

**DRAFT**

**SACRAMENTO TRANSPORTATION AUTHORITY  
DEVELOPMENT IMPACT FEE STUDY**

**Prepared for:**

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## EXECUTIVE SUMMARY

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In July of 2004 the Governing Board of the Sacramento Transportation Authority (“STA”) passed Ordinance No. STA 04-01 (“Ordinance”), which provides for the continuation of a one half of one percent retail transactions and use tax for local transportation purposes. Three key components of the ordinance are 1) An expenditure plan (“Exhibit A of the Ordinance”) that defines the projects to be financed, identifies the associated costs and allocates the costs between sales tax revenue funding and DIF funding, 2) Guidelines for the implementation of the Retail Transactions and Use Tax (“Retail Tax”), and 3) Guidelines for the implementation of the Sacramento Countywide Transportation Mitigation Fee Program (“SCTMFP”). Section VII of the Ordinance deals with the SCTMFP and states that “No revenue generated from the [retail transactions and use] tax shall be used to replace transportation mitigation fees required from new development...”, and requires that the STA develop “... a professional and planning based process for charging new development with the cost of traffic impacts caused by each development...”. Furthermore, Section VII dictates that the new fee schedule implemented shall be based on a fee per single family unit of \$1,000.00, and the fees for multi-family units, retail, office and industrial or warehouse uses shall be proportionate to the single family fee as determined by the vehicular trip generation rates assigned to each of the land uses.

In August of 2005 the STA hired Public Financial Management, Inc. (“PFM”) to prepare a finance and capital improvement plan that would implement the provisions of the Ordinance. PFM hired David Taussig and Associates, Inc. (“DTA”) as a sub-consultant to prepare this AB 1600 Fee Justification Study (the “Fee Study”), which would be the basis for the implementation of the SCTMFP. This Fee Study is intended to comply with Section 66000 *et. seq.* of the Government Code, which was enacted by the State of California in 1987, by identifying additional public facilities required by new development (“Future Facilities”) and determining the level of fees that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will partially satisfy the financing of transportation infrastructure at levels identified by the various local agencies within the County of Sacramento (“County”) as being necessary to meet the needs of new development through the year 2039. The proposed projects and associated construction costs are identified in the Needs List, Table A-1, which is included in Section IV of the Fee Study. A description of the methodology used to calculate the fees is included in Section V. All new development may be required to pay a portion of its “fair share” of the cost of the new infrastructure through the development fee program.

### 1. ORGANIZATION OF THE REPORT

Section I of this report provides an introduction to the study including a brief description of County surroundings, and background information on development fee financing. Section II provides an overview of the legal requirements for implementing and imposing such fees. Section III includes a discussion of projected new development and demand variables such as future population and employment assuming current growth trends in housing, commercial, and industrial development extrapolated over the next thirty-three year period to 2039. Projections of future development are based on data provided by Sacramento Area Council of Governments (“SACOG”). Section IV includes a description of the Needs List, which identifies the facilities needed to serve new development through 2039 that are eligible for funding in the SCTMFP.

The Needs List provides the total estimated facilities costs in 2005 dollars, offsetting revenues, net cost to STA and cost allocated to new development for all facilities listed in the New Measure A Ordinance as approved by Sacramento County Voters. This list is a compilation of projects and costs identified by the local agency planning and engineering departments. Section V contains the methodology used to determine the fees for all facility types as well as calculations to determine fee levels. Section VI includes a summary of the proposed fees justified by this study.

## **2. COLLABORATION WITH LOCAL AGENCIES**

Workshop meetings with representatives of the local agencies, STA management and consultants occurred during January of 2006, with the purpose of discussing the various schedules and procedures to be used in implementing the fees, and also the various factors and criteria used in calculating the fees. Representatives of Caltrans, Regional Transit, the County of Sacramento, and the Cities of Sacramento, Elk Grove, Folsom, Rancho Cordova, Gault and Citrus Heights all participated in the workshop meetings. At these meetings the local agencies had the opportunity to update project lists and cost estimates previously provided, and to modify the cash flow timeline requirements for their respective projects.

## **3. METHODOLOGY AND IMPACT FEE SUMMARY**

As stated above, transportation costs for mitigating the impacts of new development were apportioned to the various land uses by average daily trips generated (“ADT’s) for each land use type.

Section V describes the apportionment of transportation facilities costs from the Needs List. Transportation facilities benefit future residents and employees in providing safe and efficient vehicular access to properties. It has been well documented by transportation engineers that different land uses generate trips at different rates. Therefore, all facility costs in this study are apportioned on the basis of average daily trip (“ADT”) generation factors. Reliable data for the trip generation rates was obtained from the Institute of Traffic Engineers (“ITE”).

All of the transportation facilities are sized to meet the needs of future residents and employees, and based on input from the local agencies, none of the fees will be used to correct existing deficiencies in the road systems. In total, \$1,270,380,000 can be generated from fees collected from new development within the 30 year study period. The fee amounts required to finance new development’s share of the costs of facilities in the Needs Lists are summarized in Table ES-1 below:

**TABLE ES-1  
DEVELOPMENT IMPACT FEE SUMMARY**

Residential (per unit)		Non - Residential (per 1,000 s.f.)	
Land Use Category	Fee	Land Use Category	Fee
Single Family	\$1,000	Commercial, Retail	\$4,550
Multi- Family	\$700	Commercial, Office	\$1,200
		Industrial	\$800

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## **I. INTRODUCTION**

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The County of Sacramento (the “County”), located in central California encompassing approximately 994 square miles. The County is bordered on the east by the foothills of the Sierra Nevada, on the south and north by the counties of the San Joaquin Valley. To the west a sliver portion of the county reaches the upstream source of the San Francisco Bay. Incorporated cities within County borders include Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton and Rancho Cordova. Interstate 5 and Interstate 80 form the major spines upon which the countywide circulation system depends. Within the unincorporated portion of the County alone, approximately 2,300 miles of roadway, 500 signals and 400 bridges are maintained by the County of Sacramento Department of Transportation (“SACDOT”).

The County is experiencing a surge of new housing construction within its borders, driven by population increases, low interest rates, proximity to job centers in urban Sacramento, and various economic factors and incentives available within County limits. New development and the associated increase in population over the next 3 decades will place an expected burden on the existing roadway systems throughout the County. In order to mitigate the impacts of this new growth, the Sacramento Transportation Authority, (“STA”), in cooperation with state and local agencies, has identified a capital improvement program and expenditure plan that will finance various roadway projects throughout the County, a portion of which will be funded through development impact fees. Ordinance STA 04-01 identifies both a one half of one percent Retail Transaction and Use Tax (“Retail Tax”) and a countywide Development Impact Fee (“DIF”) program. This study, in accordance with the requirements and guidelines of AB1600, will be the basis of the implementation of the county-wide DIF program. Local agencies will be required to incorporate the fee schedule identified in this study into their own local DIF programs, and will be responsible for the collection and transfer of countywide DIF revenue to STA.

[insert county map]

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## II. LEGAL REQUIREMENTS TO JUSTIFY IMPACT FEES

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Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on project sites. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially. Higher fee levels were undoubtedly driven in part by a need to offset the decline in funds for infrastructure development from other sources. Spending on public facilities at all levels of government was \$161 per capita in 1965, but it had fallen by almost fifty percent to less than \$87 per capita by 1984 (measured in constant dollars).

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development, as the levy of such fees provides funding to maintain an agency's service standard required for an increased service population. A fee is "a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project..." (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee occurring prior to the beginning of construction of a dwelling unit or non-residential building (or prior to the expansion of existing buildings of these types). Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance.

STA has identified the need to levy impact fees to pay for transportation infrastructure. A detailed list of required public facilities (the "Needs List") is contained within Section **IV** herein. The fees presented in this study will finance facilities on the Needs List at levels identified by STA as appropriate to mitigate the impacts of new development. Upon the adoption of the Fee Study and required legal documents by the Governing Board, all new development will be required to pay its "fair share" of the cost of facilities on the Needs List through these fees at rate structures set in the Ordinance.

Assembly Bill ("AB") 1600, which created Section 66000 *et. seq.* of the Government Code, was enacted by the State of California in 1987. This Fee Study is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

Furthermore, there must be a relationship between the amount of the fee and the cost of the improvements. To impose a fee as a condition for a development project, a public agency must do the following:

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

Addressing these items will enable an impact fee to meet the nexus and rough proportionality requirements established by *Dolan versus City of Tigard* and other court cases. These findings and the nexus test for each proposed fee element are presented in Section V. Current state financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establishing legal impact fees is to determine what share of the benefit or cost of a particular improvement can be equitably assigned to existing development, even if that improvement has not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable fees assigned.

**A. PURPOSE OF THE FEE (GOVERNMENT CODE SECTION 66001(A)(1))**

Population, housing, and employment estimates prepared for the Fee Study project approximately 526,554 new Single Family and Multi-Family units over the next thirty-three years. During that same time period, approximately 762,260,000 square feet of new commercial and industrial development are expected to generate 354,469 new employees.<sup>1</sup> The future residents and employees will create an additional demand for transportation systems that existing public facilities cannot accommodate. In order to accommodate new development in an orderly manner, while maintaining the current quality of life in the County, the facilities on the Needs List (**Section IV, Table IV**) will need to be constructed.

It is the projected direct and cumulative effect of future development that has required the need for a development impact fee program. New development will contribute to the need for new roadway and transit projects. Without future development many of the new projects would not be necessary. Future development drives the need for future facilities, with certain exceptions where various facility costs are shared between new and existing development due to the need to cure existing deficiencies. The impact fees will be used for the acquisition, installation, and construction of transportation projects identified on the Needs Lists and other appropriate costs to mitigate the direct and cumulative impacts of new development in the Cities and unincorporated area.

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<sup>1</sup> Reference is made to Section III for further information regarding the development projections.

**B. THE USE TO WHICH THE FEE IS TO BE PUT (GOVERNMENT CODE SECTION 66001(A)(2))**

The fee will be used for the acquisition, installation, and construction of the transportation facilities identified on the Needs List, included in Section IV of the Fee Study, and other appropriate costs to mitigate the direct and cumulative impacts of new development in the County. The fee will provide a source of revenue to the STA to fund such facilities, which in turn will both preserve the quality of life in the County and protect the health, safety, and welfare of the existing and future residents and employees.

**C. DETERMINE THAT THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE'S USE AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (BENEFIT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(3))**

The fees collected will be used for the construction of transportation facilities within the County. The types of development that will be paying these fees are new residential, commercial and industrial projects within the local Cities and the unincorporated areas of the County between April 1, 2009 and March 30, 2039. This expected development will generate new residents and employees that will increase the burden on existing transportation infrastructure in the form of increased traffic and transit ridership. In order to maintain existing service standards the fees to be imposed on new development, as recommended in this Study, will insure that new development contributes its fair share of funds to mitigate the impacts caused by such development.

**D. DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITY AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (IMPACT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(4))**

As determined by technical analysis consistent with the regional transportation model performed by SACOG, and State and local agency staff recommendations, the facilities to be financed are required to maintain existing service levels. These facilities are listed in Section IV and correspond directly to the impact generated by new development. For example, the projected growth of residential homes (“dwelling units”) and the growth of commercial and industrial leaseable space (“square feet”) translate to additional traffic on city and county streets (average daily trips, or “ADT’s”). In order to prevent congestion, streets need to be created or widened and signals installed.

**E. THE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEE AND THE COST OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT UPON WHICH THE FEE IS IMPOSED (“ROUGH PROPORTIONALITY” RELATIONSHIP) (GOVERNMENT CODE 66001(A))**

This study uses various methodologies to apportion the cost of new facilities to new development in proportion to the magnitude of the impacts that drive the need for the facilities. Fee amounts for the various land uses are determined by apportioning costs

according to their appropriate demand factors, which in this case consists of traffic trip generation rates. Section V “Methodology and Fee Calculation,” defines the various trip rate factors, describes the various methodologies for apportioning costs, and presents the calculations that justify the proposed fees for each facility group.

**TABLE II-A**  
**SACRAMENTO TRANSPORTATION AUTHORITY**  
**PROPOSED LAND USE CATEGORIES**

<b>Land Use Classification for Fee Study</b>
Single Family Residential
Multi-Family Residential
Commercial, Retail
Commercial, Office
Industrial

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### **III. DEMOGRAPHICS**

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In order to determine the public facilities needed to serve new development as well as establish fee amounts to fund such facilities, the number of dwelling units, commercial and industrial square footages, population and employment for both existing and projected development must be quantified. Estimates of existing and future residential units and square footage of commercial development through 2025 were provided by Sacramento Area Council of Governments (“SACOG”), *Projections Update Metropolitan Transportation Plan 2027*. In order to extrapolate growth to the year 2039, DTA computed average percentage growth rate for SACOG’s five year intervals occurring between 2005 and 2025. The trend in growth rates was then used to extrapolate future residential units and future commercial and industrial square footages in the year 2039. See Appendix A-1 for growth rates and extrapolations.

Table II-A and II-B below depict the existing and 2039 future residential units and non-residential square footages used in this study to allocate transportation costs

Table III-A  
Residential Dwelling Units

Category	2039 Units	2009 Existing Units	Growth
Single Family	958,341	622,210	336,131
Multi Family	397,619	278,132	119,488
Totals	1,355,961	900,342	455,619

Table III-B  
Non-Residential Building Square Feet

Category	2039 S.F.	2009 Existing S.F.	Growth
Commercial, Retail	193,248,802	122,000,800	71,248,003
Commercial, Office	407,819,681	248,928,587	158,891,094
Industrial	1,403,717,093	984,014,868	419,702,225

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#### **IV. THE NEEDS LIST AND FACILITIES COSTS**

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Identification of the facilities to be financed is a critical component of any development impact fee program. In the broadest sense the purpose of impact fees is to protect the public health, safety, and general welfare by providing for adequate public facilities. “Public Facilities” per Government Code 66000 include “public improvements, public services, and community amenities.” Fees imposed for a public capital facility improvement cannot be used for maintenance or services.

Government Code 66000 requires that if impact fees are going to be used to finance public facilities, those facilities must be identified. Identification of the facilities may be made in an applicable general or specific plan, other public documents, or by reference to a Capital Improvement Program (CIP) or Capital Improvement Plan. For purposes of the STA fee program, the Needs List is intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a uniform development fee on new development in the County.

STA management and its consultant team surveyed and also met with representatives from Caltrans, the County of Sacramento, and local cities to determine what public facilities would be needed to meet increased demand resulting from new development in the County. For purposes of the fee program and consistent with the Measure A time horizon, it was determined that a thirty year planning horizon would be appropriate. The Needs List (Table IV-1) identifies those facilities needed to serve future development between April 1, 2009 and March 30, 2039.

The Needs List also shows the breakdown of funding between the sales tax component of Measure A, the county-wide DIF program, the local DIF programs, and “other” sources.

The total county-wide (STA) program revenue is determined by calculating the total revenue expected to be collected during the study period, based on the fee schedule and the expected growth in residential units and non-residential building square feet. The fee schedule is determined by complying with Section VII of the Ordinance, in other words fixing the single family residential fee at \$1,000 per unit and computing the fees for the remaining land uses proportionate to the single family fee on the basis of average daily vehicular trips generated by the respective land uses. The assumptions and calculations are discussed in Section V of this Study.

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TABLE V-1  
SACRAMENTO TRANSPORTATION AUTHORITY  
NEEDS LIST THROUGH 2039

FACILITY NAME	FROM:	TO:	SEGMENT COSTS	TOTAL COST OF SEGMENT	% of Total	Measure A Portion				City/County Development Fee	Other Funding Sources
						Sales Tax Revenue [1]	% of total DF revenue	Development Fee	Total		
<b>A. LOCAL ARTERIAL PROGRAM</b>											
Antelope Road	Watt	Roseville Rd.	\$7,500,000								
Antelope Road	Roseville Rd.	I-80	\$8,820,000							\$5,000,000	
Antelope Road	I-80	Auburn	\$11,040,000								
	<b>Sub Total</b>			\$27,360,000					\$9,050,000	\$5,000,000	\$13,310,000
Arden Way ITS	Del Paso	Ethan Road	\$3,000,000								\$0
Arden Way ITS	Ethan Road	Fair Oaks	\$3,000,000								\$0
	<b>Sub Total</b>			\$6,000,000					\$3,000,000		\$3,000,000
Bradshaw Road	Grant Line (9)	Calvine Road	\$17,000,000							\$11,390,000	
Bradshaw Road	Calvine Road	Florin Road	\$13,640,000							\$6,540,000	
Bradshaw Road	Florin Road	Folsom Blvd.	\$130,000,000							\$43,310,000	
	<b>Sub Total</b>			\$160,640,000					\$60,020,000	\$61,240,000	\$39,380,000
Bruceville Road	Sheldon	Cosumnes Riv Blvd.	\$14,000,000	\$14,000,000					\$0		\$14,000,000
Cosumnes River Blvd.	I-5	Franklin	\$47,000,000	\$47,000,000					\$15,670,000	\$24,000,000	\$7,330,000
Elk Grove Blvd.	Big Horn	Waterman	\$20,000,000	\$20,000,000					\$6,670,000		\$13,330,000
Folsom Blvd.	65th	Watt Avenue	\$45,000,000							\$12,200,000	
Folsom Blvd.	Watt Avenue	Bradshaw Road	\$25,000,000							\$5,000,000	
Folsom Blvd.	Bradshaw Road	Sunrise	\$10,800,000							\$1,700,000	
	<b>Sub Total</b>			\$80,800,000					\$26,670,000	\$18,900,000	\$35,230,000
Folsom Bridge Crossing			\$106,000,000	\$106,000,000					\$28,000,000		\$78,000,000
I-5/ SR99/ SR50 Connector			\$300,000,000	\$300,000,000					\$100,000,000		\$200,000,000
Greenback Lane	I-80	Manzanita Ave.	\$9,000,000							\$1,760,000	
Greenback Lane	West City Limit	Fair Oaks Blvd.	\$4,600,000								
Greenback Lane	Fair Oaks Blvd	Hazel Ave.	\$25,140,000							\$8,510,000	
Greenback Lane	Hazel Ave.	Main Street	\$18,000,000							\$5,850,000	
	<b>Sub Total</b>			\$56,740,000					\$17,630,000	\$16,120,000	\$22,990,000
Hazel Avenue	US 50	Folsom Blvd.	\$45,000,000							\$14,700,000	
Hazel Avenue	Madison Ave.	US 50	\$69,250,000							\$15,130,000	
Hazel Avenue	Placer Co.Line	Madison Ave.	\$77,500,000							\$25,700,000	
	<b>Sub Total</b>			\$191,750,000					\$63,600,000	\$55,530,000	\$72,620,000
Madison Avenue	Sunrise	Hazel Ave.	\$17,230,000							\$5,550,000	
Madison Avenue	Hazel Ave.	Greenback Lane	\$17,800,000							\$5,700,000	
Madison Avenue	Watt Ave.	Sunrise Blvd.	\$40,000,000							\$13,250,000	
	<b>Sub Total</b>			\$75,030,000					\$25,780,000	\$24,500,000	\$24,750,000
South Watt/EG -Florin Road	Florin Road	SR 16	\$9,470,000							\$3,190,000	
South Watt/EG -Florin Road	Folsom Blvd.	Calvine Road	\$130,000,000							\$43,300,000	
South Watt/EG -Florin Road	Calvine Road	Elk Grove Blvd.	\$20,530,000								
	<b>Sub Total</b>			\$160,000,000					\$53,330,000	\$46,490,000	\$60,180,000
Sheldon Road	Bruceville	Bradshaw	\$28,880,000	\$28,880,000					\$70,000		\$28,810,000
Sunrise Blvd.	Jackson Road	GrantLine Rd.	\$54,900,000							\$36,600,000	
Sunrise Blvd.	Gold Country Road	Jackson Road	\$30,900,000							\$24,100,000	
Sunrise Blvd.	Madison Avenue	Gold Country Blvd	\$15,000,000							\$3,000,000	
Sunrise Blvd.	Greenback Lane	Oak Ave.	\$13,360,000								
Sunrise Blvd.	Oak Avenue	Antelope Road	\$11,710,000								
Sunrise Blvd.	Antelope Road	Placer Co. line	\$8,830,000								
	<b>Sub Total</b>			\$134,700,000					\$30,620,000	\$63,700,000	\$40,380,000
Watt Avenue	Antelope	CapCity Fwy	\$33,500,000	\$33,500,000					\$11,200,000	\$6,700,000	\$15,600,000
	<b>TOTAL LOCAL ARTERIAL PROGRAM</b>			\$1,442,400,000	34.10%	\$6,677,000	35.00%	\$444,633,000	\$451,310,000	\$322,180,000	\$668,910,000
<b>B. TRANSIT CAPITAL IMPROVEMENT PROGRAM</b>											
Downtown Intermodal Station			\$226,000,000						\$72,000,000	\$32,140,000	
LRT extension	Meadowview Rd.	Cosumnes Riv Blvd	\$177,710,000						\$17,120,000	\$3,680,000	
Regional Rail Commuter Service			\$70,000,000						\$24,000,000		
LRT extension to Airport	(planning/enviro/design only)		\$101,360,000						\$34,000,000	\$6,580,000	
LRT improvements in I-80 Corridor			\$30,000,000						\$0		
	<b>TOTAL TRANSIT CAPITAL IMPROVEMENT PROGRAM</b>			\$605,070,000	14.30%	(\$106,956,000)	20.00%	\$254,076,000	\$147,120,000	\$42,400,000	\$415,550,000
<b>C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM</b>											
Bus/carpool Lane Connectors and Extensions											
Bus/carpool ramp connection	SR50E	SR99S	\$340,000,000						\$170,000,000		
I-80 Bus/carpool lanes	I-5	Capital City Fwy	\$167,000,000						\$83,500,000		
I-5 Bus/carpool lanes	Elk Grove	Downtown	\$172,000,000						\$86,000,000		
Connector ramp widenings	SR50	I-5	\$340,000,000						\$170,000,000		
SR50 Bus/carpool lanes	Sunrise	Downtown	\$195,000,000						\$95,000,000		
	<b>Subtotal - Bus/carpool Lane Connectors and Extensions</b>			\$1,214,000,000	28.70%				\$604,500,000	\$0	\$609,500,000
Freeway Interchange Congestion Relief Upgrades											
Central Galt/SR 99 interchange upgrade			\$38,000,000						\$2,500,000	\$8,500,000	
Consumnes River Blvd./I-5 interchange upgrade			\$33,000,000						\$11,000,000	\$16,000,000	
GrantLine Road/SR 99 interchange upgraes			\$57,680,000						\$10,940,000	\$46,740,000	
I-5/I-80 X-change upgrade & carpool lane connector w/ carpool lanes			\$400,000,000						\$200,000,000		
Richards Blvd./I-5 interchange upgrade			\$45,000,000						\$15,000,000	\$15,000,000	
Sheldon Road/SR99 Interchange Upgrade			\$52,620,000						\$12,710,000	\$35,410,000	
Watt Ave/SR50 interchange upgrade			\$25,000,000						\$8,100,000		
	<b>Subtotal - Freeway Interchange Congestion Relief Upgrades</b>			\$651,300,000	15.40%				\$260,250,000	\$121,650,000	\$269,400,000
	<b>TOTAL FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM</b>			\$1,865,300,000	44.09%	\$610,674,000	20.00%	\$254,076,000	\$864,750,000	\$121,650,000	\$878,900,000
<b>E. SMART GROWTH INCENTIVE PROGRAM</b>											
Promotion of transit oriented development			\$185,557,000								
Planning/development/Acquisition of open space preservation program related to I-5/SR99/SR50			\$5,000,000								
	<b>TOTAL SMART GROWTH INCENTIVE PROGRAM</b>			\$190,557,000	4.50%	\$0	15.00%	\$190,557,000	\$190,557,000		\$0
<b>F. TRANSPORTATION PROJECT ENVIRONMENTAL MITIGATION PROGRAM</b>											
Environmental mitigation for Measure A transportation projects			\$40,679,333								
open space acquisition			\$40,679,333								
Natural habitat preservation			\$40,679,333								
Planning/development/acquisition of open space preservation program related to I-5/SR99/SR50			\$5,000,000								
	<b>TOTAL ENVIRONMENTAL MITIGATION PROGRAM</b>			\$127,038,000	3.00%	\$0	10.00%	\$127,038,000	\$127,038,000		\$0
	<b>TOTAL PROJECT</b>			\$4,230,365,000	100.00%	\$510,395,000	28.66%	\$1,270,380,000	\$1,780,775,000	\$486,230,000	\$1,963,360,000

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**V. METHODOLOGY UTILIZED TO CALCULATE FACILITIES IMPACT FEE**

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Transportation facilities included as part of this study will serve the entire County. Consequently, the service area for fees calculated in this chapter is the County jurisdictional area. The resulting fees are intended to apply to all development in this study area.

Roadway and public transit facilities benefit future residents and employees by providing safe and efficient access to properties. It has been well documented by transportation engineers that different land uses contribute to traffic volumes at different rates. Various entities, such as the Institute of Transportation Engineers, (“ITE”) have published trip generation rates for many different land uses.. This study will use average daily trips (“ADT’s) provided by ITE to determine the proportionate share of costs and fee levels among the various land uses. ITE also publishes various “pass-by credit” data to be applied to commercial ADT’s to prevent double counting of trips to and from commercial sites that were made by a motorist as he “passes by” or is diverted from his trip from his primary origin and destination. While the “Commercial Retail” land use is a very broad category with a wide range of trip generation rates for specific uses within the category, this study uses an average ADT rate for commercial retail category and it’s associated pass-by credit. Without specific detail of the mix of commercial retail uses county-wide, an average rate based on similar study areas is justified.

The Nexus requirements of AB1600 require that the purpose, use and need for the proposed facilities be clearly identified. Table V-1 below summarizes the responses to the AB1600 requirement:

**TABLE V-1  
TRANSPORTATION ELEMENT  
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Mitigate the congestion impacts of new development
Identify Use of Fee	Roads, Transit, and Environmental Mitigation improvements
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on	New residential and non-residential development will generate additional residents and employees who will create additional vehicular and non-vehicular traffic. Roads and signals will have to be improved or extended to meet the increased demand and provide for circulation in the County and Traffic Signals will have to be installed to efficiently direct increased traffic flow. Ridership will increase on

which the fee is imposed	public transit facilities. Thus there is a relationship between new development and the need for new transportation facilities. Fees collected from new development will be used exclusively for transportation facilities on the Needs List.
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Average daily trip factors were multiplied by the various dwelling units and building square footages to calculate the total ADT's generated by new development. Normally the total facility cost is divided by the total ADT's to determine the cost per ADT of new development, and then apply this cost per ADT to the trip generation rates for the various land use categories to determine the fee structure. Since the Ordinance requires that the fee for single family residential shall be fixed at \$1,000 per unit, it becomes necessary to determine what total facility cost, based on the average daily trip rates, would compute a single family residential fee of \$1,000. The corresponding fees for the remaining uses are then calculated by the ratio of trip generation rates.

The methodology and expected fee revenues are shown in Table V-2 below. This table depicts the assumptions for trip generation rates and pass-by credits, the calculation of total trips generated by existing and new development, the total facility cost that would generate a \$1,000 per unit fee for single family residential, and the corresponding fee levels for the remaining land uses.

DRAFT  
TABLE 2  
MARCH 2006  
SACRAMENTO TRANSPORTATION AUTHORITY  
FEE CALCULATION

**I. Existing ADT Calculation**

Land Use Category	Trip Generation Rate per Unit/per Non-Res. KSF [1]	Units	Pass-By-Credit	Net Trip Generation Rate per Unit/per Non-Res. KSF	Number of Units/ Non-Res. KSF	ADTs
Residential, Single Family	10	DU	-	10	622,210	6,222,102
Residential, Multi-Family	7	DU	-	7	278,132	1,946,923
Commercial, Retail	70	DU	24.50	46	122,001	5,551,036
Commercial, Office	12	DU	-	12	248,929	2,987,143
Industrial	8	KSF	-	8	984,015	7,872,119
<b>Total</b>						<b>24,579,323</b>

**II. Future ADT Calculation**

Land Use Category	Trip Generation Rate per Unit/per Non-Res. KSF [1]	Units	Pass-By-Credit	Net Trip Generation Rate per Unit/per Non-Res. KSF	Number of Units/ Non-Res. KSF	ADTs
Residential, Single Family	10	DU	-	10	336,131	3,361,311
Residential, Multi-Family	7	DU	-	7	119,488	836,413
Commercial, Retail	70	DU	24.50	46	71,248	3,241,784
Commercial, Office	12	DU	-	12	158,891	1,906,693
Industrial	8	KSF	-	8	419,702	3,357,618
<b>Total</b>						<b>12,703,819</b>

**III. Proposed Facilities Cost**

Facility Type	Total Facility Cost
Transportation Facilities	\$1,270,380,000
<b>Total</b>	<b>\$1,270,380,000</b>

**IV. Allocation of Facilities to New Development**

Facility Type	Total Number of ADTs	Cost Per ADT
Transportation Facilities	12,703,819	\$100.00
<b>Total Cost Per ADT</b>		<b>\$100.00</b>

**V. Developer Fees and Cost Financed by Fees per Unit or Per Non-Res. KSF**

Land Use Category	Trip Generation Rate per Unit/ per Non-Res. KSF	Fees per Unit/ per Non-Res. KSF	Number of Units/ Non-Res. KSF	Cost Financed by DIF
Residential, Single Family	10	\$1,000.00	336,131	\$336,130,579
Residential, Multi-Family	7	\$700.00	119,488	\$83,641,206
Commercial, Retail	45.5	\$4,549.99	71,248	\$324,177,920
Commercial, Office	12.0	\$1,200.00	158,891	\$190,669,024
Industrial	8	\$800.00	419,702	\$335,761,271
<b>Total Cost Allocated to New Development</b>				<b>\$1,270,380,000</b>
<b>Total Cost of Transportation Facilities</b>				<b>\$1,270,380,000</b>

[1] Institute of Transportation Engineers, *Trip Generation*, (Washington: Institute of Transportation Engineers, 2005)

The total revenue that can be generated from the proposed fee schedule is \$1,270,380,000.

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**VI. SUMMARY**

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The success of the county-wide DIF program depends on the timely adoption of the fees into local city DIF programs and implementation by 2009. To the extent that local projects are “front loaded” in the sense that facilities need to be constructed prior to 100% of the needed funds from DIF fees and Measure A Retail Tax revenues are collected, bond financing options are available. Cash flow and capitalized interest costs are identified in the Measure A Finance Plan.

The total revenue that can be generated by the DIF fee program, \$1,270,380,000 represents about 71% of the Measure A portion of the facility cost. New development generates 12,703,819 new ADT’s, or about 34% of the total ADT’s in 2039. While local agencies have independently determined that the new facilities identified in the needs list are required to mitigate the impacts of new development, and no funds will be used to correct existing deficiencies, and added element of safety in terms of meeting the requirements of AB1600 is the fact that new development is contributing 30% of the total program cost through the Measure A DIF, and when combined with local DIF fees contributes approximately 41% of the total program cost, while contributing 34% of the traffic volume in 2039.

TableV-3 below summarizes the proposed county-wide DIF fees:

Table V-3  
FEE SUMMARY

Residential (per unit)		Non - Residential (per 1,000 s.f.)	
Land Use Category	Fee	Land Use Category	Fee
Single Family	\$1,000	Commercial, Retail	\$4,550
Multi- Family	\$700	Commercial, Office	\$1,200
		Industrial	\$800