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File: 460.15 023

NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: April 12, 2016
TO: Board of Supervisors
FROM: Joshua H. Pack, Principal Civil Engineer
SUBJECT: **Local Traffic Mitigation Fee Program Update**

RECOMMENDATION: Discuss the Local Traffic Mitigation Fee Program Update.

FUNDING: Not applicable.

BACKGROUND:

The first official traffic fee program in the County was initiated in 1979 to “mitigate cumulative environmental impact on county roads.” It arose out of the need to mitigate cumulative impacts under the requirements of the California Environmental Quality Act (CEQA).

As use of impact fees or development fees has evolved in the State, the County has made periodic changes and updates to reflect this evolution. Subsequent to the adoption of the current Nevada County General Plan and Circulation Element in 1995, the County updated the County’s Traffic Impact Mitigation Program (TIMP) in 1997.

The Western Nevada County regional transportation mitigation fee (RTMF) program was established in 2001 through a partnership of Nevada County, Nevada City, City of Grass Valley, and the Nevada County Transportation Commission (NCTC). The RTMF program has since collected development impact fees to help fund construction of the regional system of roads, streets, and highways needed to accommodate growth in western Nevada County. The County also adopted a concurrent Local Traffic Mitigation Fee (LTMF) program to mitigate development impacts on local County roads. The RTMF and LTMF programs were most recently updated by both NCTC and the County in 2008.

CHANGE IN DEMOGRAPHICS

Since the last RTMF and LTMF program updates in 2008, changes in demographic and economic assumptions have necessitated the review and update of the programs to reaffirm the nexus between projected development and needed transportation system improvements. Demographic and economic changes have also created the need to update the City of Grass Valley Transportation Impact Fee.

On February 24, 2015 the Board adopted Resolution 15-082, approving a contract with Parsons Brinckerhoff for an update to the County's LTMF. Similar contracts were approved by both NCTC and Grass Valley that allowed continuity and consistency between the development and execution of each program. This contract was amended on October 27, 2015 by Resolution 15-493 to extend the contract expiration from December 31, 2015 to June 30, 2016.

WESTERN NEVADA COUNTY

The previous LTMF was completed in 2008 and included land use assumptions and growth projections that were valid prior to the Great Recession. The program developed at that time included 5 road improvement projects in western Nevada County that mitigate previously projected future traffic. With significant reductions in anticipated future growth following the Great Recession, four of the previous five projects are no longer needed and have been eliminated from the proposed program. The remaining project – Combie Road widening improvements from Highway 49 to Magnolia Road – continues to remain in the proposed LTMF program and is necessary to mitigate future development in the area.

In addition to the Combie Road widening project, the proposed LTMF program also includes the signalization of the Combie Road / Higgins Road intersection. The small amount of future growth anticipated throughout the remaining portions of western Nevada County can be accommodated by the existing county roadway system.

The nexus between development in other portions of western Nevada County and Combie Road improvement is tenuous. However, there is a clear nexus between future development in South County (District 2) and the need for Combie Road improvements. Given these circumstances, staff recommends that the LTMF be limited to development occurring in District 2. Remaining Districts in western Nevada County would no longer be charged the LTMF since there are no projects in these Districts.

The previous LTMF program also proposed road safety projects on 191 road segments with existing substandard land and/or shoulder widths. These projects are on roads with existing deficiencies, so new development can only be charged for their pro rata share of impacts. Since growth forecasts show only 5% of future traffic attributable to new development, the County would be required to fund the remaining 95% of the project costs. In the absence of a realistic funding source to deliver these projects, staff recommends removing these projects from the LTMF.

EASTERN NEVADA COUNTY

On January 13, 2004 the Board adopted Resolution 04-25, approving an agreement between the Town of Truckee and County of Nevada regarding the collection of Traffic Impact Fees in the unincorporated portion of eastern Nevada County. Since that time the County has passed fees collected for development in this area to Truckee.

There are currently a number of parcels in eastern Nevada County that are within the Town's Sphere of Influence or Area of Concern and would directly impact Truckee if they were to develop. Since development on these parcels would directly impact Truckee, the County and Truckee staff agree that these parcels should mitigate their fair share of impacts on Truckee's transportation network and have been included in Truckee's Traffic Impact Fee (TIF) program.

By including these parcels in the TIF, it establishes a clear and legally defensible nexus for the assessment of fees on these parcels. It also allows these parcels to successfully mitigate their impacts without the need for additional analysis or separate mitigation efforts.

Truckee has also included road widening improvements on county portions of Glenshire Drive and Hirschdale Road as part of their most recent TIF program. While these roads are county maintained roads,

they predominantly serve local Truckee residents and businesses. The Town has established a nexus in their fee update to include this project in the TIF program and to utilize Truckee TIF fees for future widening and improvements on these roads.

Since there are no other necessary future improvement projects in unincorporated eastern Nevada County, all remaining eastern Nevada County parcels would not be charged a traffic impact fee.

The County and Town would need to amend the previous agreement to memorialize this approach. It is anticipated that this action will take place concurrently with the LTMTF adoption.

Summary of LTMTF Fees

Table 1 summarizes the proposed residential and non-residential LTMTF fees in each District based on a ‘fee per trip generated’ basis. For parcels located in District 2, the proposed residential fee of \$101.65 per new daily trip generated would represent a 38% decrease from the previous residential fee. The proposed non-residential fee in District 2 of \$28.65 per new daily trip generated would represent a 28% decrease from the previous non-residential fee. District 5 parcels included in the Truckee TIF program would be charged fees in accordance with the Town’s nexus study and currently adopted fee program. All remaining parcels in eastern Nevada County and all parcels in Districts 1, 3, and 4 would not be assessed an LTMTF fee since future development in these areas does not trigger the need for future local road improvements or other mitigations. These parcels would still be subject to NCTC’s RTMTF fees (see below).

TABLE 1 – PROPOSED LTMTF TRAFFIC FEES

Proposed LTMTF Traffic Impact Fees							
	Fees 2008-2015		Proposed Fees		Percent Change		
District	Residential	Non Residential	Residential	Non Residential	Residential	Non Residential	Fee
District 1	\$ 163	\$ 40	\$ -	\$ -	n/a	n/a	per daily trip
District 2	\$ 163	\$ 40	\$ 101.65	\$ 28.65	-38%	-28%	per daily trip
District 3	\$ 163	\$ 40	\$ -	\$ -	n/a	n/a	per daily trip
District 4	\$ 163	\$ 40	\$ -	\$ -	n/a	n/a	per daily trip
District 5	\$ 1,357.00	\$ 1,357.00	\$0*	\$0*	n/a	n/a	per peak hour trip
* No proposed fee for most properties in District 5. Individual parcels adjacent to Town of Truckee limits will be incorporated into the Town's fee program, and the County will amend the existing agreement with the Town of Truckee to reflect these changes. The Town's Fee Program will provide the necessary nexus to collect charges for parcels included in the fee program. (Resolution 04-025)							

Summary of RTMTF and LTMTF Fees

When the County charges development a traffic impact fee, the total fee paid by development is a combination of RTMTF (regional traffic impact) and LTMTF (local traffic impact) fees. The RTMTF fees collected by the County are utilized for regional project like the Dorsey Drive Interchange, Highway 49 Improvements, and McKnight Way Interchange Improvements. The remaining LTMTF fees are utilized for local projects like the Combie Road improvements.

Table 2 summarizes the proposed residential and non-residential combined RTMTF and LTMTF fees in each District based on a ‘fee per trip generated’ basis. For parcels located in District 2, the proposed combined residential fee of \$600.65 per new daily trip generated would represent a 0.2% decrease from the previous residential fee. The proposed combined non-residential fee in District 2 of \$95.65 per new daily trip

generated would represent a 36% decrease from the previous non-residential fee. For parcels located in Districts 1, 3, or 4, the proposed combined residential fee of \$499 per new daily trip generated would represent a 17% decrease from the previous residential fee. The proposed combined non-residential fee in Districts 1, 3, or 4 of \$95.65 per new daily trip generated would represent a 55% decrease from the previous non-residential fee.

RTMF fees are not applicable to District 5 parcels since the RTMF only applies to regional projects in western Nevada County.

TABLE 2 – PROPOSED RTMF AND LTMF TRAFFIC FEES

Proposed RTMF and LTMF Traffic Impact Fees							
	Fees 2008-2015		Proposed Fees		Percent Change		
District	Residential	Non Residential	Residential	Non Residential	Residential	Non Residential	Fee
District 1	\$ 602	\$ 150	\$ 499.00	\$ 67.00	-17%	-55%	per daily trip
District 2	\$ 602	\$ 150	\$ 600.65	\$ 95.65	-0.2%	-36%	per daily trip
District 3	\$ 602	\$ 150	\$ 499.00	\$ 67.00	-17%	-55%	per daily trip
District 4	\$ 602	\$ 150	\$ 499.00	\$ 67.00	-17%	-55%	per daily trip
District 5	\$ 1,357.00	\$ 1,357.00	\$ -	\$ -	n/a	n/a	per peak hour trip
Proposed RTMF per trip fee is \$499 per daily trip for residential, \$67 per daily trip for non residential							
Previous RTMF per trip fee is \$439 per daily trip for residential, \$110 per daily trip for non residential							

Next Steps

No action is required at this time for this item. In addition to feedback from the Board and the public, staff plans to continue engaging public stakeholders over the next month. Once this process is completed, staff will bring an updated LTMF program and amended agreement with the Town of Truckee to the Board for final approval and adoption in late spring 2016.

Item Initiated by: Joshua H. Pack, Principal Civil Engineer

Approved by: Steve Castleberry, Director of Public Works

Submittal Date: March 24, 2016