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Title: REVIEW AND DISCUSS SUBREGIONAL TRANSPORTATION MITIGATION PROGRAM (STMP) UPDATED, PROPOSED FEES AND PROVIDE INPUT TO THE CITY'S WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE (WCCTAC) REPRESENTATIVE

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Attachments: 1. WCCTAC Technical Study Memo dated June 19, 2018, 2. WCCTAC 080318 Board Meeting STMP PowerPoint Presentation

Date	Ver.	Action By	Action	Result
9/18/2018	1	City Council	presented	

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DATE OF MEETING: 09/17/18

SUBJECT:

REVIEW AND DISCUSS SUBREGIONAL TRANSPORTATION MITIGATION PROGRAM (STMP) UPDATED, PROPOSED FEES AND PROVIDE INPUT TO THE CITY'S WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE (WCCTAC) REPRESENTATIVE

CITY MANAGER RECOMMENDATION

Receive report, discuss alternatives, and provide input to the City's West Contra Costa Transportation Advisory Committee (WCCTAC) representative, Councilmember Valdez

COMPLIANCE STATEMENTS

Fiscal Sustainability - (355) New Revenue Enhancements and Infrastructure: Capital Improvement Projects (455.2) Public Works Division are adopted policy items under the adopted FY 2018-21 Council Priority Workplan, effective November 1, 2017.

CEQA Compliance Statement

Providing input on the proposed updated Subregional Transportation Mitigation Program (STMP) fees does not trigger CEQA since it is not a project per CEQA Guidelines Section 15378. This section of the CEQA Guidelines states that a project does not include continuing administrative or maintenance activities, or the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

BACKGROUND

The original STMP fees for the West County were initially adopted in 1997, and updated through a nexus study in 2005. In early 2017, the West Contra Costa Transportation Advisory Committee (WCCTAC), a separate public agency, hired consultant Fehr & Peers to prepare a new nexus study

by reviewing the 2005 nexus study, current fees, new job and housing projections and proposed transportation projects. Fehr & Peers then assessed new project costs to be funded by these transportation mitigation fees in a manner proportional with the projected housing and job growth.

The STMP fees are paid by new development projects, as a condition of development approvals, and collected by the public agencies throughout the West County region and then redistributed to help fund identified transportation projects in the region. This fee ensures that the new development pays its fair share of the transportation improvements, and prevents either the existing property owners or the new developments from shouldering more than their proportional share of the costs for transportation improvements.

When the STMP fees were updated in 2005, an annual fee adjustment indexed to inflation was authorized; however, there was unclear information to ensure that all member jurisdictions annually adjusted the fees for inflation. As with a number of the agencies within the WCCTAC region, San Pablo's fees have not been increased since the 2005 base line. The table below indicates the current fees and what the fees would be had they been indexed to account for inflation.

Land Use Category	Current STMP fees	Indexed STMP fees
Single Family Residential	\$2,595 per DU	\$3,697 per DU
Multi-Family Residential	\$1,648 per DU	\$2,348 per DU
Office	\$3.51 per SF	\$5.00 per SF
Retail	\$1.82 per SF	\$2.59 per SF
Industrial	\$2.45 per SF	\$3.49 per SF

Both Fehr & Peers and WCCTAC staff recommend that the STMP Indexed Fee amounts be used as the baseline for future analysis. Through a thorough analysis of proposed transportation projects and the regional growth projections, Fehr & Peers developed a maximum amount of funding which could be collected through the STMP fees.

Each project was analyzed to determine the fair portion of those project costs that should be borne by future development. Of the \$854.5 million worth of transportation projects identified to help reduce the transportation impacts in the region, \$161.3 million could be collected from future development to cover their fair share of the cost of these projects.

These maximum fees, by land use category, are shown below:

Land Use Category	Maximum STMP fees
Single Family Residential	\$7,230 per DU (dwelling unit)
Multi-Family Residential	\$3,562 per DU
Office	\$11.59 per SF (square foot)
Retail	\$8.76 per SF
Industrial	\$7.39 per SF

Fehr & Peers then compared the maximum fees to other similar fees in the Bay Area to assess reasonableness. While these fees are the maximum fees which could be charged, the governing bodies may choose not to charge the maximum amount, balancing the infrastructure funding needs with political sensitivity. In such scenarios, other funding sources must be found to backfill the difference.

The WCCTAC staff recommends setting the fee at 75% of the maximum allowable fee for residential development, and 50% of the maximum allowed for non-residential development, as shown below:

Land Use Category	Recommended STMP fees
Single Family Residential	\$5,434 per DU
Multi-Family Residential	\$2,672 per DU
Office	\$5.80 per SF
Retail	\$4.38 per SF
Industrial	\$3.70 per SF

City staff concurs that the proposed fees should not overly burden incoming development, while still allowing these developments to contribute toward the necessary transportation amenities. Proposed projects within or impacting the City of San Pablo include:

- San Pablo Complete Streets Project - Rivers Street to Lowell Avenue
- San Pablo Avenue Transit Corridor Improvements
- San Pablo Avenue Intersection Realignment at 23rd Street and Road 20
- I-80/San Pablo Dam Road Interchange Improvements (Phase 2)
- Preliminary planning and study of extending BART to Contra Costa College

City staff's recommendation was presented on September 11, 2018 to the Budget, Fiscal, and Legislative Standing Committee, which recommended that the matter be heard by the Council on September 17 in order to solicit input from the City Council and public.

FISCAL IMPACT

Providing input to the City's WCCTAC representative has no fiscal impact. As WCCTAC considers input from its member agencies and adopts a specific STMP fee structure, the new, increased fees will then ultimately be adopted by each entity in the region, and the City will realize an increase in revenue collected throughout the region to fund the proposed projects.