

Regional Transportation Impact Fee Study

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prepared by

Merced County Association of Governments

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Introduction

Overview

The Merced County Association of Governments (MCAG), with the assistance of its member jurisdictions and participation from a stakeholders committee, has developed a comprehensive plan for improvements that will be required on the regional road network through the year 2030. The objective is to ensure that adequate transportation facilities will be available to meet the projected needs of Merced County as it grows, and that the facilities planned are consistent with the Regional Transportation Plan. This study proposes a Regional Transportation Impact Fee (RTIF) that would be assessed on new development throughout the county. The RTIF does not exist in a vacuum, however: a variety of financing mechanisms will be needed to generate the funds to accomplish the required improvements. It is projected that in twenty-five years, the RTIF would collect \$206 million of the \$972 million necessary to construct thirteen improvement projects.

Origination

MCAG previously developed the long-range *Regional Transportation Plan for Merced County* (MCAG, 2004) and updated the RTP in 2007. The RTP identified highway and arterial improvements that would be necessary to maintain traffic at an acceptable level of service on the regional road system in Merced County, given projected growth. In addition to identifying improvement projects, the RTP also recommended a strategy for funding them. One of the main goals of the RTP is to develop a regional fee for regional projects. To date, impact fees for highways, streets and roads have been established only by individual jurisdictions. Those fee programs do not account for growth's impacts on the greater network of roadways that serve multi-jurisdictional needs.

Process

MCAG has prepared a process that will lead to the development of a fee program and ordinances to be reviewed and considered for adoption by all seven participating jurisdictions, including the City of Atwater, the City of Dos Palos, the City of Gustine, the City of Livingston, the City of Los Banos, the City of Merced, and Merced County. Emphasis will be placed on developing a fee ordinance that meets the requirements of State law and that is fair and equitable.

To oversee the development of the RTIF, MCAG appointed a Technical Advisory Committee – composed of planning staff from all seven jurisdictions – and formed a Stakeholder Committee – composed of various important interests, including the Building Industry Association, Agriculture, the Chamber of Commerce, Economic Development, Realtors, private citizens, and planning staff. Also closely involved in the development of this Study were MCAG's regular committees: the Citizens Advisory Committee, the Technical Planning Committee, the Technical Review Board, and the Governing Board. All of these committees were closely involved in each step of the process, and recommended each major element of the program for approval by the Governing Board.

The Impact Fee Concept

The premise supporting the development of the RTIF is that all growth occurring in the seven jurisdictions within Merced County has significant, and currently unmitigated, impact on the regional road network. While three of the seven jurisdictions have fee programs in place, few fees are collected to help pay for growth's impacts on regionally significant roads.

State Law provides for the establishment of impact fee programs when the following conditions exist:

- New development creates the need for improvements.
- A rational connection (or nexus) exists between a development project and the need for additional facilities.
- The development will benefit from the improvements it is funding.
- The new improvements can be translated into a cost per unit of new development.
- The total of new revenue generated by all fees does not exceed 100% of the cost of the projects.
- The collected funds are segregated from general revenues and earmarked to pay for specific improvements, within a reasonable time frame, and directly and primarily benefit users of the property on which the fees are imposed.

State Law Governing Impact Fees

- California Government Code 66000 et seq., the "Mitigation Fee Act", guides the development and implementation of impact fees. The law requires any impact fee ordinance to:
 - Identify the purpose of the fee.
 - Identify the use for the fee and the specific facilities to be built.
 - Determine a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
 - Determine a reasonable relationship between the need for the facility and the development project.
 - Determine a reasonable relationship between the amount of the fee and the cost of the facility to be built.
- Deposit, invest, account for, and expend the fees according to Section 66006 of the Government Code.
- Make an annual accounting of the fees collected.
- Every five years make findings respecting unspent funds, including a reasonable relationship between the fee and the purpose for which it was charged.
- Refund to the current record owner of the development project any unexpended or uncommitted funds plus interest for which a need cannot be demonstrated.

Specific Findings

Traffic modeling has established that growth to the year 2030 will affect the entire regional transportation system and therefore that the area of impact for future development is most appropriately all of Merced County. The following findings are made as supported by the *Regional Transportation Plan*:

- Population within Merced County is expected to grow by approximately 98% and employment will grow by approximately 82% by the year 2030.
- The RTP modeled and evaluated the effect of projected growth to the year 2030 on the regional road network and found that without improvement, the transportation system would suffer severe congestion.
- Further, the RTP showed that the recommended transportation improvements would accommodate the traffic anticipated in the year 2030 at the desired level of service.
- Existing and future sources of public revenues are insufficient to fund all the needed transportation improvements.
- The revenues generated by the RTIF will provide additional funds necessary to construct the transportation improvements. These improvements will help provide additional capacity needed in the year 2030 to accommodate the traffic generated by the new growth.
- The RTIF is a fair and equitable method of distributing the cost of transportation improvements among the developments that will generate the increased traffic.

Fee Development Process

Nine steps were followed in developing the RTIF, as described in the following sections:

1. Evaluate institutional options
2. Define the regional road network
3. Identify segment failures on the road network
4. Prepare a list of improvement projects and their costs
5. Establish a Capital Improvements Program
6. Calculate the fee
7. Describe the nexus between development, the fee, and the projects
8. Set administration and review procedures
9. Specify the approval process

1. Institutional Options

The first task was to establish whether a single ordinance would be adopted by MCAG through an amendment to the Joint Powers Agreement, or whether each of the seven jurisdictions would make individual adoptions. Consultation with legal counsel suggested that the latter would be the case, as certain actions cannot be delegated to MCAG. However, MCAG will assist each jurisdiction in preparing their ordinance or resolution. A sample ordinance is included in the Appendices. Although ordinances or resolutions must be adopted individually, administration of

the program can be delegated. The MCAG Governing Board and the six members cities and the County have approved a JPA amendment that permits MCAG to:

Administer a Regional Transportation Impact Fee program adopted by appropriate agency action by member agencies.

2. The Regional Road Network

The regional road system is a fundamental component of transportation in Merced County. It provides a basic network for the movement of people and goods in the region. Regional roadways are used by nearly all travel modes including automobiles, ridesharing (carpools and vanpools), transit buses, bicycles, and ,local and interregional trucks.

The fee will be applied to a limited number of projects on regionally significant roadways, which are generally freeways, highways, and arterials connecting two or more jurisdictions. This Regional System is taken from the *2007 Regional Transportation Plan*.

Facilities on Regional System

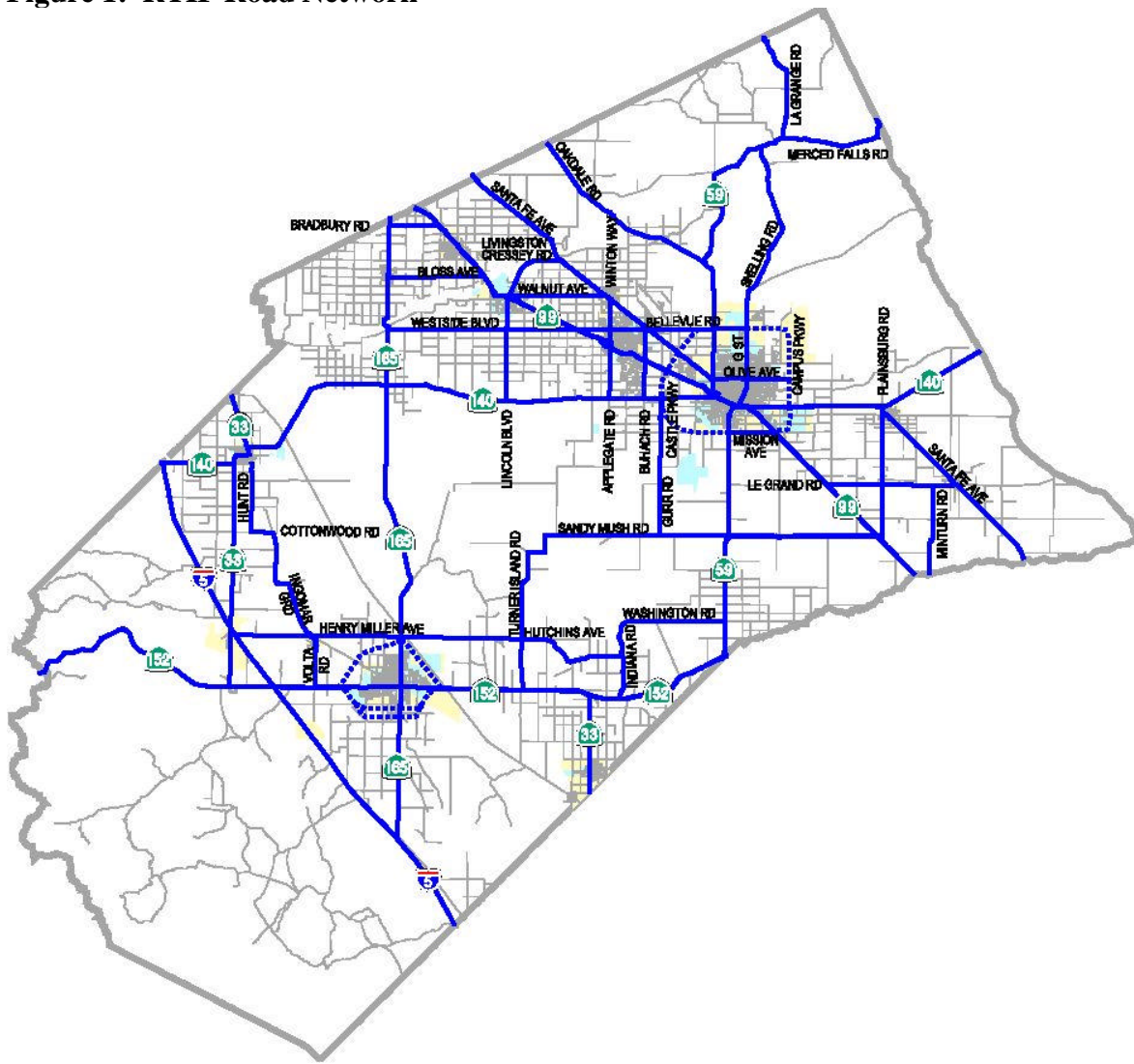
The following facilities constitute the RTIF road network:

- State Highways: the portions of Interstate 5 and State Routes 33, 59, 99, 140, 152, 165 that lie within Merced County, including any future realignments and bypasses
- Bradbury Rd. from Hwy. 165 to Hwy. 99
- Bloss Ave. from Hwy. 165 to Hwy. 99
- Westside Blvd. from Hwy. 165 to Hwy 99
- Lincoln Blvd. from Hwy. 140 to Peach Ave. in Livingston
- Main St. in Livingston from Peach Ave. to Hwy. 99
- Livingston-Cressy Rd. from Hwy. 99 to Santa Fe Ave.
- Olive Ave. from Livingston-Cressey Rd. in Livingston to Santa Fe Ave. in Winton
- Santa Fe Ave. from the Stanislaus County line to Hwy. 59 / Olive Ave. in Merced
- Santa Fe Ave. from Plainsburg Rd. in Planada to the Madera County line
- Applegate Rd. from Hwy. 140 to Hwy. 99 in Atwater
- Winton Way from Hwy. 99 in Atwater to Santa Fe Ave. in Winton
- Buhach Rd. from Hwy. 140 to Santa Fe Ave.
- Bellevue Rd. from Hwy. 99 to Lake Rd. or the Campus Parkway, including gaps
- Olive Ave. in Merced from Hwy. 59 to Campus Parkway
- G St. in Merced from Hwy. 99 to Bellevue Rd.
- Mission Ave. from Hwy. 59 to Campus Parkway
- Plainsburg Rd. from Hwy. 99 to Hwy. 140
- Sandy Mush Rd. from Hwy. 59 to Hwy. 99
- Henry Miller Avenue-east from Interstate 5 in Santa Nella, across State Route 165 to Turner Island Road.
- Los Banos to Gustine Route-along Volta Road, Ingomar Grade, Cottonwood Road and Hunt Road to Gustine.

- Sandy Mush Road/Turner Island Road-west from State Route 99, across State Route 59 to Turner Island Road and south to State Route 152.
- Washington Road-from Indiana Avenue to Highway 59.
- Hutchins Road-from Carlucci Road to Indiana Avenue.
- Indiana Avenue-from Highway 152 to Washington Road.
- Walnut Avenue-in the County, from Livingston to Santa Fe Drive.
- Le Grand Road-in the County, from Hwy 99 to Santa Fe Avenue.
- Minturn Road-in the County, from Le Grand Road to the Madera County line.
- Oakdale Road-in the County, from Highway 59 to the Stanislaus County line.
- La Grange Road-in the County, from Highway 59's termination in Snelling to the Stanislaus County line.
- Merced Falls Road-in the County, from Highway 59's termination in Snelling to the Mariposa County line.
- The future Campus Parkway-from Highway 99 to end of route at Yosemite Avenue or UC Merced County.
- Gurr Road-from State Route 140 near the McSwain area to Sandy Mush Road.

The RTIF road network is shown in Figure 1.

Figure 1: RTIF Road Network



3. Existing and Future Deficiencies

The Regional Road Network was analyzed to detect existing and future deficiencies on it – traffic congestion – using advanced computer software known as a traffic model. A deficiency is an unacceptable level of congestion – a segment of the proposed road network that operates below a “Level of Service” standard.

Level of Service

MCAG defines deficiencies in the regional road network in terms of Level of Service (LOS). This is a concept used for expressing the traffic flow conditions of a road segment in relation to the capacity of the roadway. LOS describes in a general way what the traffic conditions are, in terms of speed and travel time, volume and capacity, traffic interruptions, and safety. Level of Service for a road may range from “A” to “F”, as defined and described fully in the Highway Capacity Manual, 6th edition. The six LOS grades are:

- “A” Free Flow. Speed and maneuverability is excellent.
- “B” Stable flow. Presence of others begins to be noticeable. Speed and maneuverability is relatively unaffected. Comfort and convenience are still high.
- “C” Stable flow. Speed and maneuverability are affected by the presence of others. Comfort and convenience begins to decline.
- “D” High-density, but stable, flow. Speed and freedom to maneuver are restricted, driver frustration begins to rise, comfort and convenience are fair. Small increases in traffic flow will generally cause operational problems at this level.
- “E” At or near capacity. Speeds are reduced to a low, but relatively uniform value. Maneuvering is difficult, comfort and convenience are poor, and driver frustration is high. Small increases in flow or minor perturbations within the traffic stream will cause breakdowns.
- “F” Forced or breakdown flow. “Stop and go”. Traffic approaching a point exceeds the amount which can traverse the point. Queues form. Operations within the queue are characterized by stop-and-go waves, and they are extremely unstable.

The standard used for this Study is the same as that used in the *Regional Transportation Plan*: LOS “A” through “D” are considered satisfactory, while LOS “E” and “F” are considered unacceptable. Any segment of the regional network that is worse than LOS D is a deficiency in the transportation system.

Traffic Model

LOS is calculated by comparing the capacity of a roadway, in terms of vehicles per day, to existing vehicle counts or to a forecast of expected future traffic in a given year. Applying a sophisticated computer simulation, in this case the MCAG regional traffic model, generates this forecast. The traffic model is based on current and projected population and employment densities, land use, current and future road network configuration, and average travel tendencies and characteristics.

Existing Deficiencies

There is currently only one deficient segment on the regional network:

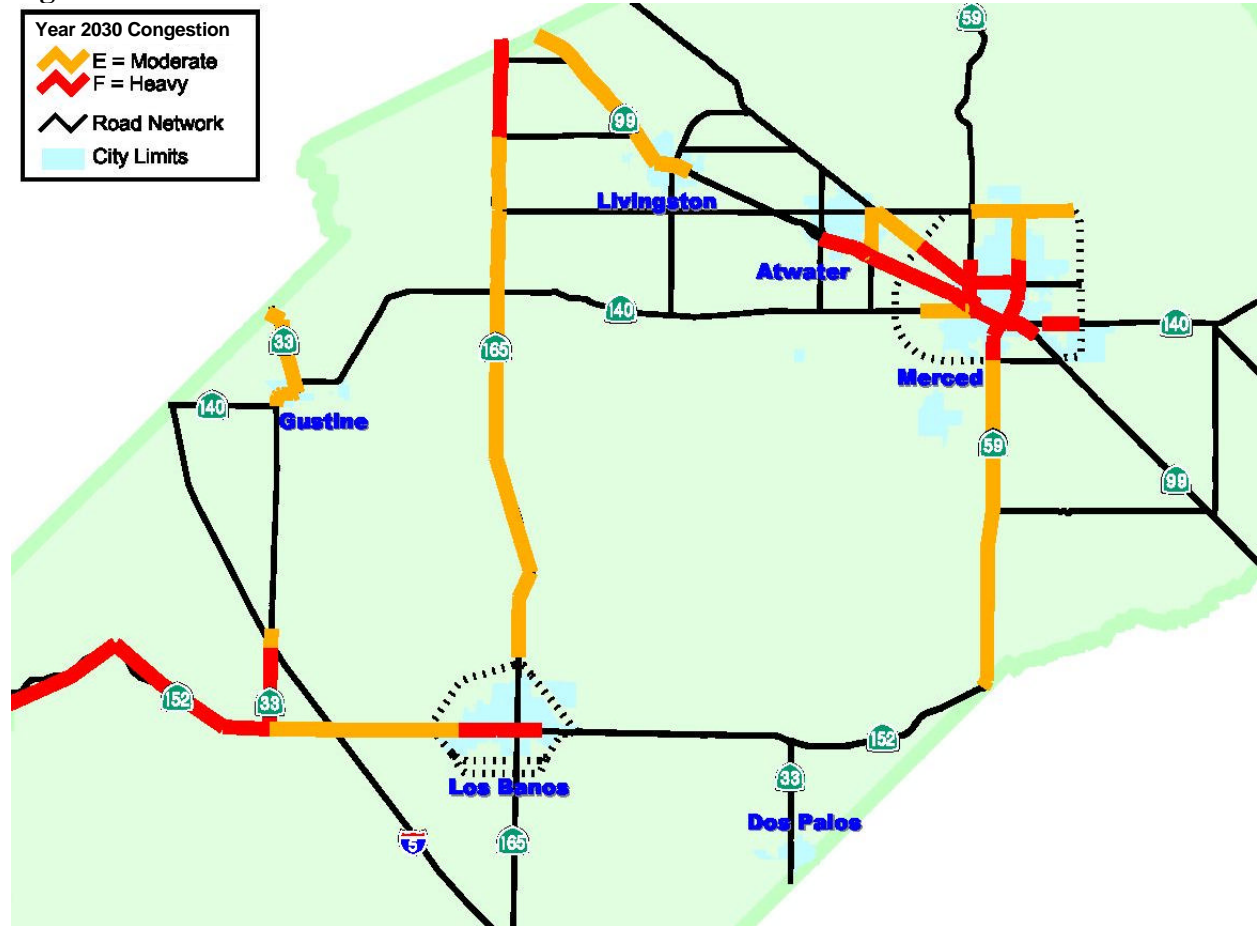
- Highway 59 from 16th St. to Olive Ave. / Santa Fe Drive

The Mitigation Fee Act precludes a fee program from requiring new growth to pay for existing deficiencies, so this segment was not considered during the development of the Capital Improvements Plan (described later). Other funding sources will be used to correct this deficiency.

Future Deficiencies

A forecast was prepared for traffic conditions in the year 2030. These deficiencies are the basis for projects in the capital improvement program. A map of the future deficiencies on the RTIF Road Network can be seen in Figure 2.

Figure 2: Future Deficiencies



4. Improvement Projects

Candidate Projects

The *Regional Transportation Plan* provides a list of transportation projects that will correct the future deficiencies on the road network. From that project list, a preliminary RTIF project list was formed. Each project was evaluated to identify possible funding sources, timing, and phasing. Cost estimates were developed by the jurisdiction that would be responsible for the construction of the project. Discussions with member jurisdictions that have impact fee programs determined which improvement projects the individual jurisdiction will keep in their impact fee program or address through some other funding mechanism, and which projects should be in the RTIF program. Criteria were developed to determine which projects should not be included.

Criteria for removing projects from the RTIF

- The project is accounted for in a local fee program.
- The project is driven primarily by new growth in one jurisdiction.
- The project is not expected to be deficient within the time frame of the Fee Program.
- The project scope has been reduced.
- The project is more likely to be competitive for State funds such as the Interregional Improvement Program (IIP).

Project List

Through discussions with the jurisdictions and committees, a recommended set of projects was derived:

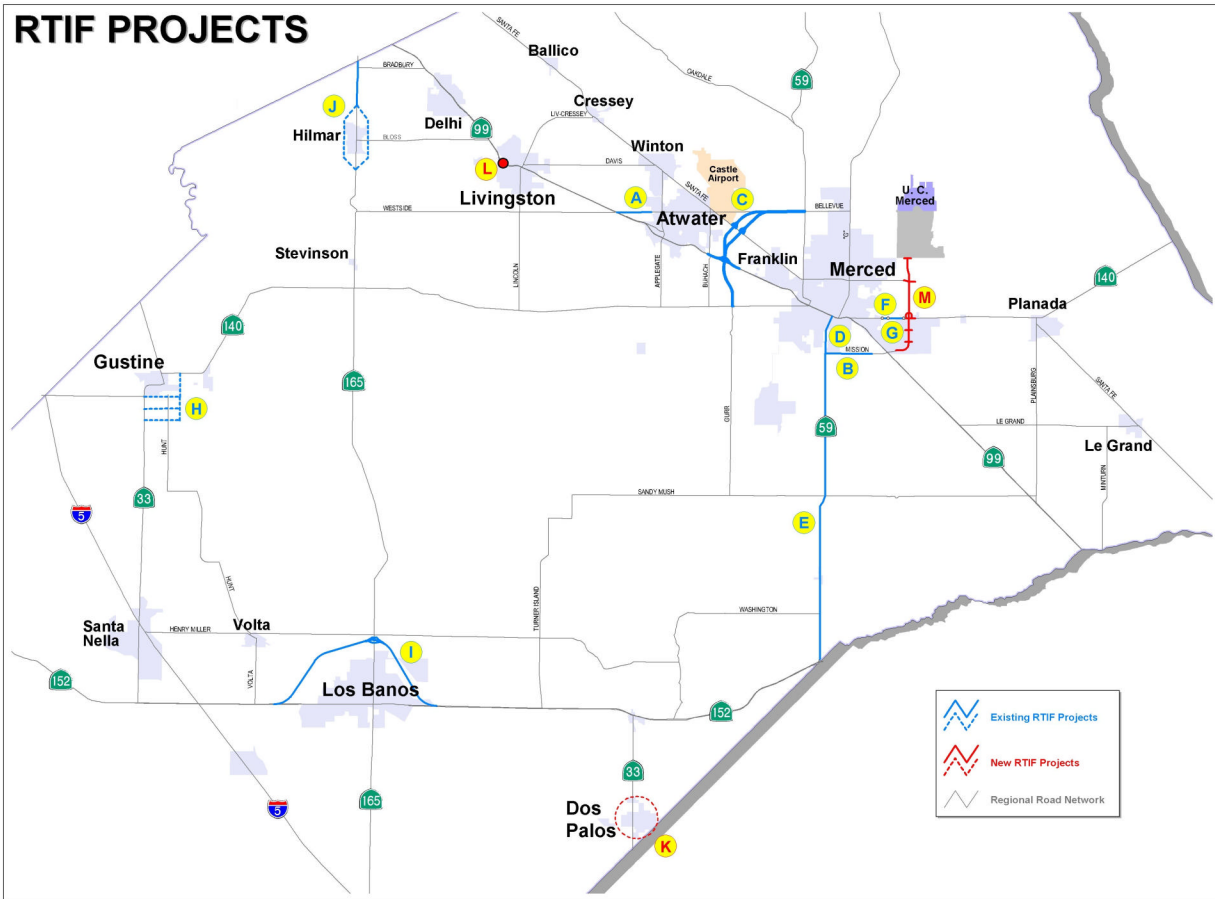
- Bellevue Rd - connection to 99 - from new interchange to Atwater
- Mission Ave. - improvement - from 59 to 99 (not adding lanes)
- SR 59 "Merced-Atwater Highway" - re-align - from 99 to Bellevue with new 99 Interchange
- SR 59 - widen to 4 lanes - from Mission Ave. to Childs Ave.
- SR 59 - widen to 4 lanes - from 152 to Mission Ave.
- SR 140 "Bradley Overhead" - widen to 4/5 lanes - from Parsons to Santa Fe Ave.
- SR 140 - widen to 4/5 lanes - from Santa Fe Ave. to Campus Parkway
- SR 140/33 "Gustine Truck Route" - bypass Gustine
- SR 152 "Los Banos Bypass"
- SR 165 - widen to 4/5 lanes - from Hilmar to Stanislaus County or alternate project to reduce traffic on SR 165 through Hilmar

In 2008, three projects were added to the RTIF Program:

- Campus Parkway from SR 99 to Yosemite Ave.
- Dos Palos road improvements
- Winton Parkway interchange improvements and widening (in Livingston)

These projects are shown in Figure 3.

Figure 3: RTIF Projects



5. Capital Improvements Program

A Capital Improvements Program (CIP) was developed. This is a table showing each RTIF project, its total cost, and all sources of funds available to pay for the project, specifically showing the amount for each project to be funded through the RTIF. New development is not wholly responsible for future deficiencies. There is a level of existing traffic which, when combined with new growth-related traffic, results in a deficiency. Therefore, the fee would only partially offset the total cost of new construction, and new development would pay for only a portion of the costs of the additions to the regional system. In most cases, additional public funds would be needed.

Table 1 shows the funding available for each project by fund source.

Table 1: Capital Improvements Program

| Project | Total Cost | RTIF | State | RIP | Other |
|--|-------------------|---------------|--------------|---------------|---------------|
| Bellevue – connect to 99 | 5.00 | 2.15 | | 2.85 | |
| Mission – 59 to 99 | 8.40 | 1.70 | | | 6.70 |
| Hwy 59 north realignment | 214 | 60.00 | 50 | 70 | 34 |
| Hwy 59 – Mission to Childs | 5.00 | 5.00 | | | |
| Hwy 59 – 152 to Mission | 50.00 | 3.00 | | 20.00 | 27.00 |
| Hwy 140 – Bradley Overhead | 48 | 9.50 | | 12.5 | 26 |
| Hwy 140 – to Campus Parkway | 13.50 | 5.25 | | 7.75 | 0.50 |
| Hwy 140/33 Gustine Truck Route | 5.00 | 3.05 | | | 1.95 |
| Hwy 152 – Los Banos Bypass | 497 | 50.00 | 369 | 73 | |
| Hwy 165 – north of Hilmar | 43 | 11.20 | | 16.8 | 15 |
| Dos Palos road improvements | 5 | 2.00 | | | 3 |
| Winton Parkway interchange improvements and widening | 15 | 5.00 | | | 10 |
| Campus Parkway – 99 to Yosemite | 63 | 48.00 | | | 15 |
| TOTALS | 971.90 | 205.85 | 419 | 202.90 | 139.15 |

all amounts are in millions of dollars (x \$1,000,000)

Fund Sources:

RTIF: Regional Transportation Improvement Program (MCAG decision)

RIP: Regional Improvement Program (MCAG decision)

State: IIP - Interregional Improvement Program (Caltrans decision), or other State-decided funding program

6. Fee Calculation

The Fee was calculated according to the following procedure:

1. CIP Total

Determine the total cost of the RTIF improvements in the CIP.

TOTAL COST = \$971,900,000

2. RTIF Total

Determine the total amount to be funded by the RTIF by summing the RTIF portions of each project in the CIP and adding 1% to be used for program administration.

TOTAL RTIF FEES TO COLLECT = \$207,900,000

3. Trip Generation

Determine the trip generation rates associated with new development. New Development is broken into different land use categories as each land use has varying impacts on the transportation system. “Trip Generation Rate” means the number of average weekday peak-hour

trips generated by a particular land use. Peak-hour trip analysis is used in most traffic studies to assess the impact of new development, since off-peak travel is typically uncongested. To maintain the greatest consistency with conventional impact analysis, this Study uses a peak-hour instead of a daily trips methodology for estimating new trips.

The land use categories correspond to those used in the regional travel model maintained by MCAG. The Trip Generation Rate for each land-use category shall be the rate published by the Institute of Transportation Engineers, 6th Edition. The land use categories and trip generation rates are shown in Table 2.

Table 2: Trip Generation Rates

| Land Use Category | ITE Code(s) | Unit | Peak Hour Trips per Unit |
|--|---------------------------------------|-------------------|--------------------------|
| Residential, Single-Family | 210, 260 | dwelling unit | 1.00 |
| Residential, Multi-Family | 220-253 | dwelling unit | 0.61 |
| Retail Commercial – General | all 800-912 except those listed below | 1,000 sq. ft. GFA | 1.86 |
| Retail Commercial – High Turnover | 831-837, 844-847, 851-853, 911-912 | 1,000 sq. ft. GFA | 10.86 |
| Retail Commercial – Low Turnover | 814, 823, 848, 860, 862, 890 | 1,000 sq. ft. GFA | 1.25 |
| Retail Commercial – Over 50,000 sq. ft. gross floor area | 820, and any 50,000+ sf | 1,000 sq. ft. GFA | 3.58 |
| Office Commercial | 710-770 | 1,000 sq. ft. GFA | 1.79 |
| Industrial, Ag Processing | 110-170 | 1,000 sq. ft. GFA | 0.75 |

Note: “GFA” is “gross floor area”

4. Total Trips

Determine the total number of peak-hour trips associated with new development, for each land use category by using the MCAG traffic model and subtracting the number of peak-hour trips generated in Merced County by each category in the year 2005 from the number of such trips generated by the same category in the year 2030. To account for “pass-by” trips associated with non-residential uses, the number of retail commercial trips was reduced by factors of 50%-75%, based on recommendations in Trip Generators (San Diego Association of Governments) and as used in similar studies in the Valley. Industrial and office trips were reduced by 40%. The new trips associated with each land use type are shown in Table 3.

Table 3: Total Trips by Land Use Type

| Land Use | New Peak Hour Trips |
|-----------------------------------|---------------------|
| Residential, Single-Family | 41,618 |
| Residential, Multi-Family | 5,187 |
| Industrial/Ag Processing | 2,531 |
| Office Commercial | 4,185 |
| Retail Commercial – High Turnover | 3,103 |

| | |
|--|---------------|
| Retail Commercial – Low Turnover | 2,857 |
| Retail Commercial - General | 2,662 |
| Retail Commercial – Over 50,000 sq. ft. gross floor area | 4,599 |
| Total New Trips | 66,742 |

5. Cost Per Trip

Determine a per-trip cost by dividing the total amount to be funded by the Fee by the total number of trips associated with new development.

$$\text{COST PER TRIP} = \$207,900,000 \div 66,742 \text{ Trips} = \$3,115 \text{ per peak-hour trip}$$

6. Fee

Determine a cost per unit of development for each land use. This cost will be calculated by multiplying the per-trip cost by the peak hour trips per unit of development. Units of development will be dwelling units for residential land uses, and 1,000 sq. ft. of floor area for commercial, industrial, and other land uses.

Table 4: Cost per Unit of Development

| Land Use | Unit of Development | Fee per unit of development |
|---|--------------------------|-----------------------------|
| Residential, Single-Family | dwelling unit | \$3,115 |
| Residential, Multi-Family | dwelling unit | \$1,892 |
| Industrial/Ag Processing | 1,000 sq. ft. floor area | \$1,409 |
| Office Commercial | 1,000 sq. ft. floor area | \$3,337 |
| Retail Commercial – Low Turnover | 1,000 sq. ft. floor area | \$2,780 |
| Retail Commercial – General | 1,000 sq. ft. floor area | \$4,146 |
| Retail Commercial – Over 50,000 sq. ft. | 1,000 sq. ft. floor area | \$7,161 |
| Retail Commercial – High Turnover | 1,000 sq. ft. floor area | \$12,082 |

The fee for each new development will be calculated by multiplying the cost per unit of development by the number of units being developed.

7. Nexus Finding

The development process established a regional road network, identified future deficiencies on that network, and discussed a list of improvement projects to be financed, in part, by the impact fee. California Law requires that a nexus be demonstrated: a reasonable relationship between the increased travel demand associated with new development and the transportation improvements necessary to meet this demand at an acceptable level of service.

The components of the nexus demonstration are as follows:

- The purpose of the fee is to help fund improvements necessary to serve planned growth (“Specific Findings”, page 3).

- Specific facilities to be constructed have been identified (Section 5, “Capital Improvements”).
- The relationship between the development and the need for improvements has been documented (Section 3, “Existing and Future Deficiencies”, including the Level of Service standards).
- The relationship between the type of development (residential and non-residential categories) and the fee is based on standard practices (Section 6, “Fee Calculation”).
- The relationship between the fee and the cost of each project has been established (Section 5, “Capital Improvement”).
- The relationship between the location of the development and the projects benefiting it is described below.

Project Cost Shares by Jurisdiction

Improvements to the system benefit the entire region. However, there is a more direct benefit to the jurisdiction(s) in which the project is located. The traffic analysis established the proportionate share of future usage of each improvement, by each jurisdiction. Although the amount of the fee is uniform throughout the county, monies collected in one jurisdiction are to be deposited into accounts for the projects benefiting it. Table 5 below shows the shares of each project’s RTIF cost to be borne by each jurisdiction. Table 6 below shows, for each \$100 collected, the amount to be dedicated to each project from each jurisdiction.

Table 5: Project Cost Shares by Jurisdiction (amounts are x \$1,000,000)

| Project | RTIF Cost | Atwater | Dos Palos | Gustine | Livingston | Los Banos | Merced (city) | Merced County |
|--|---------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|
| Bellevue – connect to 99 | 2.15 | 1.31 | 0 | 0 | 0.49 | 0 | 0.17 | 0.19 |
| Mission – 59 to 99 | 1.70 | 0.04 | 0 | 0 | 0.01 | 0.02 | 1.51 | 0.12 |
| Hwy 59 north realignment | 60.00 | 6.30 | 0 | 0.12 | 4.26 | 0.78 | 42.30 | 6.24 |
| Hwy 59 – Mission to Childs | 5.00 | 0.11 | 0.08 | 0 | 0 | 0.48 | 4.09 | 0.25 |
| Hwy 59 – 152 to Mission | 3.00 | 0.05 | 0.14 | 0 | 0 | 0.68 | 1.92 | 0.22 |
| Hwy 140 – Bradley Overhead | 9.50 | 0.21 | 0 | 0 | 0.04 | 0 | 8.68 | 0.57 |
| Hwy 140 – to Campus Parkway | 5.25 | 0.12 | 0 | 0 | 0.02 | 0 | 4.80 | 0.32 |
| Hwy 140/33 Gustine Truck Route | 3.05 | 0.01 | 0.01 | 1.90 | 0.01 | 0.15 | 0.05 | 0.93 |
| Hwy 152 – Los Banos Bypass | 50.00 | 0.10 | 1.70 | 1.00 | 0.10 | 31.75 | 2.95 | 12.40 |
| Hwy 165 – north of Hilmar | 11.20 | 0 | 0.06 | 0.13 | 0.75 | 8.11 | 0.38 | 1.77 |
| Dos Palos road improvements | 2.00 | 0 | 1.48 | 0 | 0 | 0.16 | 0.04 | 0.32 |
| Winton Parkway interchange improvements and widening | 5.00 | 0.68 | 0 | 0 | 1.08 | 0 | 2.72 | 0.53 |
| Campus Parkway – 99 to Yosemite Ave. | 48.00 | 0.53 | 0 | 0 | 0.24 | 2.21 | 42.48 | 2.54 |
| TOTALS | 205.85 | 9.44 | 3.45 | 3.15 | 7.00 | 44.33 | 112.08 | 26.39 |

Table 6: Cost Allocation by Jurisdiction (amounts are %s of each \$100.00 collected)

| Project | Atwater | Dos Palos | Gustine | Livingston | Los Banos | Merced (city) | Merced County |
|--|----------------|------------------|----------------|-------------------|------------------|----------------------|----------------------|
| Bellevue – connect to 99 | 13.87 | 0 | 0 | 6.95 | 0 | 0.15 | 0.72 |
| Mission – 59 to 99 | 0.41 | 0 | 0 | 0.12 | 0.04 | 1.35 | 0.45 |
| Hwy 59 north realignment | 66.76 | 0 | 3.80 | 60.89 | 1.76 | 37.74 | 23.64 |
| Hwy 59 – Mission to Childs | 1.17 | 2.17 | 0 | 0 | 1.08 | 3.65 | 0.93 |
| Hwy 59 – 152 to Mission | 0.48 | 3.91 | 0 | 0 | 1.53 | 1.71 | 0.84 |
| Hwy 140 – Bradley Overhead | 2.21 | 0 | 0 | 0.54 | 0 | 7.75 | 2.16 |
| Hwy 140 – to Campus Parkway | 1.22 | 0 | 0 | 0.30 | 0 | 4.28 | 1.19 |
| Hwy 140/33 Gustine Truck Route | 0.06 | 0.18 | 60.24 | 0.17 | 0.34 | 0.04 | 3.52 |
| Hwy 152 – Los Banos Bypass | 1.06 | 49.25 | 31.70 | 1.43 | 71.62 | 2.63 | 46.98 |
| Hwy 165 – north of Hilmar | 0 | 1.62 | 4.26 | 10.73 | 18.29 | 0.34 | 6.70 |
| Dos Palos road improvements | 0 | 42.87 | 0 | 0 | 0.36 | 0.04 | 1.21 |
| Winton Parkway interchange improvements and widening | 7.15 | 0 | 0 | 15.44 | 0 | 2.42 | 2.01 |
| Campus Parkway – 99 to Yosemite Ave. | 5.59 | 0 | 0 | 3.43 | 4.98 | 37.90 | 9.64 |
| TOTALS | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

8. Administration and Review

Through the process of establishing the institutional option, the seven member jurisdictions amended the Joint Powers Agreement to allow MCAG to administer a Regional Transportation Impact Fee program adopted by appropriate agency action by member agencies. MCAG will administer the RTIF program under the requirements spelled out in the California Government Code section 66000 - 66008. The MCAG Governing Board may appropriate up to 1% of the fee for this purpose.

State law emphasizes the importance of reviewing impact fee programs. MCAG’s Citizens Advisory Committee and Governing Board will annually review the program, the projects, and the fee accounts, and revise them as necessary. This RTIF Study should not be regarded as a static document. It reflects the growth projections adopted in the *2007 Regional Transportation Plan*. Revised and updated population, housing, and employment data may result in new trip generation estimates, which could change the fee structure and possibly change the scope of the improvement projects on the regional road network.

Annual Capital Improvement Plan Update

Under Section 66002 of the Government Code, a capital improvement plan (CIP) adopted in connection with an impact fee program shall indicate the approximate location, size, time of availability, and estimates of cost for all facilities or improvements to be financed with the fees. The CIP shall be updated and adopted annually.

Annual RTIF Account Review

Section 66006 specifies that impact fees collected shall be deposited in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds, except for temporary investments, and to ensure the expenditure of fees solely for the purpose for which the fee was collected. Any interest income earned by moneys in the capital facilities account or fund shall also be deposited in that account.

Within 180 days after the last day of each fiscal year, MCAG shall make the following information available to the public:

- A brief description of the type of fee in the account.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and the interest earned.
- An identification of each public improvement on which fees were expended and the amount of the expenditures, including the total percentage of the cost of the improvement that was funded with fees.
- An identification of an approximate date by which the construction of the public improvement will commence if it has been determined that sufficient funds have been collected.
- A description of each inter-fund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- The amount of unexpended funds refunded to current record owners of lots or units.

9. Approval Process

After this Study is approved, the final step will occur when the governing body of each member jurisdiction takes action to participate in the RTIF program by resolution, ordinance, or other appropriate action.

Conclusion

The Regional Transportation Impact Fee program represents a major step forward in preparing for the anticipated growth in Merced County. The following key points place the program in context:

- The RTIF would contribute to the funding of 13 projects across the county.
- Without the RTIF contribution these projects will face delay or termination.
- The total cost of these projects is \$972 million.
- The RTIF would contribute about 17%, or \$206 million towards these projects.
- The fee would be uniform throughout the county.
- The RTIF will receive an annual review to monitor administration and project progress.

Exhibit A - List of Projects on the Regional System

The following transportation projects are those which when completed will together mitigate the traffic impacts on the regional transportation system of future growth to the year 2030 throughout Merced County. The City Council/Board of Supervisors, upon adoption of this Ordinance, shall amend the Circulation Element of the General Plan to include these regional projects and any amendments.

The Regional Transportation Impact Fee shall be solely for funding environmental clearance analysis and reports, design engineering, right-of-way acquisition, construction, fund management, project support, and other necessary expenses for the delivery of Regional System projects and any other purpose consistent with this Ordinance. The Fee may not be used for system maintenance.

RTIF PROJECT LIST

| | |
|---|--|
| A | Bellevue Rd - connection to 99 – from new interchange to Atwater |
| B | Mission Ave. - improvement - from 59 to 99 (not adding lanes) |
| C | SR 59 “Atwater-Merced Highway” realign from SR 99 to Bellevue Road w/ new SR 99 interchange |
| D | SR 59 - widen to 4 lanes - from Mission Ave. to Childs Ave. |
| E | SR 59 - widen to 4 lanes - from 152 to Mission Ave. |
| F | SR 140 "Bradley Overhead" - widen to 4/5 lanes - from Parsons to Santa Fe Ave. |
| G | SR 140 - widen to 4/5 lanes - from Santa Fe Ave. to Campus Parkway |
| H | SR 140/33 "Gustine Truck Route" - bypass Gustine |
| I | SR 152 "Los Banos Bypass" |
| J | SR 165 - widen to 4/5 lanes - from Hilmar to Stanislaus County or alternate project to reduce traffic on SR 165 through Hilmar |
| K | Dos Palos road improvements |
| L | Winton Parkway interchange improvements and widening |
| M | Campus Parkway from SR 99 to Yosemite Ave. |