

CITY OF RIVERBANK

TRAFFIC IMPACT MITIGATION FEE PROGRAM UPDATE

FINAL

JULY 16, 2020



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Executive Summary

This report summarizes an analysis of the need for transportation facilities to support future development within the City of Riverbank as growth occurs. It is the City'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 traffic impact mitigation 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 City to expand its inventory of transportation facilities – and therefore maintain its facilities standards – as new development leads to service population increases.

The City imposes traffic impact mitigation fees Citywide 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.

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 City'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 City 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 City's roadway level of service standards at the time they were added to the City's impact fee 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 traffic impact mitigation fees based on the analysis contained in this report.

Table E.1: Transportation Facilities Impact Fee Schedule

Land Use	A	B	C = A x B		D = C / 1,000
	Cost Per Trip	Trip Demand Factor	Fee ¹	Fee per Sq. Ft.	
<i>Residential - per Dwelling Unit</i>					
Clustered Rural (RR)	\$ 4,265	1.01	\$ 4,308		
Lower Density (LDR)	4,265	0.85	3,625		
Medium Density (MDR)	4,265	0.75	3,199		
Higher Density (HDR and MU)	4,265	0.64	2,730		
<i>Nonresidential - per 1,000 Sq. Ft</i>					
Commercial (CC, MU)	\$ 4,265	1.06	\$ 4,521	\$	4.52
Regional Commercial (CC)	4,265	1.33	5,672		5.67
Office (MU)	4,265	1.62	6,909		6.91
Industrial/Business Park (I/BP)	4,265	1.01	4,308		4.31

¹ Fee per dwelling unit or per 1,000 square feet of nonresidential.

Sources: Tables 1 and 4.

1. Introduction

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

- Study Objectives;
- Riverbank’s Transportation Impact Mitigation Fee Program;
- Study Methodology;
- Fee Program Maintenance; and
- Organization of the Report.

Study Objectives

The primary policy objective of a traffic 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 City to expand its inventory of transportation facilities – and therefore maintain its facilities standards – as new development leads to increases in service demands.

The City imposes impact fees 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 City of Riverbank is forecast to experience substantial growth through the General Plan planning horizon. This growth will create an increase in demand for public services and the City facilities required to deliver them. Given the revenue challenges that are common to most cities and counties in California; the City 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 City’s traffic impact mitigation fee program is representative of the transportation facility needs resulting from new development.

Riverbank Traffic Mitigation Impact Fee Program

The City last updated its traffic impact mitigation fee program in 2013. The study conducted at that time made use of improvements identified in the Riverbank General Plan Environmental Impact Report (GP EIR) and the Downtown Riverbank Specific Plan EIR as the basis for an improvement list needed to mitigate the demand for traffic facilities caused by new development.

This update largely uses the same project list from the 2013 study. Projects which have been completed since that time have been removed from the project list. The remaining projects have been updated to reflect the latest project costs in 2020. Additional projects identified in the Crossroads West Specific Plan EIR as necessary to accommodate new development have also been included in this analysis.

Study Methodology

Traffic impact fees are calculated to fund the cost of 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 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 impact fee 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 traffic impact mitigation fee have all been designed to meet state and City 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 traffic impact mitigation fee 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 also appropriate when to use in this analysis because the specific planned facilities that benefit new development have been identified through traffic level of service analysis. Under this method new development funds the expansion of facilities needed to ensure that traffic operates at an acceptable level of service. **This method is used to calculate the traffic impact fees 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 construction cost indices, such as those published by the Engineering News Record, are necessary to accurately adjust the impact fees for inflation. 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 traffic 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 traffic impact mitigation fee in Riverbank, and the general approach;
- Chapter 2, Traffic Impact Mitigation Fee Analysis: Describes the technical analysis used to calculate the traffic impact mitigation fee 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. Traffic Impact Mitigation Fee Analysis

This chapter summarizes an analysis of the need for traffic facilities, including roadway and intersection improvements, to accommodate increased trip demand from new development. The chapter documents a reasonable relationship between new development and an impact fee for funding of these facilities.

Trip Demand

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

The two types of trip adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

These adjustments allow for a holistic quantification of trip demand that takes trip purpose and length into account for fee calculation purposes.

Table 1 shows the calculation of trip demand factors by land use category based on the adjustments described above. PM peak hour trip rates and trip length assumptions are consistent with the rates used in the City's 2013 *Traffic Impact Mitigation Fee Program Update*. The trip rates were developed by KD Anderson & Associates Transportation Engineers specifically for the City of Riverbank to reflect local trip generation characteristics, by land use.

The trip purpose assumptions in Table 1 are based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments (SANDAG). The SANDAG is used to supplement the City's PM peak hour trip rates and trip length assumptions, because the SANDAG surveys provide one of the most comprehensive databases available of pass-by trips factors for a wide range of land uses. It should be noted that the projections of current and future trip demand generation in this report are based on data specific to the City.

Table 1: Trip Rate Adjustment Factors

	Primary Trips ¹	Diverted Trips ¹	Total Excluding Pass-by ¹	Average Trip Length ²	Adjustment Factor ³	PM Peak Hour Trips ⁴	Trip Demand Factor ⁵
	A	B	C = A + B	D	E = C x D	F	G = E x F
<i>Residential - per Dwelling Unit</i>							
Clustered Rural (RR)	86%	11%	97%	5.0	1.01	1.00	1.01
Lower Density (LDR)	86%	11%	97%	5.0	1.01	0.84	0.85
Medium Density (MDR)	86%	11%	97%	5.0	1.01	0.74	0.75
Higher Density (HDR and MU)	86%	11%	97%	5.0	1.01	0.63	0.64
<i>Nonresidential - per Employee</i>							
Commercial	47%	31%	78%	1.8	0.29	1.89	0.55
Industrial	79%	19%	98%	5.1	1.04	0.42	0.44
<i>Nonresidential - per 1,000 Sq. Ft</i>							
Commercial (CC, MU)	47%	31%	78%	1.8	0.29	3.64	1.06
Regional Commercial (CC)	47%	31%	78%	3.0	0.49	2.72	1.33
Office (MU)	77%	19%	96%	5.1	1.02	1.59	1.62
Industrial/Business Park (I/BP)	79%	19%	98%	5.1	1.04	0.97	1.01

¹ Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip.

² In miles. Based on data from Riverbank's Traffic Impact Mitigation Fee Program Update, 2013.

³ The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 4.8 miles.

⁴ Trips per dwelling unit or per 1,000 building square feet. From Traffic Impact Mitigation Fee Program Update.

⁵ The trip demand factor is the product of the trip adjustment factor and the trip rate.

Sources: San Diego Association of Governments, Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, April 2002, City of Riverbank, Traffic Impact Mitigation Fee Program Update, 2013; Willdan Financial Services.

Growth in Trip Demand

Table 2 estimates trip demand in 2019 and 2025. The trip demand factors from Table 1 are multiplied by estimates of existing and future development to determine existing and future demand for traffic facilities. Base year dwelling units are identified by the California Department of Finance. Growth in dwelling units was identified in City's General Plan. Base year employees were identified using the US Census' Bureau's OnTheMap application. The projection of total employment in 2025 based on converting an increase of 1.3 million square feet of commercial space, and 2 million square feet of industrial space identified in the City's General Plan into an equivalent number of employees. This conversion assumes 2.34 employees per 1,000 square feet of commercial space, and 1.16 employee per 1,000 square feet of industrial space, derived from the most recent Institute of Traffic Engineers (ITE) Trip Generation Manual data.

Note that while the General Plan projects growth to the year 2025, the exact year that the City achieves the projections does not matter for the purposes of this impact fee analysis. Rather, it is the increment of growth that the facilities are identified to serve that matters. So long as the improvements and the demand from growth increment match then the analysis is reasonable.

Table 2: Land Use Scenario and Total Trips

Land Use	Trip Demand Factor	2019		2025		Growth 2019 to 2025	
		Units / Employees	Trip Demand	Units / Employees	Trip Demand	Units / Employees	Trip Demand
<i>Residential</i> ¹							
Single Family	0.85	6,506	5,530	15,162	12,888	8,656	7,358
Multifamily	0.64	836	535	1,602	1,025	766	490
Subtotal		7,342	6,065	16,764	13,913	9,422	7,848
<i>Nonresidential</i> ²							
Commercial	0.55	2,795	1,537	5,880	3,234	3,085	1,697
Industrial	0.44	789	347	3,105	1,366	2,316	1,019
Subtotal		3,584	1,884	8,985	4,600	5,401	2,716
Total Trip Demand			7,949		18,513		10,564

¹ Current dwelling unit estimate from California Department of Finance (DOF). Projection of total housing units from the City's General Plan.

² Current employment estimate from U.S. Census Bureau, OnTheMap Application. Projection of total employment based on converting an increase of 1.3 million square feet of commercial space, and 2 million square feet of industrial space identified in the City's General Plan into an equivalent amount of employees. Assumes 2.34 employees per 1,000 square feet of commercial space, and 1.16 employee per 1,000 square feet of industrial space, derived from ITE Trip Generation Manual data.

Sources: California Department of Finance, Table E-5, 2019; U.S. Census Bureau, OnTheMap Application, <http://onthemap.ces.census.gov>; City of Riverbank General Plan 2005 - 2025; ITE Trip Generation Manual, 10th Edition; Willdan Financial Services.

Cost Allocation to New Development

Table 3 displays the cost estimates and project cost allocation to new development for the projects included in this traffic impact mitigation fee. All projects expand or enhance roadway or intersection capacity to accommodate new development. Projects are allocated to new development if they are operating at an acceptable level of service at the time they entered the fee program, and if new development causes the level of service to drop to an unacceptable level of service. The Riverbank General Plan indicates that LOS "D" is the applicable minimum level of service demand standard.

The first group of projects listed under the "Existing fee program projects" heading is carried over from the City's existing traffic impact mitigation fee program. Projects that have been completed since the last impact fee study have been removed from this section, and the project cost estimates for the remaining projects have been reviewed and revised by Giuliani & Kull, Inc. Engineers. Except for project No. 1, the projects from the City's existing fee program are allocated 100% to new development because they operated at an acceptable level of service at the time they were first included in the impact fee program, and demand from new development will cause the level of service to fall to an unacceptable level unless the improvements are completed. While project No. 1 could also be completely allocated to new development, City staff advised that an adjustment to the cost allocation was reasonable.

Six new projects are included in the project list, three of which were completely allocated to new development based on the LOS analysis contained in the Traffic Impact Analysis for the Crossroads West Specific Plan.

Two segments (Oakdale Road from MID Canal to Crawford Road and Claribel to MID Canal) currently operate at an acceptable level of service. However, the project costs included here are for a transition traffic lane, turn lanes, curb, gutter, sidewalk, traffic signal upgrades, ADA accessibility, landscaping, irrigation and storm drainage for the segment, and pole relocation needed to build out the roadway to accommodate new retail development.

Another segment currently operates at an acceptable level of service (Claribel Road - MID Lateral #6 to Oakdale Road), and the level of service is not projected to decrease to an unacceptable level. This is because the County recently installed additional traffic lanes on Claribel Road to mitigate the demand from growth. However, the County did not complete the improvements. The project costs included here are for a transition traffic lane, turn lanes, curb, gutter, sidewalk, traffic signal upgrades, ADA accessibility, landscaping, irrigation and storm drainage for the segment, needed to build out the roadway to the City's typical design standards, and are allocated completely to new development.

The North South Collector from Claribel Road to MID Lateral is a completely new roadway section to link the commercial center to the residential development to the north and is completely allocated to new development.

Table 3 also displays four projects funded by other means. These projects are included for informational purposes only and are not allocated to new development through this impact fee. These projects are fully funded by other funding sources.

The project costs in Table 3 total \$59.6 million, of which \$46.8 million are allocated to new development through this impact fee.

Table 3: Traffic Projects and Cost Allocation to New Development

No.	Location	Improvement	Total Cost	Allocation To	
				New Development	Cost Allocated to New Development
<u>Existing Fee Program Projects</u>					
1	Callander Avenue (SR 108) / Santa Fe Street	Widen intersection to ultimate configuration and construct traffic signal	\$ 3,974,400	50%	\$ 1,987,200
2	Patterson Road / Roselle Avenue	Reconstruct intersection to ultimate configuration, construct traffic signal, widen BNSF railroad crossing	1,463,133	100%	1,463,133
3	Patterson Rd-Callander Avenue (SR 108)	Widen SR 108 to 4 lanes from Jackson Street to Waterfall	2,838,660	100%	2,838,660
14	SR 108	Widen to 4 lanes from McHenry Ave to Coffee Road	3,308,205	100%	3,308,205
15	SR 108	Widen to 4 lanes from Coffee Road to Oakdale Road	1,469,125	100%	1,469,125
16	SR 108	Widen to 4 lanes from Estelle Road to Jackson Street	650,000	100%	650,000
17	SR 108	Widen to 4 lanes from Santa Fe Street to 1st Street	1,819,875	100%	1,819,875
18	SR 108	Widen to 4 lanes from Claus Road to Snediger Road	2,041,768	100%	2,041,768
22	Claribel Road	Widen to 4 lanes from Squire Wells Way to Roselle Avenue	2,462,000	100%	2,462,000
27	Roselle Avenue	Build to ultimate configuration from Patterson Road to Claribel Road	1,421,789	100%	1,421,789
28	Claus Road	Widen to 4 lanes from SR 108 to Patterson Road	1,958,968	100%	1,958,968
29	Claus Road	Widen to 4 lanes from Townsend Street to Claribel Road	1,873,408	100%	1,873,408
30	SR 108 / Coffee Road	Construct Traffic Signal	879,175	100%	879,175
31	Retail Access / Claribel Road	Construct Traffic Signal	600,000	100%	600,000
33	Patterson Road / Terminal	Construct Traffic Signal	600,000	100%	600,000
34	Patterson Road / Snediger Road	Construct Traffic Signal	600,000	100%	600,000
36	Claus Road / Kentucky Avenue	Construct Traffic Signal	600,000	100%	600,000
38	Patterson Road & Snediger Road	RR Xing Improvements	600,000	100%	600,000
39	Patterson Road West of Terminal Ave	RR Xing Improvements	600,000	100%	600,000
41	Hetch Hetchy Trailway System	Trail System Improvements	784,760	100%	784,760
43	Oakdale Road	Morrill Road to Claribel Utility Underground	1,873,408	100%	1,873,408
Subtotal			\$32,418,674		\$ 30,431,474
<u>New Projects</u>					
	Coffee Road	Widen to 4 lanes - Claribel Road to Patterson Road	\$ 3,938,175	100%	\$ 3,938,175
	Oakdale Road	Widen to 4 lanes - MID Canal to Crawford Road ¹	2,609,636	100%	2,609,636
	Oakdale Road	Widen to 4 lanes - Claribel to MID Canal ¹	2,923,386	100%	2,923,386
	North South Collector	Widen to 2 lanes - Claribel Road to MID Lateral #6	2,294,595	100%	2,294,595
	Claribel Road	Widen to 4 lanes - MID Lateral #6 to Oakdale Road ²	3,392,874	100%	3,392,874
	Claribel Road	Intersection Improvements Claribel Road @ Oakdale Road	1,215,550	100%	1,215,550
Subtotal			\$16,374,216		\$ 16,374,216
<u>Projects Funded by Other Means</u>					
13	Santa Fe Street Extension	Pedestrian Crossing over BNSF Railroad Tracks	\$ 3,000,000	0%	\$ -
23	Claribel Road	Widen to 4 lanes from Roselle Avenue to Terminal Avenue	2,300,000	0%	-
24	Claribel Road	Widen to 4 lanes from Terminal Avenue to Claus Road	1,958,968	0%	-
40	Claribel Road	Roselle Avenue to Terminal Road Bridge Widening	3,500,000	0%	-
Subtotal			\$10,758,968		\$ -
Total			\$59,551,858		\$ 46,805,690

¹ These segments currently operate at an acceptable level of service however, the project costs included here are for a transition traffic lane, turn lanes, curb, gutter, sidewalk, traffic signal upgrades, ADA accessibility, landscaping, irrigation and storm drainage for the segment, and pole relocation needed to build out the roadway to accommodate new retail development.

² This segment currently operates at an acceptable level of service because the County recently installed additional traffic lanes on Claribel Road to mitigate the demand from growth. The County did not complete the improvements. The project costs included here are for a transition traffic lane, turn lanes, curb, gutter, sidewalk, traffic signal upgrades, ADA accessibility, landscaping, irrigation and storm drainage for the segment, needed to build out the roadway to the City's typical design standards.

Sources: Final Fee Study, 2015, City of Riverbank; Traffic Impact Analysis For Crossroads West Specific Plan EIR, 2017; Table 2, Willdan Financial Services.

Cost per Trip

Every impact fee consists of the cost of projects that can be funded by a fee, divided by a measure of demand. In this case, all fees are first calculated as a cost per trip demand unit. Then these amounts are translated into housing unit (fee per dwelling unit) and nonresidential building space (fee per 1,000 building square feet) by multiplying the cost per trip by the trip demand factor for each land use category. These amounts become the fee schedule.

Table 4 calculates the cost per trip demand unit by dividing the total project costs attributable to new development summarized in **Table 3**, by the total growth in trips calculated in **Table 2**. Note that the existing traffic impact mitigation fee fund balance is netted out of the total cost of improvements prior to calculating the cost per trip.

Table 4: Cost per Trip to Accommodate Growth

Costs Allocated to New Development	\$ 46,805,690
Less Existing Fund Balance	<u>1,746,977</u>
Net Costs Allocated to New Development	\$ 45,058,713
Growth in Daily Trips	<u>10,564</u>
Cost per Trip	\$ 4,265

Sources: Tables 2 and 3.

Maximum Justified Impact Fee Schedule

Table 5 presents the maximum justified traffic impact mitigation fee schedule. The cost per trip is multiplied by the trip demand factor for each land use to determine the fee per dwelling unit or per 1,000 square feet of nonresidential building space.

Table 5: Transportation Facilities Impact Fee Schedule

Land Use	A	B	C = A x B		D = C / 1,000
	Cost Per Trip	Trip Demand Factor	Fee ¹		Fee per Sq. Ft.
<i>Residential - per Dwelling Unit</i>					
Clustered Rural (RR)	\$ 4,265	1.01	\$ 4,308		
Lower Density (LDR)	4,265	0.85	3,625		
Medium Density (MDR)	4,265	0.75	3,199		
Higher Density (HDR and MU)	4,265	0.64	2,730		
<i>Nonresidential - per 1,000 Sq. Ft</i>					
Commercial (CC, MU)	\$ 4,265	1.06	\$ 4,521	\$	4.52
Regional Commercial (CC)	4,265	1.33	5,672		5.67
Office (MU)	4,265	1.62	6,909		6.91
Industrial/Business Park (I/BP)	4,265	1.01	4,308		4.31

¹ Fee per dwelling unit or per 1,000 square feet of nonresidential.

Sources: Tables 1 and 4.

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 City'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 City should keep 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. We recommend that the fees be adjusted for inflation annually.

There are no inflation indices that are specific to the City of Riverbank. We recommend that the Engineering News Record's Construction Cost Index be used for adjusting fees for inflation.

While fee updates using inflation indices are appropriate for annual updates to ensure that fee revenues keep up with increases in the costs of infrastructure, the City 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 traffic impact mitigation fee 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 Construction Cost Index (CCI).
2. Modify the cost each planned facility (the cost allocated to the traffic impact mitigation fee in Table 3) by the percent change identified in Step 1.
3. Divide the total cost of projects allocated to the fee calculated in Step 2, by the growth in trips identified in Table 2 to determine the updated cost per trip.
4. Multiply the cost per trip calculated in Step 3 by the trip demand factors identified in Table 1 to determine the fee for each land use.

Reporting Requirements

The City 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 City maintains a five-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 City may decide to alter the scope of the planned projects or to substitute new projects if those new projects continue to represent an expansion of the City's facilities needed to mitigate demand from new development. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

4. Mitigation Fee Act Findings

Public facilities impact 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 traffic impact mitigation 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 City's General Plan Policy LAND 5.1 states, "The City will maintain public services and facilities in the existing developed City and make improvements as necessary to maintain a consistent Citywide level of service." The purpose of the fees documented in this report is to implement this policy by providing a funding source from new development for to fund the traffic facilities necessary to maintain the City's existing level of service as new development adds traffic to the City's roadways.

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 City, would be used to fund expanded traffic facilities to serve new development. Facilities funded by these fees are designated to be located within the City.

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 City 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 Citywide 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 traffic impact mitigation 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 of “LOS D” on the City’s roadways.

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 and the corresponding increase in the number of vehicle trips. Larger new development projects result in higher trip generation 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 Demand* section in Chapter 2 for a description of how trip demand factors are determined for different types of land uses. See the *Maximum Justified Fee Schedule* section the same chapter for a presentation of the fees.