charged an impact fee, as they do not increase trip generation. If a development project is expected to generate trips at a vastly different rate than those included in Table 1, a trip generation study performed for that specific project by a reputable engineering firm can be submitted to the County, and the fees can be recalculated based on the estimated PM peak hour trip generation rate for that project.

Trip rates for the large industrial land use categories (manufacturing, distribution, and warehouse) have been discounted based on an analysis described in **Appendix A**. The adjustment discounts the trip rate for land uses that are served heavy rail because the rail service accounts for trips that would otherwise occur on the County's roads. All large industrial development will receive the rail discount.

Table 1: Trip Rate Adjustment Factor - PM Peak Hour Trip Rates

	PM Peak Hour Trip Rate[1]	Diverted Trip Factor	Causality Adjustment Factor[2]	Trip Demand Factor[3]
Residential				
Single Family	1.01	1.00	1.53	1.55
Multi-family	0.62	1.00	1.53	0.95
Nonresidential				
Office	1.49	1.00	0.84	1.25
Industrial				
Industrial (Small)	0.68	1.00	0.84	0.57
Industrial (Large)				
Manufacturing[4]	0.74	1.00	0.84	0.60
Mixed Use / Distribution[4]	0.86	1.00	0.84	0.70
Warehouse[4, 5]	0.47	1.00	0.84	0.37
Commercial				
Small Retail (<50,000 sq. ft.)	2.71	0.75	0.35	0.71
Medium Retail (50-100,000 sq. ft.)	4.03	0.75	0.35	1.06
Shopping Center (100-300,000 sq. ft.)	3.75	0.75	0.35	0.98
Shopping Mall (>300,000 sq. ft.)	2.29	0.75	0.35	0.60
Church	0.66	1.00	0.35	0.23
Hospital	1.18	1.00	0.35	0.41
Nursing Home	0.42	1.00	0.35	0.15
Special Cases				
Drive Through (per lane)	23.72	0.75	0.35	6.23
Gas Station (per pump)	13.86	0.50	0.35	2.43
Motel/Hotel (per room)	0.70	1.00	0.35	0.25
Golf Course (per acre)	0.30	1.00	1.00	0.30

[1] Trips per dwelling unit or per 1,000 building square feet, unless otherwise noted.

[2] Adjustment factors are based on statistical analysis of trip lengths and location decisions for each of the types of land uses.

[3] The trip demand factor is the product of the trip rate, diverted trip factor and the causality adjustment factor.

[4] All large industrial trip demand factors have been adjusted down to account for rail service.

[5] Commercial daries will be charged at the warehouse rate, based on similaraties in trip generation.

Sources: Recht Hausrath & Associates; Stanislaus County; ITE Trip Generation Maunal, 7th Edition; Willdan Financial Services.

Trip Generation

The StanCOG traffic model is the basis for estimating future trips in this study. The base year (2008) estimates of existing development are based on data from DOF for residential development, and data from EDD for nonresidential development. This base year is used to be consistent with the PFF program that was recently adopted. Population from group quarters, and employees from local government jobs have been excluded from the estimates.

The 2030 estimates for population, dwelling units and employees is based on data from the StanCOG traffic mode and input from County staff. The 2030 nonresidential estimates have been adjusted to reflect a higher jobs-housing ratio than originally estimated by StanCOG, per County staff. Several proposed nonresidential developments not included in the StanCOG traffic model are expected to be built in the mid to long term and would increase the jobs-housing balance currently estimated at approximately 1:1 to 1.2:1 by 2030.

Table 2 lists the existing and projected land uses in the County based on the data sources described above. **Table 3** converts the growth projections from Table 2 into trips. The estimate of trip generation is calculated by multiplying the trip demand factors in Tables 1 by the land use estimates in Table 2 for both 2008 and 2030 conditions.

Table 2: Growth Projections

	2008	2030	Growth 2008-2030
Residential Dwelling Units			
Single Family	139,700	199,800	60,100
Multi Family	36,900	75,400	38,500
Total	176,600	275,200	98,600
Population	518,100	856,000	337,900
Employees [1]			
Commercial	21,700	47,900	26,200
Office	77,300	172,600	95,300
Industrial	57,700	119,600	61,900
Total	156,700	340,100	183,400
Building Square Feet (1,000) [2]			
Commercial	9,000	19,900	10,900
Office	26,900	60,100	33,200
Industrial	90,200	186,900	96,700
Total	126,100	266,900	140,800

Note: 2030 Jobs\Housing Ratio: 1.236

[1] Employees used for impact fee purposes. Excludes government employees. Education employees grouped under office.

[2] Conversion from employees to building square feet based on occupancy density assumptions in Stanislaus County PFF.

Sources: StanCOG Traffic Model; Willdan Financial Services.

Table 3: Land Use Scenario and Total Trips

Land Use	Trip Demand Factor	2008 Land Use Units / 1,000 SF	2008 Land Use Trips	2030 Land Use Units / 1,000 SF	2030 Land Use Trips	Growth Units / 1,000 SF	Growth Trips
Residential (Units)							
Single Family	1.55	139,700	216,535	199,800	309,690	60,100	93,155
Multi-family	0.95	36,900	35,055	75,400	71,630	38,500	36,575
Subtotal		176,600	251,590	275,200	381,320	98,600	129,730
Nonresidential (1,000 Sq.Ft.)							
Commercial	0.98	9,000	8,820	19,900	19,502	10,900	10,682
Office	1.25	26,900	33,625	60,100	75,125	33,200	41,500
Industrial/Other	0.57	90,200	51,414	186,900	106,533	96,700	55,119
Subtotal		126,100	93,859	266,900	201,160	140,800	107,301
Total			**345,449**	**542,100**	**582,480**	**239,400**	**237,031**

Sources: Tables 1 and 2; StanCOG; Stanislaus County; Willdan Financial Services.

Facilities Standards

The key public policy issue in a development impact fee study is the identification of facility standards. Facility standards determine new development's total need for new facilities and each development project's fair share of those needs. Standards also ensure that new development does not fund deficiencies associated with existing development.

The County's traffic facility standards are based on a measure of congestion commonly used in traffic planning and known as level of service (LOS). LOS is calculated based on the volume of traffic on a roadway or at an intersection compared to the capacity of the roadway or intersection. LOS "A," "B," and "C" suggest that delays are insignificant to acceptable. LOS "D" suggests tolerable delays, though traffic is high and some short-term back-ups occur. LOS "E" and "F" suggest restricted speeds and significant delays as traffic volumes meet or exceed the capacity of the facility.

The following General Plan Circulation Element policies present the performance standards acceptable to the County of Stanislaus:

- The County shall maintain LOS "C" or better for all County roadways and intersections, expect, within the sphere of influence of a city that has adopted a lower level of service standard, the city standard shall apply.
- The County may adopt either a higher of lower LOS standard for roadways and intersections within urban areas, but in no case shall the adopted LOS fall below LOS "D."

Prevailing traffic conditions in the County were analyzed in conjunction with an updated Circulation Element in October 2005. The study found that most roadways in the County operate at LOS "C" or better.

Existing roadways and intersections that do not meet County LOS standards are considered existing deficiencies. All of the projects included in this fee study occur on segments that operated at LOS "C" or better at the time they were added into the fee program, resulting in no existing deficiencies. Without the improvement projects included in the fee, these segments would ultimately have an unacceptable LOS. Some projects that have been held over from the prior fee program currently operate a LOS lower than "C." It is legitimate to include theses in the fee program because at the time they were added to the program the operated at an acceptable level of service, and because fund balances from the prior program have been subtracted from the project cost to account for the deficiency caused be development since the last fee program update.

Facility Costs to Accommodate Growth

The StanCOG traffic model was used to identify the improvements that will be needed to accommodate growth. All of the projects included in this fee study occur on segments that operated at LOS "C" or better at the time they were added into the fee program. Additionally, at the time each project was added to the PFF, analysis was conducted to show that LOS standards for a given segment would fall below acceptable levels if a particular project was not completed. Stanislaus County Public Works staff identified projects for this revision of the RTIF that are both attributable to new development, and have sufficient non-fee funding identified to fund the "external" trip share of that project.

Only trips expected from future development in the County of Stanislaus will be subject to the fee program. Select link runs of the model were conducted for each of the projects included in the RTIF. A select link run identifies where the traffic that will be using each roadway improvement is coming from. With this information, the fair share of the cost of the improvement can be allocated to new development in Stanislaus County and included in the impact fee.

For fee assignment purposes, there are four types of trips identified through each select link process:

1. Trips that both start and end in the County of Stanislaus;
2. Trips that have an origin in the County of Stanislaus, and a destination outside the County;
3. Trips that have an origin outside the County of Stanislaus, and a destination in the County;
4. Trips that have neither an origin nor a destination in the County of Stanislaus, but are using a County street to pass through the County.

Trip types that fall into Category 4 are "external" trips, and are not subject to the fee program. Although these through trips take up capacity on the roadway and thereby contribute to the need for the improvement, local development cannot be held responsible for the impact of external traffic on the transportation system. The proportion of external trips on the selected link is applied to the cost of the improvement, and that portion of the improvement cost is not included in the impact fee program. The portion of the improvements that cannot be funded by local development will be the County's responsibility, to be covered with other funding sources, such as local, state, and federal grants and local gas tax allocations.

All other trip types with an origin, destination or both in the County of Stanislaus are subject to the fee program as these trips are related to future development in the County.

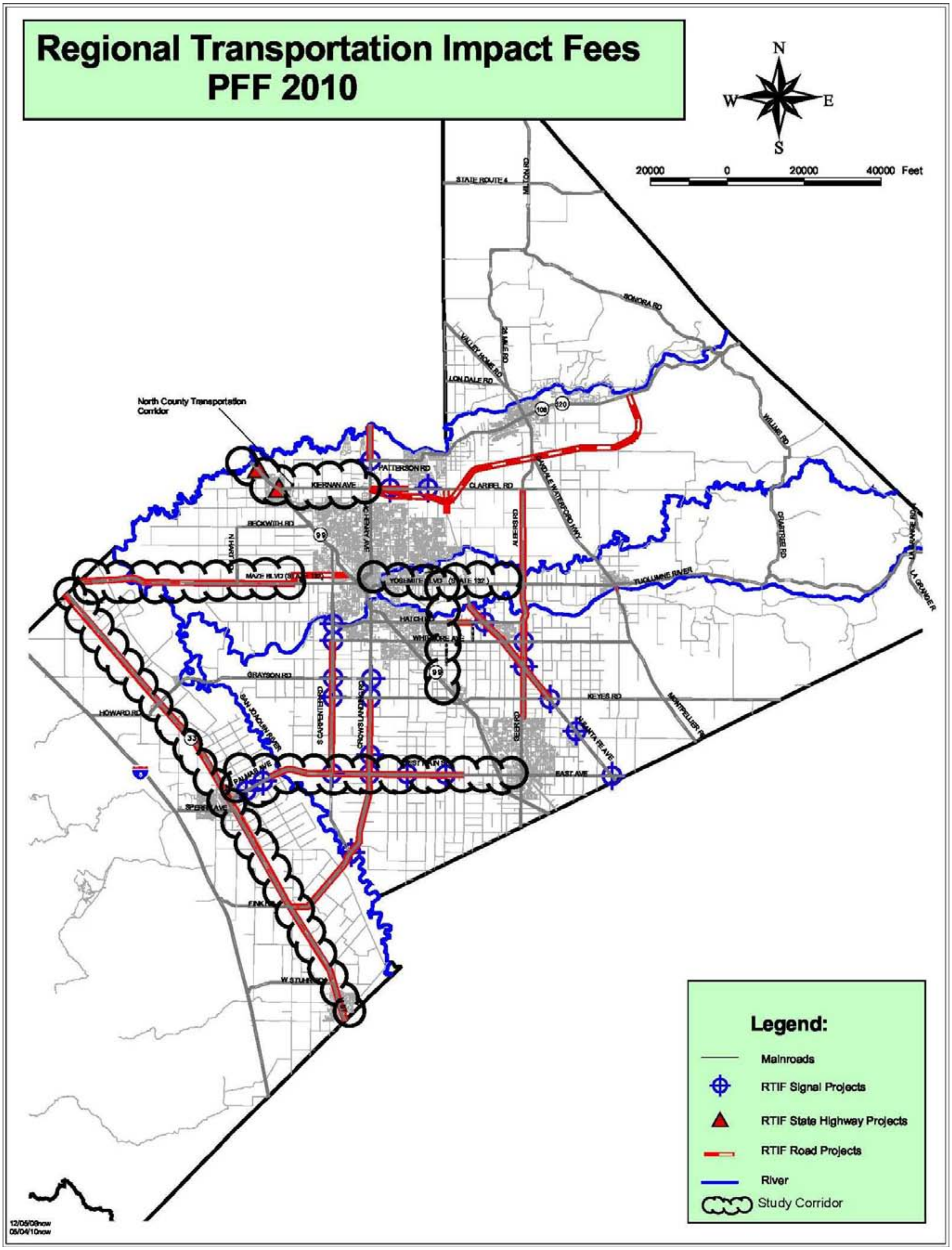
The base case traffic model was validated by traffic counts. The trip generation estimated by the model was compared to actual trip counts throughout the County to ensure consistency between the model and reality. Trip rates were then adjusted in the model to match the traffic counts. The process of validating the model through traffic counts enables the model to accurately quantify trip generation countywide, across all land uses.

This update includes sixty-three traffic related projects, including five project initiation and development studies, to accommodate development in Stanislaus County through 2030. These projects are listed in **Table 4**. The projects are also shown on a map in **Figure 1.** Based on the methodology discussed above, costs associated with external trips (trips that neither have an origin or destination within the County) are identified using the traffic modeling, and are not funded through impact fees. The external trip share for each project is identified in Table 4.

Table 5 displays total project costs and the cost funded through the RTIF. Total cost and RTIF costs differ if non-fee funding has been identified for that project. Of the cost allocated to the RTIF, a share is allocated to both Stanislaus County and to external trips based on the external trip share identified in Table 4. The external trip share must be funded with non-RTIF revenue sources. If the other identified funding is greater than the external trip share, then the cost allocated to the RTIF is equal to the total project cost, minus the other identified funding share. Otherwise, the cost allocated to the RTIF is equal to the total project cost, minus the external trip share. The existing RTIF fund balance is subtracted from the Stanislaus County share of RTIF project costs to determine the total cost allocated to the RTIF.

Other funding amounts and fee revenues need not be programmed to projects based on the specific shares shown in Table 5. The County may choose to reallocate anticipated funding from other sources among projects, combining that funding in different ways with RTIF revenues, to most effectively deliver the entire program of projects. The only constraint is that new development can only fund up to 97.9 percent of the entire program (costs allocated to Stanislaus County trips relative to total project costs), or rather the County must secure at least 97.9 percent of total funding from other sources representing the external trip share.

Figure 1


Regional Transportation Impact Fees
PFF 2010
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North County Transportation Corridor
Legend:
Mainroads
RTIF Signal Projects
RTIF State Highway Projects
RTIF Road Projects
River
Study Corridor
12/05/08now
05/04/10now

Table 4: RTIF Allocation of External Trips

PFF Project	PFF Description	External Trip Share
RTIF Road Projects		
Geer-Albers (Taylor to Santa Fe)	Widen to 3 lanes	22.1%
Geer-Albers (Santa Fe to Hatch)	Widen to 3 lanes	23.6%
Geer-Albers (Hatch to SR 132)	Widen to 3 lanes	19.7%
Geer-Albers (SR 132 to Milnes)	Widen to 3 lanes	26.8%
Geer-Albers (Milnes to Claribel)	Widen to 3 lanes	27.0%
Carpenter Rd (Whitmore to Keyes)	Widen to 3 lanes	1.4%
Carpenter Rd (Keyes to Monte Vista)	Widen to 3 lanes	1.3%
Carpenter Rd (Monte Visa to West Main)	Widen to 3 lanes	1.6%
Claribel Rd (McHenry to Oakdale Rd)	Widen to 5 lanes	2.1%
Claribel Rd Bike Path (McHenry to Oakdale Rd)	Add Class 1 Bike Path	0.0%
Claus Rd (Terminal Ave to Claribel Rd)	Widen to 3 lanes	0.5%
Crows Landing Rd (Keyes to Monte Vista)	Widen to 3 lanes	2.4%
Crows Landing Rd (Keyes Rd to West Main)	Widen to 3 lanes	2.5%
Crows Landing Rd (West Main to Harding)	Widen to 3 lanes	2.7%
Crows Landing Rd (Harding to Carpenter)	Widen to 3 lanes	12.3%
Crows Landing Rd (Carpenter to River)	Widen to 3 lanes	14.7%
Crows Landing Rd (River Rd/Marshall to SR 33)	Widen to 3 lanes	30.9%
Crows Landing Rd (Bridge over SJ River)	Widen Bridge to 3 lanes	14.7%
Hatch Road (Faith Home Rd to Clinton Rd)	Widen to 3 lanes	0.0%
McHenry Ave (Ladd to Hogue)	Widen to 5 lanes	4.8%
McHenry Ave (Hogue to San Joaquin County)	Widen to 5 lanes	5.0%
McHenry Ave (Bridge over Stanislaus River)	Widen Bridge to 5 lanes	5.0%
N. County Corridor (Rt 99 to Rt 120)	Expwy from SR 99 to SR120	7.4%
Santa Fe Ave (Keyes to Geer)	Widen to 3 lanes	3.8%
Santa Fe Ave (Geer to Hatch)	Widen to 3 lanes	1.5%
Santa Fe Ave (Hatch to Tuolumne River)	Widen to 3 lanes	1.2%
Santa Fe Ave (Bridge over Tuolumne River)	Widen Bridge to 3 lanes	1.2%
West Main (San Joaquin River to Carpenter)	Widen to 3 lanes	29.4%
West Main (Carpenter to Crows Landing)	Widen to 3 lanes	34.3%
West Main (Crows Landing to Michell)	Widen to 3 lanes	36.2%
West Main (Mitchell to Washington)	Widen to 3 lanes	33.7%
RTIF Signal Projects		
Carpenter Rd at Crows Landing Rd	Improve Intersection	14.6%
Carpenter Rd at Grayson Rd	Improve Intersection	11.3%
Carpenter Rd at Hatch Rd	Improve Intersection	0.8%
Carpenter Rd at Keyes Rd	Improve Intersection	2.6%
Carpenter Rd at West Main	Improve Intersection	24.0%
Carpenter Rd at Whitmore Ave	Improve Intersection	0.8%
Central Ave at West Main St	Improve Intersection	25.7%
Claribel Rd at Coffee Rd	Improve Intersection	1.7%
Claribel Rd at Roselle Ave	Improve Intersection	0.2%
Crows Landing Rd at Grayson Rd	Improve Intersection	9.7%
Crows Landing Rd at Keyes Rd	Improve Intersection	3.5%
Crows Landing Rd at Fulkerth Ave	Improve Intersection	2.8%
Crows Landing Rd at West Main St	Improve Intersection	19.2%
Faith Home Rd at West Main St	Improve Intersection	31.8%
Geer Rd at Santa Fe Ave	Improve Intersection	16.4%
Geer at Whitmore Ave	Improve Intersection	20.1%
Las Palmas at Elm	Improve Intersection	16.2%
Las Palmas at Sycamore	Improve Intersection	17.2%
McHenry Ave at Ladd Rd	Improve Intersection	3.9%
Santa Fe Ave at East Ave	Improve Intersection	27.2%
Santa Fe Ave at Hatch Rd	Improve Intersection	0.7%
Santa Fe Ave at Keyes Rd	Improve Intersection	3.6%
Santa Fe Ave at Main St	Improve Intersection	3.8%
Santa Fe Ave at Service Rd	Improve Intersection	1.3%
RTIF State Highway Projects		
State Route 132 (SR99 to Dakota Ave.)	Expwy on new alignment	19.1%
Route 99 (Kiernan Interchange)	Reconstruct Interchange	1.7%
Route 99 (Hammett Interchange)	Reconstruct Interchange	3.9%
Project Initiation and Development Projects		
State Route 33 Corridor (Stanislaus County Limits)		0.0%
State Route 132 Corridor (SR99 to Geer/Albers)		0.0%
State Route 132 Corridor (Dakota to West County Line)		0.0%
South County Corridor (I-5 to SR99)		0.0%
Faith Home Road (SR132 to SR99)		0.0%

Sources: StanCOG Traffic Model; Fehr & Peers.

Table 5: RTIF Allocation of External Trip Share, and Project Costs

PFF Project	Total Cost	Other Funding (External Trip Cost)	Other Identified Funding	RTIF Share
RTIF Road Projects				
Geer-Albers (Taylor to Santa Fe)	$ 3,700,000	$ 817,700	$ -	$ 2,882,300
Geer-Albers (Santa Fe to Hatch)	3,100,000	731,600	-	2,368,400
Geer-Albers (Hatch to SR 132)	2,700,000	531,900	-	2,168,100
Geer-Albers (SR 132 to Milnes)	6,100,000	1,634,800	-	4,465,200
Geer-Albers (Milnes to Claribel)	2,800,000	756,000	-	2,044,000
Carpenter Rd (Whitmore to Keyes)	4,500,000	63,000	-	4,437,000
Carpenter Rd (Keyes to Monte Vista)	2,900,000	37,700	-	2,862,300
Carpenter Rd (Monte Visa to West Main)	2,700,000	43,200	-	2,656,800
Claribel Rd (McHenry to Oakdale Rd)	14,105,000	296,200	-	13,808,800
Claribel Rd Bike Path (McHenry to Oakdale Rd)	1,700,000	-	-	1,700,000
Claus Rd (Terminal Ave to Claribel Rd)	1,700,000	8,500	-	1,691,500
Crows Landing Rd (Keyes to Monte Vista)	2,000,000	48,000	-	1,952,000
Crows Landing Rd (Keyes Rd to West Main)	2,000,000	50,000	-	1,950,000
Crows Landing Rd (West Main to Harding)	2,000,000	54,000	-	1,946,000
Crows Landing Rd (Harding to Carpenter)	2,300,000	282,900	-	2,017,100
Crows Landing Rd (Carpenter to River)	1,000,000	147,000	-	853,000
Crows Landing Rd (River Rd/Marshall to SR 33)	9,700,000	2,997,300	-	6,702,700
Crows Landing Rd (Bridge over SJ River)	10,000,000	1,470,000	9,560,000	440,000
Hatch Road (Faith Home Rd to Clinton Rd)	2,530,000	-	-	2,530,000
McHenry Ave (Ladd to Hogue)	4,100,000	196,800	-	3,903,200
McHenry Ave (Hogue to San Joaquin County)	7,900,000	395,000	-	7,505,000
McHenry Ave (Bridge over Stanislaus River)	18,000,000	900,000	16,900,000	1,100,000
N. County Corridor (Rt 99 to Rt 120)	400,000,000	29,600,000	65,000,000	335,000,000
Santa Fe Ave (Keyes to Geer)	3,000,000	114,000	-	2,886,000
Santa Fe Ave (Geer to Hatch)	2,000,000	30,000	-	1,970,000
Santa Fe Ave (Hatch to Tuolumne River)	1,700,000	20,400	-	1,679,600
Santa Fe Ave (Bridge over Tuolumne River)	22,000,000	264,000	19,500,000	2,500,000
West Main (San Joaquin River to Carpenter)	3,900,000	1,146,600	-	2,753,400
West Main (Carpenter to Crows Landing)	2,800,000	960,400	-	1,839,600
West Main (Crows Landing to Michell)	4,300,000	1,556,600	-	2,743,400
West Main (Mitchell to Washington)	2,900,000	977,300	-	1,922,700
Subtotal	$ 550,135,000	$ 46,130,900	$ 110,960,000	$ 425,278,100
RTIF Signal Projects				
Carpenter Rd at Crows Landing Rd	$ 1,800,000	$ 262,800	$ -	$ 1,537,200
Carpenter Rd at Grayson Rd	2,000,000	226,000	-	1,774,000
Carpenter Rd at Hatch Rd	1,500,000	12,000	750,000	750,000
Carpenter Rd at Keyes Rd	2,000,000	52,000	-	1,948,000
Carpenter Rd at West Main	1,800,000	432,000	-	1,368,000
Carpenter Rd at Whitmore Ave	2,500,000	20,000	-	2,480,000
Central Ave at West Main St	5,000,000	1,285,000	-	3,715,000
Claribel Rd at Coffee Rd	2,500,000	42,500	2,000,000	500,000
Claribel Rd at Roselle Ave	2,000,000	4,000	1,000,000	1,000,000
Crows Landing Rd at Grayson Rd	2,100,000	203,700	-	1,896,300
Crows Landing Rd at Keyes Rd	2,100,000	73,500	-	2,026,500
Crows Landing Rd at Fulkerth Ave	2,000,000	56,000	-	1,944,000
Crows Landing Rd at West Main St	3,900,000	748,800	1,000,000	2,900,000
Faith Home Rd at West Main St	2,100,000	667,800	-	1,432,200
Geer Rd at Santa Fe Ave	2,700,000	442,800	-	2,257,200
Geer at Whitmore Ave	2,500,000	502,500	-	1,997,500
Las Palmas at Elm	725,000	117,500	-	607,500
Las Palmas at Sycamore	920,000	158,200	-	761,800
McHenry Ave at Ladd Rd	3,300,000	128,700	-	3,171,300
Santa Fe Ave at East Ave	2,000,000	544,000	-	1,456,000
Santa Fe Ave at Hatch Rd	3,000,000	21,000	-	2,979,000
Santa Fe Ave at Keyes Rd	3,000,000	108,000	-	2,892,000
Santa Fe Ave at Main St	3,000,000	114,000	-	2,886,000
Santa Fe Ave at Service Rd	3,000,000	39,000	-	2,961,000
Subtotal	$ 57,445,000	$ 6,261,800	$ 4,750,000	$ 47,240,500
RTIF State Highway Projects				
State Route 132 (SR99 to Dakota Ave.)	$ 101,000,000	$ 19,291,000	$ 61,000,000	$ 40,000,000
Route 99 (Kiernan Interchange)	67,000,000	1,139,000	37,000,000	30,000,000
Route 99 (Hammett Interchange)	80,000,000	3,120,000	50,000,000	30,000,000
Subtotal	$ 248,000,000	$ 23,550,000	$ 148,000,000	$ 100,000,000
Project Initiation and Development Projects				
State Route 33 Corridor (Stanislaus County Limits)	$ 10,000,000	$ -	$ -	$ 10,000,000
State Route 132 Corridor (SR99 to Geer/Albers)	10,000,000	-	-	10,000,000
State Route 132 Corridor (Dakota to West County Line)	10,000,000	-	-	10,000,000
South County Corridor (I-5 to SR99)	10,000,000	-	-	10,000,000
Faith Home Road (SR132 to SR99)	10,000,000	-	-	10,000,000
Subtotal	$ 50,000,000	$ -	$ -	$ 50,000,000
Total	$ 905,580,000	$ 75,942,700	$ 263,710,000	$ 622,518,600
Existing Fund Balance[1]				$ (15,701,600)
Total Cost Allocated to RTIF				$ 606,817,000

Note: Costs rounded to the nearest $100.

[1] Existing RTIF fund balance as of 5/31/10. Rounded to the nearest $100.

Sources: Table 4; Stanislaus County; Willdan Financial Services.

Fee Schedule

Table 6 shows the cost per trip. Cost per trip is calculated by dividing the total project costs allocated to the RTIF by the total new trips identified in Table 3. For projects with a prepared traffic study and trip generation projections from an engineer, the fee can be calculated by multiplying the cost per trip by the number of PM peak hour trips that will be generated, adjusted by the applicable diverted trip and causality adjustment factors in Table 1.

Table 6: RTIF Cost Per Trip

	Countywide
Allocated Project Costs	$ 606,817,000
Total New Trips	237,031
Cost per Trip	$ 2,560

Sources: Tables 3 and 5; Willdan Financial Services.

Based on the cost per trip calculated above, **Table 7** shows the regional traffic impact fee schedule, by land use. The fee for a given land use is calculated by multiplying the cost per trip by the trip demand factor for that land use from Table 1.

An administrative charge of one percent of the total impact fee is also calculated in Table 7. The administrative charge funds costs that include: (1) a standard overhead charge applied to all County programs for legal, accounting, and other departmental and Countywide administrative support, (2) capital planning and programming associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses. The administrative charge can be used for costs related to the preparation and management of capital improvement project documents whose tasks clearly tie to facilities required to accommodate growth, including master facility planning documents.

Table 7: Regional Transportation Facilities Fee Schedule

Land Use	Cost Per Trip	Trip Demand Factor	Fee[1]	Admin (1%)	Total Fee[1]	Fee / Sq. Ft.
Residential (per dwelling unit)						
Single Family	$ 2,560	1.55	$ 3,968	$ 40	$ 4,008	
Multi-family	2,560	0.95	2,432	24	2,456	
Nonresidential (per 1,000 square feet)						
Office	2,560	1.25	3,200	32	3,232	3.23
Industrial						
Industrial (Small)	2,560	0.57	1,459	15	1,474	1.47
Industrial (Large)						
Manufacturing	2,560	0.60	1,536	15	1,551	1.55
Mixed Use / Distribution	2,560	0.70	1,792	18	1,810	1.81
Warehouse	2,560	0.37	947	9	956	0.96
Commercial						
Small Retail (<50,000 sq. ft.)	2,560	0.71	1,818	18	1,836	1.84
Medium Retail (50-100,000 sq. ft.)	2,560	1.06	2,714	27	2,741	2.74
Shopping Center (100-300,000 sq. ft.)	2,560	0.98	2,509	25	2,534	2.53
Shopping Mall (>300,000 sq. ft.)	2,560	0.60	1,536	15	1,551	1.55
Church	2,560	0.23	589	6	595	0.60
Hospital	2,560	0.41	1,050	11	1,061	1.06
Nursing Home	2,560	0.15	384	4	388	0.39
Special Cases						
Drive Through (per lane)	2,560	6.23	15,949	159	16,108	N/A
Gas Station (per pump)	2,560	2.43	6,221	62	6,283	N/A
Motel/Hotel (per room)	2,560	0.25	640	6	646	N/A
Golf Course (per acre)	2,560	0.30	768	8	776	N/A

[1] Fee per dwelling unit or thousand square feet of building space unless otherwise noted

Sources: Table 1 and Table 6; Willdan Financial Services.

3. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the Board of Supervisors to follow certain procedures including holding a public meeting. Data, such as an impact fee report, must be made available at least 10 days prior to the public meeting. The County's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

Inflation Adjustment

The County has kept its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. To maintain consistency with other County documents, we recommend that the fees be adjusted for inflation annually, concurrent with the timeframe when County staff presents the preliminary CIP to the Board of Supervisors.

There are no inflation indices that are specific to Stanislaus County. We recommend that the following indices be used for adjusting fees for inflation:

- Buildings, Improvements – Engineering News Record's Building Cost Index (BCI) – San Francisco, CA
- Equipment – Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U) – for the West Urban Region, Size B/C

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the County will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. Note that decreases in index value will result in decreases to fee amounts.

The steps necessary to update fees for inflation are explained below:

To update the RTIF for inflation, the steps are as follows:

1. Identify the percent change in planned facilities cost since last update based on changes in the Engineering News Record's Building Cost Index (BCI) for San Francisco, CA.
2. Modify the cost each planned facility (the cost allocated to the PFF in Table 5) by the percent change identified in Step 1.
3. Divide the total cost of projects allocated to the PFF calculated in Step 2, by the growth in trips identified in Table 3 to determine the updated cost per trip.
4. Multiply the cost per trip calculated in Step 3 by the trip demand factors identified in Table1 to determine the fee for each land use.

Once all of the fees have been inflated, multiply the sum of all the fees, per land use, by one percent (1%) to determine the administrative charge. As part of this update the administrative fee is being reduced from two and a half percent (2.5%) to one percent (1%). Future updates to the fee program should review the administrative fee to ensure that it fully covers the cost of administering the fee program.

Reporting Requirements

The County complies with the annual and five-year reporting requirements of the *Mitigation Fee Act* found in Government Code Sections 66001 and 66006. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

Programming Revenues and Projects with the CIP

The County maintains a twenty year Capital Improvements Program (CIP) to plan for future infrastructure needs. The CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The County may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the County's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the County should consider revising the fees accordingly.

4. Mitigation Fee Act Findings

Public facilities fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act,* contained in *California Government Code* Sections 66000 through 66025*,* establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the maximum justified public facilities fees documented in this report are presented in this chapter and supported in detail by the report that follows. All statutory references are to the *Act.*

Purpose of Fee

- *Identify the purpose of the fee (§66001(a)(1) of the Act).*

Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate County interest by enabling the County to provide regional transportation facilities to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the County, would be used to fund expanded regional transportation facilities to serve new development. Facilities funded by these fees are designated to be located within the County.

Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the County will restrict fee revenue to the acquisition of land, construction of facilities, and purchase of related equipment, and services used to serve new development. Facilities funded by the fees are expected to provide a countywide network of facilities accessible to the additional residents and workers associated with new development. Under *the Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. For the regional transportation impact fee, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. In this case, the fee program seeks to maintain a level of service standard on the County's regional roadways. See the *Facilities Standards* section of Chapter 2 for a complete description of the standards maintained by this fee program.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Proportionality

- *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size or increase in the number of vehicle trips. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See the *Trip Generation Rates* section in Chapter 2 for a description of how trip demand factors are determined for different types of land uses. See the *Fee Schedule* section the same chapter for a presentation of the proposed facilities fees.

Appendix A: Industrial Rail Credit

As a policy decision, Stanislaus County staff has decided to adjust each of the large industrial land use trip rates down to account for trips served by rail. **Appendix Table A.1** shows the calculation for industrial Trip Demand Factors, before an adjustment for rail served large industrial is made. The adjustments to the PM peak hour trip rate in this table are the same adjustments made for every other land use, as shown in Chapter 2 in Table 1.

The adjusted trip factor for the large industrial land use categories is calculated based on data provided by the Beard Industrial Tract (BIT), a large industrial complex in the City of Modesto's sphere of influence. BIT has approximately 10 million square feet of industrial space. The equivalent of approximately 120,000 truck trips that would have been made on the County's roads if not for rail service, are estimated to be served by rail annually. For the purposes of this analysis, it is assumed that the 10 million square feet of industrial space are equally allocated between the manufacturing, distribution, and warehousing land uses. The calculation of the discounted trip factors to account for rail services is as follows:

- The assumed square footage for each land use category is multiplied by the non-discounted trip demand factor from Appendix Table A.1 to determine the daily PM peak hour trips generated by that land use.
- Daily PM peak hour trips are multiplied by the number of weekdays in a year (260) to determine the annual PM peak hour trips generated by a land use.
- The number of annual PM peak hour trips reduced by rail (estimated at half of the total rail trips) are subtracted from the total PM peak hour trips calculated in the previous step.
- The adjusted annual PM peak hour trips calculated in the previous step are divided by the number of weekdays in a year (260) to determine the daily adjusted PM peak hour trip demand factor.

Appendix Table A.2 details the calculation of the adjusted tip demand factor.

Appendix Table A.1: Trip Rate Adjustment Factor - PM Peak Hour Trip Rate

Land Use	PM Peak Hour Trip rate per 1,000 SF[1] *[A]*	Diverted Trip Factor[2] *[B]*	Causality Factor[2] *[C]*	Trip Demand Factor (pre-rail service discount) *[D = A x B x C]*
Large Industrial				
Manufacturing	0.74	1.00	0.84	**0.62**
Distribution	0.86	1.00	0.84	**0.72**
Warehouse	0.47	1.00	0.84	**0.39**

[1] Institute of Transportation Engineers Trip Generation Manual, 7th Edition.

[2] Stanislaus County Public Facilities Fee Program, Recht Hausrath & Associates, 1990.

Sources: Recht Hausrath & Associates; Stanislaus County; ITE Trip Generation Manual, 7th Edition; Willdan Financial Services.

Appendix Table A.2: Rail Served Industrial Trip Demand Factor

Land Use	1,000 Square feet of Space[1] [A]	Trip Demand Factor (PM Peak Hour)[2] [B]	Daily PM Peak Hour Trips [C = A x B]	Yearly PM Peak Hour Trips[3] [D = C x 260]	Annual PM Peak Hour Trips Reduced by Rail[4] [E]	Total Annual PM Peak Hour Trips (after Reduction) [F = D - E]	Adjusted Trip Factor [F / 260 / A]
Large Industrial							
Manufacturing	3,333	0.62	2,067	537,420	20,000	517,420	**0.60**
Distribution	3,333	0.72	2,400	624,000	20,000	604,000	**0.70**
Warehouse	3,333	0.39	1,300	338,000	20,000	318,000	**0.37**
Total	10,000		5,767	1,499,420	60,000	1,439,420	

[1] Based on data from the Beard Industrial Tract (BIT). Assumes that 10 million square feet of building space at BIT are divided evenly between manufacturing, distribution, and warehouse functions.
[2] See Appendix Table A.1.
[3] Based on daily trips multiplied by the number of weekdays in a year (260).
[4] Based on data from BIT. BIT estimates that rail serves 120,000 trips from BIT annually. Willdan conservatively estimates that half of those trips (60,000) occur in the PM peak hour.

Sources: Beard Industrial Tract; Appendix Table A.2, Willdan Financial Services.

6:35pm

ROY W. WASDEN
CITY MANAGER
rwasden@turlock.ca.us

CHIEF EXECUTIVE OFFICE
2010 JUL 20 P 4:07

OFFICE OF THE CITY MANAGER
ADMINISTRATION

156 S. BROADWAY, SUITE 230 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5540 | FAX 209-668-5668

July 20, 2010

Mr. Richard Robinson
County Executive Officer
Stanislaus County
1010 Tenth Street
Modesto, CA 95353

SUBJECT: Adoption of the Revised Regional Transportation Impact Fees (Board Agenda Item VII)

Dear Mr. Robinson:

I would like to thank you and your staff for the opportunity to participate in the ongoing discussion regarding the proposed Public Facility Fee Program. While the City of Turlock has expressed a number of concerns regarding the direction of the program, the effort made by you and your staff to address those concerns has been admirable.

I would like to take this opportunity to notify you that the Turlock City Council considered staff's comments regarding the Program and directed staff to continue working with you and your staff, and the representatives of the other eight cities, to revise the Program over the next 18 months to better address these concerns. You may download a copy of the staff report outlining those concerns at:

http://ci.turlock.ca.us/pdf/downloadpacket.asp?dept=CityCouncil&id=141 (Item 8D)

I also appreciate the additional detail for the Large Industrial Investment Incentive Program but would like to get a better understanding of how this program will work.

As we move forward, I believe it will be important to provide the Board with more than a "status report" on the Regional Transportation Impact Fee within the next 18 months (as described in Recommendation #6 of your staff report) The commitment made by County staff to the cities at the May meeting was to bring back a revised program with the possibility of that program being administered by another entity. In my opinion, it will be necessary to inform the Board throughout the next 18 months in order to successfully modify the program within the 18 month period. As the City of Turlock has not taken its administrative share of the PFF revenues, it is our hope that these funds can be used to finance that effort.

Sincerely,

Roy W. Wasden

ROY W. WASDEN
City Manager

cc: Board of Supervisors
Matt Machado, Director of Public Works
Keith Boggs, Deputy County Administrator

PowerPoint Presentation

Stanislaus County
PUBLIC FACILITIES FEES
Revised Regional Transportation Impact Fees
2010

Public Hearing
July 20, 2010

RECOMMENDATIONS:

1. Conduct a Public Hearing to consider adoption of the revised Regional Transportation Impact Fee;

2. Accept the June 15, 2010 Regional Transportation Impact Fee Study;

3. Approve and adopt the findings set forth in the Regional Transportation Impact Fee Study and in this item and as required by Section 66001 of the California Government Code;

4. Approve the revised Regional Transportation Impact Fees as recommended in the Study to be effective 60 days from the date of adoption, Monday September 20, 2010;

5. Authorize staff to continue to meet with all nine cities and Stanislaus Council of Governments (StanCOG) to begin the development and formation of an inclusive Regional Transportation Impact Fee (RTIF) program;

RECOMMENDATIONS:

Continued

6. Direct staff to return to the Board within 18 months with a status report and recommendations regarding the Regional Transportation Impact Fee;

7. Approve the Industrial Incentive Program with a sunset date of July 1, 2015 and direct staff to return to the Board with annual updates on program participation and costs;

8. Approve the proposed revisions to the Public Facilities Fee Administrative guidelines making changes to the qualifying criteria for participation in the Installment Payment Program.

Program History/Background

- **Primary objective:** New development pays the capital cost associated with its impact on growth

- Stanislaus County fee program developed in 1989

- Programmed in 1990

- 3 Updates over time:
    - 1992
    - 2003
    - 2005

- 2 Types of Impact Fee
    - Incorporated (within cities)
    - Unincorporated (county areas only)

Outreach

City – County Dialogue:

- All non – transportation programming has been approved;

- City Managers Concerns:
  - including broader regional projects with cities input;
  - develop approval authority;

- Individual meetings with each City Jurisdiction;

Outreach

Continued

City One on One Meetings:

- Several meetings with ALL Stakeholders:
  - April 28, 2010
  - May 26, 2010
- All Stakeholder meetings included development community;
- 20 Issues Identified;
- Categorized as potential short term and long term issues;

Potential Short Term Issues:

- Regional projects missing
- Establish zone based approach
- Address project nexus
- Maintain economic competitiveness

Regional Transportation Impact Fee Project List

- Program Nexus
- Regional Equity

Historical Recap

Stanislaus County Transportation Fee Program

1990 PFF Composed of 3 separate fees

- Inter-City Routes
- Urban Sphere Roads
- City-County Roads

1990 PFF Original Program/TR Project Summary

- 118 Projects = cost of $391 million

2003 PFF Update/TR Project Summary

- 93 Projects = cost of $450 million

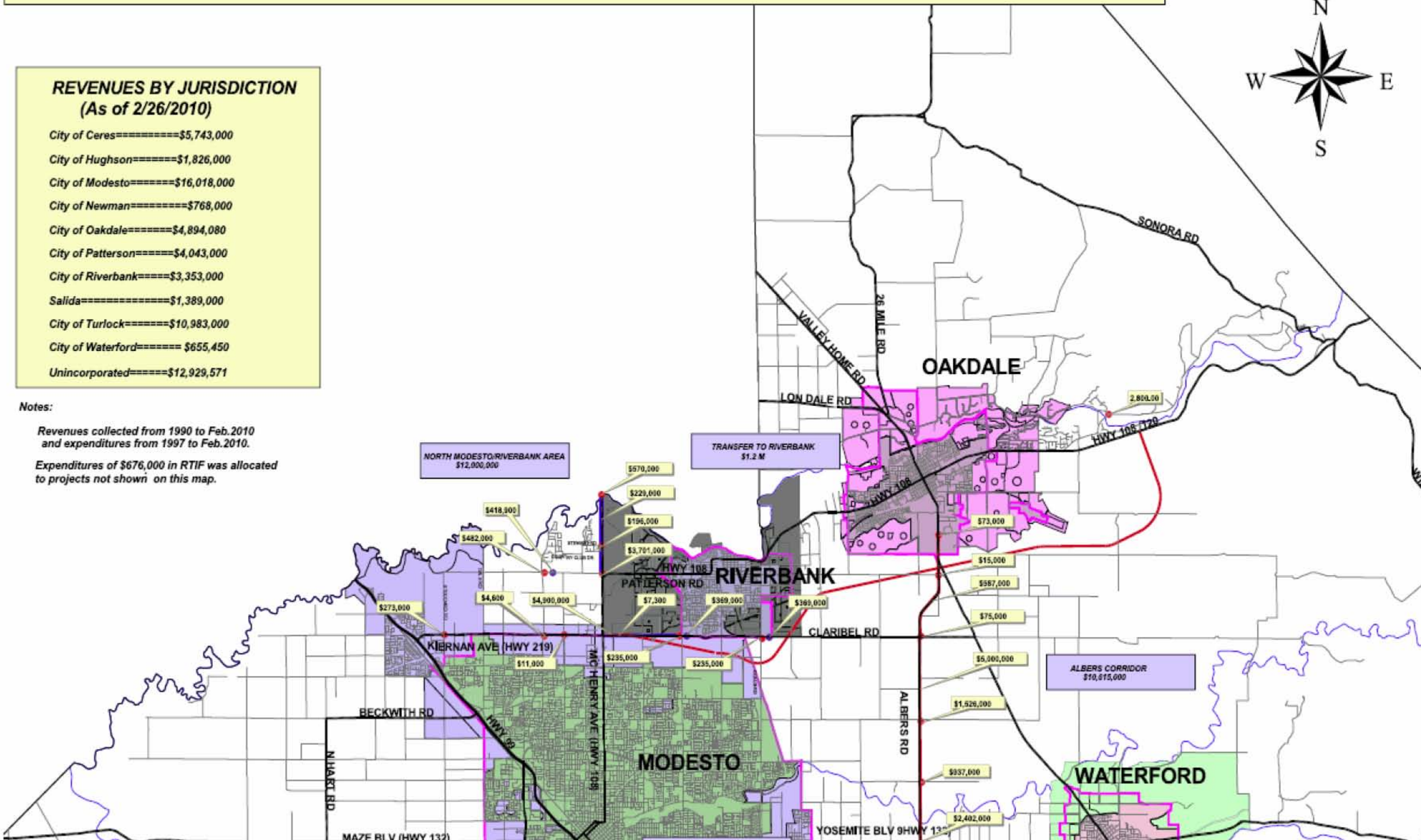
2005 PFF Update/TR Project Summary

- 77 Projects = cost of $466 million

2010 PFF Update/TR Project Summary

- 63 Projects = cost of $607 million

REGIONAL TRANSPORTATION IMPACT FEE (RTIF) AND CITY/COUNTY ROADS IMPACT FEE EXPENDITURES



REVENUES BY JURISDICTION
(As of 2/26/2010)

City of Ceres==========$5,743,000

City of Hughson=======$1,826,000

City of Modesto=======$16,018,000

City of Newman=========$768,000

City of Oakdale=======$4,894,080

City of Patterson======$4,043,000

City of Riverbank=====$3,353,000

Salida==============$1,389,000

City of Turlock=======$10,983,000

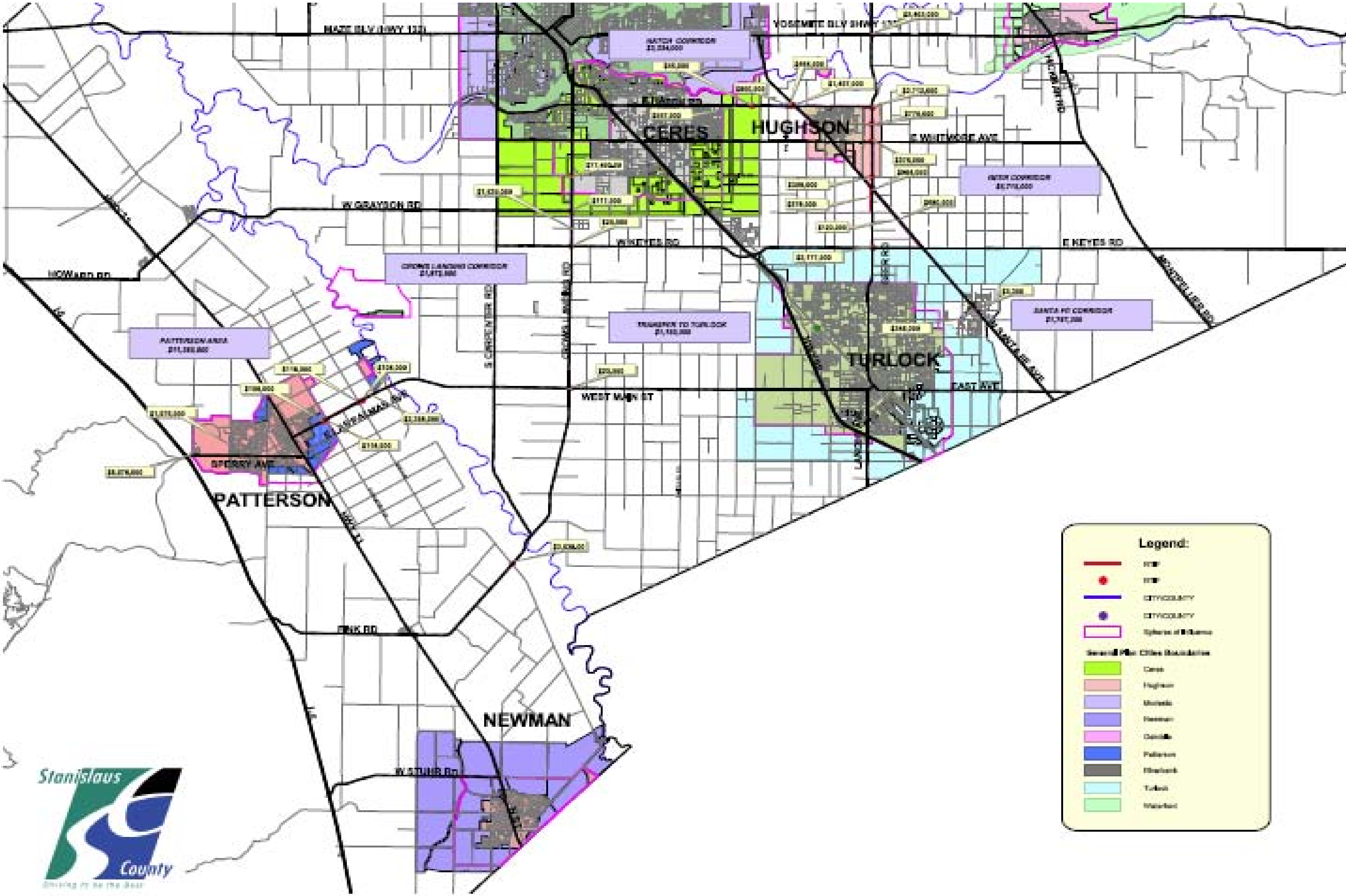
City of Waterford======= $655,450

Unincorporated======$12,929,571

Notes:

Revenues collected from 1990 to Feb.2010 and expenditures from 1997 to Feb.2010.

Expenditures of $676,000 in RTIF was allocated to projects not shown on this map.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SANTA FE CORRIDOR
TURLOCK
WEST MAIN ST
EAST AVE
SPERRY AVE
PATTERSON
FINK RD
NEWMAN
W STUHR RD
Legend:
Spheres of Influence
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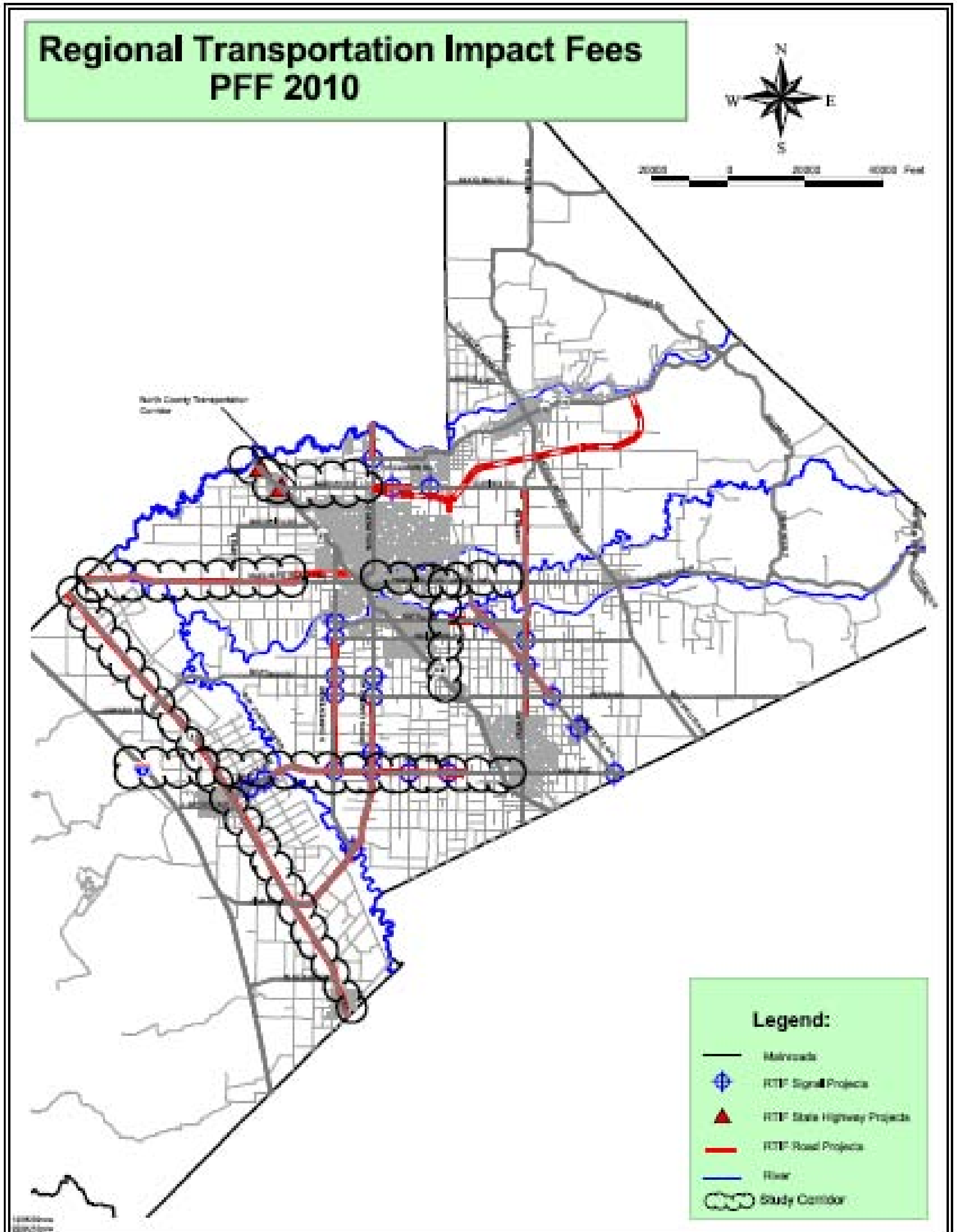
Newman
Patterson
Riverbank
Turlock
Waterford
Stanislaus
County
Striving to be the Best


Regional Transportation Impact Fees
PFF 2010
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Legend:
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RTIF Signal Projects
RTIF State Highway Projects
RTIF Road Projects
River
Study Corridor

Fee Comparative

- Public Facilities Fees are going down in the vast majority of land use categories as part of this comprehensive update.

- The one exception is with the Large Industrial categories, which are experiencing an overall increase.

- The 2005 trip rates were selected to minimize the burden on industrial development. The 2010 methodology allocates the public facilities burden to all land uses based on data from the latest ITE manual.

INCORPORATED

13 of 18
Land Use Categories
Decreasing

Table 4: Stanislaus County - Public Facilities Fee
Comparison to Existing Fees: Incorporated

	2005 Fee	Proposed Fee	Change
Residential (Per Dwelling Unit)			
Single Family	$ 8,038	$ 7,139	$ (899)
Multifamily	6,580	4,643	(1,937)
Nonresidential (Per Thousand Square Feet)			
Office	$ 6,841	$ 3,909	$ (2,932)
Industrial			
Industrial <20,000 sq. ft.	$ 3,278	$ 1,625	$ (1,653)
Industrial (Large)			
Manufacturing	656	$ 1,770	$ 1,114
Distribution	135	1,897	1,762
Warehouse	62	999	937
Commercial			
Retail <50K	$ 10,560	$ 2,407	(8,153)
Retail 50K-100K	6,885	3,312	(3,573)
Retail 100K-300K	4,355	3,105	(1,250)
Shopping Mall	3,802	2,122	(1,680)
Church	$ 1,842	$ 1,166	(676)
Hospital	2,791	1,631	(1,160)
Nursing Home	1,468	958	(510)
Special Cases[2]			
Drive Through (per lane)	N/A	$ 16,108	N/A
Gas Station (per pump)	$ 3,029	6,283	3,254
Motel/Hotel (per room)	1,842	646	(1,196)
Golf Course (per acre)	2,321	776	(1,545)

[1] Charged only in unincorporated areas.

[2] Special land use roads fees are charged as noted (per lane, per pump, per room or per acre), in addition to commercial fees charged per 1,000 square feet.

Draft - June 15, 2010.

UNINCORPORATED

13 of 18
Land Use Categories
Decreasing

Table 3: Stanislaus County - Public Facilities Fee Comparison to Existing Fees: Unincorporated

	2005 Fee	Proposed Fee	Change
Residential (Per Dwelling Unit)			
Single Family	$ 9,041	$ 8,868	$ (173)
Multifamily	7,584	5,850	(1,734)
Nonresidential (Per Thousand Square Feet)			
Office	$ 7,393	$ 4,251	$ (3,142)
Industrial			
Industrial <20,000 sq. ft.	$ 3,515	$ 1,702	$ (1,813)
Industrial (Large)			
Manufacturing	703	$ 1,880	$ 1,177
Distribution	146	1,941	1,795
Warehouse	66	1,020	954
Commercial			
Retail <50K	$ 10,891	$ 2,694	(8,197)
Retail 50K-100K	7,217	3,599	(3,618)
Retail 100K-300K	4,686	3,392	(1,294)
Shopping Mall	4,133	2,409	(1,724)
Church	$ 2,173	$ 1,452	(721)
Hospital	3,123	1,918	(1,205)
Nursing Home	1,799	1,245	(554)
Special Cases [2]			
Drive Through (per lane)	N/A	$ 16,108	N/A
Gas Station (per pump)	$ 3,360	6,283	2,923
Motel/Hotel (per room)	2,173	646	(1,527)
Golf Course (per acre)	2,652	776	(1,876)

[1] Charged only in unincorporated areas.

[2] Special land use roads fees are charged as noted (per lane, per pump, per room or per acre), in addition to commercial fees charged per 1,000 square feet.

Draft - June 15, 2010.

Industrial Incentive Program

- Important to develop some type of incentive program so that our region remains economically competitive when it comes to job creation and attraction.

- Significant input from representatives from the manufacturing sector on the development of an Industrial Incentive Program.

Fee Comparative
& Industrial Incentive Program

continued

The program applies a discount in the amount of PFF paid to the County based on a sliding scale:

- standard maximum discount reaching 65% of the total fee in the Manufacturing sector and;
- up to 75% in the Warehouse and Distribution sectors.
- Incentive eligibility for Warehouse developments start at the 150,000 sq. ft entry level.
- In Manufacturing and Distribution the entry level project size eligibility is set at 100,000 sq. ft.

Points are awarded based on total capital investment, new jobs created and average hourly wage;

Bonus points can be awarded based on the projects ability:

- to generate additional revenue to the County;
- address a community need;
- attract other support businesses;
- demonstrate significant efforts in reducing greenhouse gases;
- be located in a location that meets strategic objectives of the County.

Modify Administrative Guidelines

Installment Payment Program

Current PFF Administrative Guidelines outline requirements for the Installment Payment Program for Qualifying Non-Residential Projects;

Implemented in 2005 as an incentive for job retention and development.

The program allows a fee deferment in lieu of paying public facility fees for non-residential projects;

Development that will create at minimum 30 new jobs;

The incentive allows the eligible developer to elect to pay up to 80% of calculated fees in equal annual payments. In no case shall the payment period exceed four years;

Modify Administrative Guidelines

Installment Payment Program - continued

Recommend that the PFF Administrative Guidelines be revised to grant some discretion to the PFF Committee in the application of this incentive for those non-residential projects that:

- facilitate job creation or retention;
- address an identified community need;
- provide a “living wage” (1.5 X minimum wage);
- will likely attract other support businesses;
- can demonstrate they are making significant efforts to reduce greenhouse gases;
- or are located in locations that meet strategic objectives of the County.

Going Forward

- City Managers requested that the County commit to work with them to to develop a Regional Transportation Impact Fee program that would be inclusive of all City/County (regional) project concerns;

- Staff has convened city representatives to outline a strategy for reaching this objective;

- Staff included StanCOG as participant in this outreach;

- Staff included the Business sector – including the Development Community, Manufacturing Council, and BIACC;

Policy Issues: 5 Findings

1. Identify the Purpose of the Fee;

2. Identify the use to which the fees will be put;

3. Determine the reasonable relationship between the fees usage and the type of development project(s) on which the fees are imposed;

4. Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed;

5. Determine how there is a reasonable relationship between the fees amount and the cost of facilities or portion of the facilities attributable to the development on which the fee is imposed.

RECOMMENDATIONS:

Restated

If the recommendations contained in this report are adopted:

1. The revised fees will be effective beginning Monday, September 20, 2010

2. Staff will begin work directly with our city partners toward the development of a Regional Transportation Impact Fee program for all communities;

3. Staff will return to the Board within 18 months to share the development of a Regional Transportation Impact Fee program and/or the status of this process;

4. Staff will bring a PFF program update report to the Board on an annual basis to adjust for inflation and land values to remain consistent with existing market conditions.

5. The PFF Payment Plan Incentive will be modified to allow additional decision making latitude by the PFF Committee when considering eligible businesses.

Stanislaus County
PUBLIC FACILITIES FEES
Comprehensive Program Update
2010

Public Hearing
July 20, 2010

Industrial Investment Incentive Program

v 1.15; 6/15/10

Use Type:	**Manufacturing**	
Building Square Footage:	**250,000**	**Minimum sqft for eligibility is: 100,000**
Total Capital Investment:	**$ 31,250,000**	**3 points awarded for every $1 million of Capital Investment**
New Jobs Created:	**60**	**1 point awarded for each Manufacturing/Warehouse job**
Average Hourly Wage:	**$ 15.00**	**1 point awarded for every percent above minimum wage**
Location:	**Unincorporated**	
Bonus Points (Max. 50)	**50**	**Total Points: 292**

>= 300 Points equals maximum standard discount of 60%

Current Fee:	**$ 231,984**	**0.93 per sqft**	
Proposed Fee:	**$ 470,000**	**1.88 per sqft**	
Incentive Fee:	**$ 231,984**	**0.93 per sqft**	**Discount: 51%**

6:35pm

REGIONAL TRANSPORTATION IMPACT FEE (RTIF) AND CITY/COUNTY ROADS IMPACT FEE EXPENDITURES

REVENUES BY JURISDICTION (As of 2/26/2010)

City of Ceres	$5,743,000
City of Hughson	$1,826,000
City of Modesto	$16,018,000
City of Newman	$768,000
City of Oakdale	$4,894,080
City of Patterson	$4,043,000
City of Riverbank	$3,353,000
Salida	$1,389,000
City of Turlock	$10,983,000
City of Waterford	$655,450
Unincorporated	$12,929,571

Notes:

Revenues collected from 1990 to Feb.2010 and expenditures from 1997 to Feb.2010.

Expenditures of $676,000 in RTIF was allocated to projects not shown on this map.