

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2018

A RESOLUTION AMENDING THE MASTER FEE SCHEDULE
TO ADD A CITYWIDE TRANSPORTATION IMPACT FEE

WHEREAS, the City Council amends the Master Fee Schedule as a part of its annual budget, adopting modified and new fees and rates for goods and services provided by the City of Mountain View; and

WHEREAS, Congestion Management Program legislation requires local agencies to prepare a deficiency plan when level of service standards are not maintained on segments or intersections of the Congestion Management Program System (Government Code Section 65089.4); and

WHEREAS, the City has prepared a Citywide Multimodal Improvement Plan consistent with Government Code Section 65089.4 and the Santa Clara Valley Transportation Authority (VTA) Deficiency Plan Requirements, containing improvements and programs to offset traffic congestion impacts and improve air quality; and

WHEREAS, pursuant to the VTA Deficiency Plan Requirements, deficiency plans must have identified funding sources and may be funded with developer fees; and

WHEREAS, the Nexus Study was completed by TJKM, in a report dated August 2018, attached hereto as Exhibit B, which demonstrates the purpose of the proposed fees; the use to which the fees are proposed to be put; the reasonable relationship between the use of the proposed fees and the type of development project on which the fees would be imposed; the reasonable relationship between the need for the Citywide Multimodal Improvement Plan transportation improvements and the impacts of planned development in the City; the proportional benefit to those proposed to be charged; and identifies a maximum allowable fee that could be levied on new development; and

WHEREAS, at least 10 days prior to the date this resolution is being heard, the Nexus Study was made available to the public indicating the amount of cost, or estimated cost, required to provide the projects for which the Transportation Impact Fee is proposed to be levied and the other revenue sources anticipated to provide the facilities, including General Fund revenues, in accordance with Government Code Sections 66016 and 66019; and

WHEREAS, at least 14 days prior to the date this resolution is being heard, notice was provided to any persons or organizations who had requested notice, in accordance with Government Code Sections 66016 and 66019; and

WHEREAS, notice of the hearing on the proposed fees was published twice in a newspaper of general circulation in the manner set forth in Government Code Section 6062a as required by Government Code Section 66018; and

WHEREAS, at a public hearing held at its September 11, 2018 Regular Meeting, the City Council considered the Nexus Study, which demonstrates that fees imposed on new development are necessary to fully mitigate the impacts of new development on the need for transportation improvements; and

WHEREAS, the City Council has received and considered a Council Report and any and all public comments, oral and written, received prior to or during the public hearing on the proposed Transportation Impact Fee; and

WHEREAS, the adoption of the Citywide Transportation Impact Fee is not subject to the California Environmental Quality Act (CEQA) in that pursuant to CEQA Guidelines, Section 15378(b)(4), the creation of government funding mechanisms which do not involve any commitment to any specific project which may cause a significant effect on the environment, is not identified as a "project" under CEQA; and

WHEREAS, the City Council desires to adopt a Transportation Impact Fee, in accordance with the Mitigation Fee Act;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View:

1. In accordance with the Mitigation Fee Act and the Nexus Study, and based on the facts and substantial evidence in the record, the Citywide Transportation Impact Fee is hereby adopted by the City Council based on the following findings:

a. Purpose

The purpose of this fee is to implement the actions of the Citywide Multimodal Improvement Plan, which is mandated under VTA's Congestion Management Program when regional intersections fall below level of service (LOS) E. The imposition of impact fees is one of the preferred methods of ensuring that development bears a proportionate share of the cost of capital facilities necessary to accommodate new development. This fee will charge new development the fair-share

cost of transportation improvements needed to mitigate the transportation impacts created by that development.

b. Use of Fee

If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. Detail on planned uses of fee revenues is contained in Chapter 3 of the Nexus Study, attached hereto as Exhibit B.

c. Reasonable Relationship

The City has determined that the improvements listed in the Nexus Study are necessary to address deficiencies related to traffic congestion and Congestion Management Program compliance, as identified in the Citywide Multimodal Improvement Plan and the City's environmental documents, due to future development under the 2030 General Plan. Public facilities funded by the fee will provide a network of transportation infrastructure accessible to the additional residents and workers associated with new development, resulting in mobility and accessibility benefits to the new development. Thus, there is a reasonable relationship between the use of fee revenues and the new residential and nonresidential development that will pay the fee.

d. Need

The number of residential dwelling units, hotel rooms, and building square footage are indicators of the demand for transportation facilities needed to accommodate growth. As new building square footage is created, the occupants of the new structures will place additional burdens on the transportation facilities. The need for the fee is based on traffic engineering studies assessing the impact of additional vehicle trips from new development as well as City policies governing the design of a transportation system needed to serve new growth areas. Traffic engineering and related data were also used to inform the scope of improvements included in the fee program. For transportation improvements needed to accommodate the development anticipated in the near term, the cost burden is fully allocated based on development anticipated in the near term. For transportation improvements that are not immediately needed to accommodate near-term development, but that will be needed to accommodate development in the longer term, the cost burden is allocated based on projections of new development. Thus, there is a reasonable relationship between the need for the planned improvements, the scope of the improvements, and the parcels that will pay the fee.

e. Proportionality

There is a reasonable relationship between the Citywide Transportation Impact Fee for a specific development project and the cost of the facilities attributable to that development based on the estimated vehicle trip demand the development will generate in the Citywide Multimodal Improvement Plan. The total fee for a specific development is based on its planned square footage for nonresidential uses, the number of rooms for hotel uses, and the number of dwelling units for residential uses. Larger projects of a certain land use type will have a higher trip generation and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the Transportation Impact Fee for a specific development project and the cost of the facilities attributable to that project. Existing deficiencies are not included in the fee, since the baseline for the growth attributable to the fee was set at a time when no deficiencies existed, the 2012 adoption of the 2030 General Plan.

2. The Master Fee Schedule is hereby amended to add a Citywide Transportation Impact Fee as set forth in the schedule attached hereto and incorporated herein as Exhibit A.

3. The effective date of this resolution shall be the same as the effective date of the ordinance adding Chapter 43 to the Mountain View City Code to enact a Citywide Transportation Impact Fee.

EA/7/RESO
899-09-11-18r-1

Exhibits: A. Fee Schedule for Citywide Transportation Impact Fee
B. Nexus Study

**FEE SCHEDULE FOR CITYWIDE TRANSPORTATION IMPACT FEE
AS ADOPTED SEPTEMBER 11, 2018**

CITYWIDE TRANSPORTATION IMPACT FEE – PUBLIC WORKS DEPARTMENT

State Code § (if any)	MVCC §§/CP/ Other	Title of Fee	Current Fee	Proposed Fee	Fee Basis	Effective Date
§ 66000, <i>et seq.</i>	Chapter 43	Citywide Transportation Impact Fee				
		Single-Family, attached or detached	N/A	\$4,671.00	Net New Dwelling Unit	(1)
		Multi-Family	N/A	\$2,616.00	Net New Dwelling Unit	(1)
		Hotels and Motels	N/A	\$2,889.00	Net New Guest Room	(1)
		Service and Retail Commercial	N/A	\$4.99	Square Foot, Net New Floor Area	(1)
		Office, R&D, Industrial	N/A	\$4.99	Square Foot, Net New Floor Area	(1)
		Low Trip-Generating Uses	N/A	\$2,700.00	A.M. + P.M. Peak-Hour Trips (2)	(1)

(1) The effective date of this resolution shall be the same as the effective date of the ordinance adding Chapter 43 to the Mountain View City Code to enact a Transportation Impact Fee.

(2) The latest edition of ITE’s Trip Generation should be used as a source for A.M. and P.M. peak hour trip rates.

**City of Mountain View
Multimodal Improvement Plan
Traffic Impact Fee
Nexus Study**

August 2018



City of Mountain View
Multimodal Improvement Plan
Traffic Impact Fee
Nexus Study

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CHAPTER 1. INTRODUCTION AND SUMMARY

Introduction

Traffic Impact Fee

This analysis provides the technical basis for establishing the required nexus between anticipated future development in the City of Mountain View and the need for certain improvements to the local transportation facilities.

Traffic Impact Fees (TIF) are one-time fees typically paid prior to the issuance of a building permit and imposed on development projects by local agencies responsible for regulating land use. The fee's purpose is to help mitigate the transportation impacts of development growth. As an applicant proposes a project, a project-specific traffic impact study may be necessary, as this document only addresses cumulative impacts of all projects, but does not address specific impacts from a proposed development. In addition to fees and projects considered in this document, other on-site, frontage, and off-site improvements directly associated with future projects may be required. A project-specific traffic impact study will assess this.

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 §§66000-66025, establishes requirements on local agencies for the imposition and administration of fee programs. The specific tasks performed in preparing this analysis and their results are summarized in this section.

Congestion Management Program

The CMP is mandated by State law and is maintained for the County by the Santa Clara Valley Transportation Authority (VTA). The CMP is a comprehensive transportation improvement program with the goal to reduce traffic congestion, improve air quality, and inform land use decisions. The VTA has established a list of major intersections monitored for congestion with Level of Service (LOS) standards set by the CMP statute.

The Citywide Multimodal Improvement Plan (MIP), also referred to as the Deficiency Plan per state's Congestion Management Program (CMP) legislation, is a plan that identifies offsetting measures to improve transportation conditions on the CMP transportation network in lieu of making physical traffic capacity expansions such as widening an intersection or roadway. The CMP legislation requires local jurisdictions to prepare MIPs for CMP system facilities (such as key arterial roadways or Expressway intersections) located within their jurisdictions that exceed the established Santa Clara County traffic LOS standard, LOS E. The legislation allows the MIPs to trade off a traffic LOS violation on one particular CMP System facility for transportation system improvements to other facilities or services and contribute to an improvement in air quality. If a CMP facility fails to maintain the minimum LOS standard and does not have a Congestion Management Agency (CMA) approved MIP/Deficiency Plan, the local jurisdiction in which the facility is located risks losing nearly 25 percent of its gas tax revenues provided from Proposition 111 (about \$405,000 per year for the City of Mountain View). MIPs can be a way for local jurisdictions to pursue multimodal improvements (such as bicycle, pedestrian, transit, or Transportation Demand Management (TDM) measures) or off-setting auto capacity improvements when it is infeasible or undesirable to make physical traffic capacity

improvements at an impacted location. If adopted, the TIF described in this report would provide funding toward MIP projects through funds paid by developers.

Citywide MIP and TIF Area

In 2012 the City of Mountain View adopted the 2030 General Plan (GP) and certified the General Plan Environmental Impact Report (EIR). The GP EIR and subsequent Precise Plans EIRs' analyses found no CMP intersections above the CMP's threshold in 2012, but projected deficient CMP intersections at build-out of the City's plans. The MIP brings the City into compliance with the CMP, without having to fix the deficiencies themselves, through offsetting measures, such as bicycle and pedestrian improvements. VTA and state law require the City to adopt and implement the MIP.

The City of Mountain View MIP addresses impacts on CMP facilities throughout the City. According to the 2014 Annual Monitoring and Conformance Report, 12 intersections are identified as the City of Mountain View's responsibility for deficiency analysis. The intersections are as follows:

- Castro Street/El Camino Real
- El Monte Avenue/El Camino Real
- SR 237 Ramps-Grant Road/El Camino Real
- Shoreline Boulevard/El Camino Real
- Rengstorff Avenue/El Camino Real
- San Antonio Road/El Camino Real
- Rengstorff Avenue/Central Expressway
- Moffett Boulevard-Castro Street/Central Expressway
- Shoreline Boulevard Eastbound Ramps/Central Expressway
- Shoreline Boulevard Westbound Ramps/Central Expressway
- Whisman Station Road/Central Expressway
- Ferguson Drive/Central Expressway

TIF Development Process

The development of the MIP TIF program involved the major tasks described below.

1. **List of Projects** The MIP includes the list of projects for the TIF program. 16 projects were identified for inclusion in the fee program.
2. **Project Costs** The project costs were identified in the MIP. The costs were adjusted to account for existing deficiencies, which are not eligible for TIF funding, and outside funding sources.
3. **Trip Generation** An estimate was prepared of the A.M. plus P.M. peak hour trip generation that will result from development of the expected future land uses within the fee area.
4. **Cost per Trip** A cost per trip was calculated along with the corresponding schedule of fees. The schedule of fees includes fee categories for residential units, lodging rooms, office/R&D/ industrial, service/retail and other standard land uses.

Executive Summary

Chapter 1 – Introduction and Summary

Chapter 2 – Peak Hour Trips

The first step required for the TIF is the determination of the number of peak hour trips expected in the life of the MIP and its TIF. The trip generation portion of the MIP TIF program is based on the proposed changes in land use during the life of the MIP. The growth in trips over the MIP TIF period was determined by the capacity for growth under the 2030 GP and each of several adopted Precise Plans since 2012, as analyzed in their Environmental Impact Reports (EIRs). These documents planned for 36,611 net new A.M. plus P.M. peak hour trips generated by growth over this period.

Chapter 3 – Selection and Cost of Projects

The recommended list of new transportation improvements to serve the City was developed in the MIP. The recommended list of intersection improvement projects is indicated in **Table 2**. Costs and details of the individual projects are described in **Chapter 3** of this report.

The 16 projects have a total program cost of \$451,631,000, of which \$97,870,000 is eligible for the MIP TIF, based on the nexus findings.

Chapter 4 – Program Costs and Fee Calculation

The base fee per A.M. and P.M. peak hour trip is calculated by dividing the total cost of the TIF program, \$98,848,000 by the total projected 36,611 new A.M. and P.M. peak hour trips. The TIF requirement calculates to a cost of \$2,700 per A.M. and P.M. peak hour trip. The proposed MIP TIF fee schedule is as follows:

Land Use Category	Fee Rate
Single Family, attached or detached/Unit	\$4,671
Multi-Family/Unit	\$2,616
Hotels/Room	\$2,889
Service, Retail Commercial/KSF	\$12,825
Office, R&D, Industrial/KSF	\$4,990

KSF = Thousand square feet

Chapter 5 – Nexus Findings

California legislation requires that charges on new developments bear a reasonable relationship to the needs created by, and the benefits accruing to, that development. This is known as “nexus.” California courts have long used that reasonableness standard or nexus to evaluate the constitutionality of exactions, including development fees. Based on the analysis included in this report, the future development and the need for their associated improvements meet or exceed the basic requirements set forth in Government Code sections beginning with 66000 to govern development fees.

The total cost for necessary improvements is based on the project list from the MIP. The methodology of this report ensured that only a portion of that total cost is ascribed to future

growth, based on the proportion of need generated by that growth. Thus, there is a reasonable relationship between the proposed use of the MIP TIF and the proposed land use development projects on which the fee will be imposed. In the same manner, there is a reasonable relationship between the need for facilities included in the MIP TIF and the proposed land use development projects.

CHAPTER 2. EXISTING AND FUTURE DEFICIENCIES AND PEAK HOUR TRIPS

A key step in the fee development process is to determine the number of trips that will be generated by growth within the City during the life of the fee. TJKM used information from the GP and subsequent Precise Plans to determine the expected land use growth. **Table 1** below summarizes the land use growth within the City by the various land use categories. The "Growth" column in the table is the estimated amount of dwelling units, lodging rooms and non-residential square footage that are projected between 2012, the last date available at which no CMP facilities were operating below LOS E, and the analyzed build-out of the General Plan and recent City Precise Plans.

It also lists the growth in trips in each category after applying the A.M. and P.M. factors based on the Institute of Transportation Engineers (ITE) publication *Trip Generation, 10th Edition*. Peak hour trips are considered because the CMP is based on congestion, which is largely a result of more people trying to use the transportation system during the busiest hours. In a TJKM summary of various studies of projected future LOS conditions at 60 Mountain View intersections, an equal number of them experienced LOS F conditions in the A.M. and P.M. peak hours.

Some adjustments have been made to account for the effects of peak hour trip reduction due to TDM programs agreed to by developers at the time of entitlement. For multi-family residential development, the TDM reduction is five percent; for office/R&D uses the TDM reduction is twenty percent. These adjustments are implemented by reducing the trip rate factor.

Table 1: Determination of TIF Trips

Land Use Category and ITE Code	ITE Trip Rates			TDM Factor	Growth	MIP Trips
	A.M.	P.M.	A.M. + P.M.			
Column # >	1	2	1+2 = 3	4	5	3 x 4 x 5 = 6
Single-Family- 210	0.74	0.99	1.73	1.00	2,149 Units	3,718
Multi-Family- 220	0.46	0.56	1.02	0.95	15,733 Units	15,245
Hotels - 310	0.47	0.60	1.07	1.00	564 Rooms	603
Svc., Retail Comm. - 820	0.94	3.81	4.75	1.00	560.800 KSF	2,664
Office, R&D, Ind. - 710	1.16	1.15	2.31	0.80	7,781.798 KSF	14,381
Total						36,611

KSF = Thousand square feet

It is noted that the planned growth during this period is 36,611 A.M. plus P.M. peak hour trips. This number should be adjusted each time the MIP TIF is updated to reflect the latest cost of projects and most recent land use projections.

CHAPTER 3. SELECTION AND COST OF PROJECTS

In the Citywide MIP, 16 projects were identified for inclusion in the TIF program. These projects, their costs, and the proportion of the costs to be shared by others, are shown in **Table 2**. The other sources may include developers, other private partners, regional agencies, other jurisdictions, grants, and 2016 Measure B funding. The proportion is an estimate based on the scope of the project, discussions with other sources’ representatives, and staff experience with similar projects.

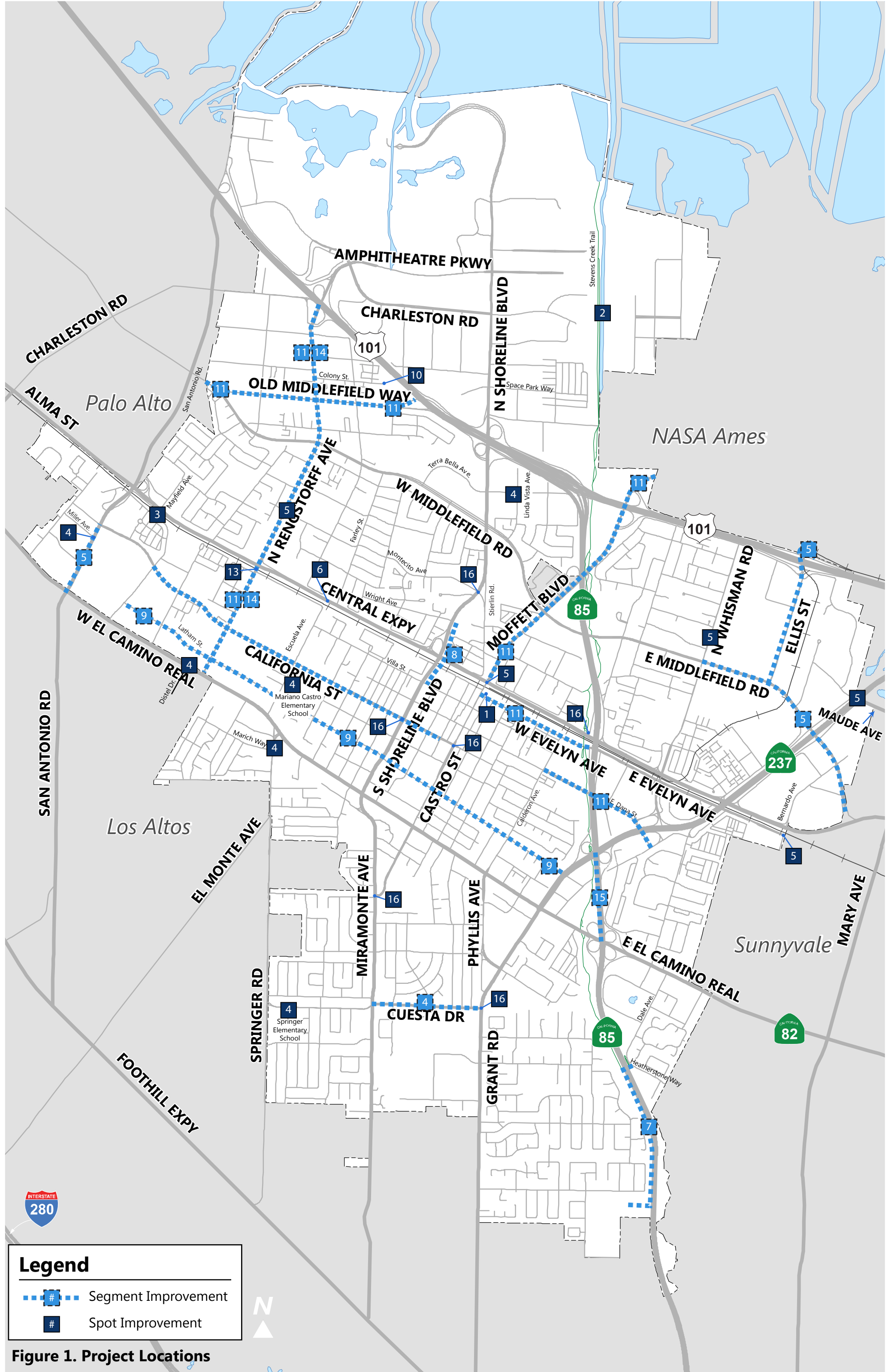
Table 2 Proposed TIF Projects and Costs

#	MIP TIF Projects	Total 2017 Costs (in thousands)	Other Funds	MIP TIF Share
1	Transit Center Master Plan Construction 1.43 & 3.4*	\$190,000	\$155,000	\$35,000
2	Stevens Creek Transit Bridge (Between NASA Ames & N. Bayshore) 1.6	\$50,000	\$48,000	\$2,000
3	San Antonio/Mayfield Ped. & Bike Tunnel Construction 2.22.2	\$7,000	--	\$7,000
4	Planned Pedestrian Improvements 2.16	\$700	--	\$700
5	Planned Green Bicycle Improvements 2.17	\$600	--	\$600
6	Central Expressway Bicycle Underpass Construction 2.31.2	\$20,000	\$3,000	\$17,000
7	Stevens Creek Trail Extension 2.25	\$15,000	\$10,000	\$5,000
8	Bicycle Path Along Shoreline Boulevard Construction 2.15	\$3,200	--	\$3,200
9	Latham/Church Bike Blvd. Construction 2.21.2	\$2,430	\$710	\$1,720
10	Colony St. to Creek Trail Bridge 2.20	\$1,150	--	\$1,150
11	Cycle Track Studies 2.26	\$1,500	--	\$1,500
12	Traffic Operations Center Construction 3.3.2	\$3,000		\$3,000
13	Construction of Rengstorff Grade Separation 3.5.2	\$150,000	\$135,000	\$15,000
14	Rengstorff Avenue Adaptive Signal System 3.6	\$3,500	--	\$3,500
15	85/El Camino Real/237 PS&E 3.7	\$1,000	\$500	\$500
16	Additional Citywide Roadway Improvements 3.8	\$2,551	\$1,551	\$1,000
Total		\$451,631	\$353,761	\$97,870

*1.7: Numbers after project name refer to project ID numbers in the Action List and Action Plan, Chapter 4, *Citywide Multimodal Improvement Plan*, (Mountain View, 2018) which can be referenced for more information about each project.

The location of these projects is shown on **Figure 1** on the following page. Additional information about each project, as well as other proposed projects funded by sources other than development fees, can be found in the *Citywide Multimodal Improvement Plan*, prepared in 2018. As this and other relevant documents are modified/updated, this TIF can also be updated.

The costs of these projects have been calculated in 2017 dollars. The proposed Mountain View TIF ordinance will make provisions for annual adjustments to the fee based on published construction cost indices. In this way, any escalation in construction costs will be covered by commensurate fee adjustments.



Legend

- - - # - - - Segment Improvement
- # Spot Improvement

Figure 1. Project Locations

CHAPTER 4. PROGRAM COSTS AND FEE CALCULATION

Cost per Trip Estimate

Table 3 presents a summary of the TIF improvement project costs, the projected future trips to be added by new development, and the resulting estimated TIF improvement cost per trip. The total cost of the TIF projects to be included is \$97,870,000. State law allows the City to include costs associated with administering the Fee program in the Fee. These administrative tasks include required reporting and enforcement, and are conservatively estimated at 1% of the total project costs.

The fee calculation is based on trip generation estimates in **Table 1** and the cost estimates of the TIF improvement projects. The cost per A.M. plus P.M. peak hour trips is calculated to be \$2,700 using a total TIF cost of \$98,848,000, and 36,611 new A.M. and P.M. peak hour trips. The TIF improvement project costs as well as the calculated new TIF cost per trip are shown in **Table 3**.

Table 3: 2018 Cost per Trip Estimate

	2018 TIF Costs
All Projects	\$97,870,000
Plus Administrative Costs (1%)	\$978,000
Total TIF Funding	\$98,848,000
Total A.M. + P.M. Peak Hour Trips Added by New Development	36,611
TIF Cost Per A.M. + P.M. Trip	\$2,700

Table 4 presents the new schedule of fees. The land use categories in this fee schedule have been determined based on a range of expected development land use types. The fees are calculated by multiplying the ITE trip rates contained in *Trip Generation, 10th Edition* for the A.M. plus P.M. peak period by the cost per trip, \$2,700.

The resulting fee rate, shown in the last column of **Table 4** is the rate per dwelling unit for residential development, per room for lodging development, or per thousand square feet (KSF) for non-residential development. Some adjustments have been made to account for the effects of peak hour trip reduction due to TDM programs agreed to by developers at the time of entitlement. For residential development, the TDM reduction is five percent; for office/R&D uses the TDM reduction is twenty percent.

**Table 4: Calculations of Fees
(Per KSF¹ unless noted)**

Land Use Category	A.M. + P.M. Trip Rate ²	TDM Factor	Cost Per A.M. + P.M. Trip	Fee Rate
Single Family, attached or detached /Unit	1.73	1.00	\$2,700	\$4,671
Multi-Family/Unit	1.02	0.95	\$2,565 ³	\$2,616
Hotels/Room	1.07	1.00	\$2,700	\$2,889
Service, Retail Commercial/KSF	4.75	1.00	\$2,700	\$12,825
Office, R&D, Industrial/KSF	2.31	0.80	\$2,160 ⁴	\$4,990

¹KSF = Thousand square feet

²A.M. + P.M. peak hour trip rate, based on ITE's Trip Generation, 10th Edition

³Includes a five percent credit for TDM

⁴Includes a 20 percent credit for TDM

Other Factors in TIF

Establishment of Final TIF. The City may decide not to levy the maximum fee that has been established as a part of this study as it may reduce development feasibility, make the City less competitive with its peers, or other purposes. The Final TIF will be established through resolution amending the Master Fee Schedule.

Intensification or Change in Land Use. When a land use is intensified, such as replacing a group of single family homes with multi-family homes, the fee to be charged is the difference in calculated fees for the two land uses. The same principle is applied with changes in land use, such as demolishing an industrial building to build a residential development.

Other Land Uses. The City may decide to use the \$2,700 cost per A.M. plus P.M. peak hour trip rate to apply to other specific land uses not covered by **Table 4**. The latest edition of ITE's *Trip Generation* should be used as a source for A.M. and P.M. peak hour trip rates.

CHAPTER 5. NEXUS FINDINGS

TIF's are one-time fees typically paid prior to the issuance of a building permit and imposed on development projects by local agencies responsible for regulating land use (cities and counties) to mitigate the transportation impacts of the development. To guide the widespread imposition of public facilities fees, the State Legislature adopted the Act with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in California Government Code §§66000-66025, 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 fee documented in this report are presented in this chapter and supported in detail by this report. All statutory references are to the Act.

1. Purpose of the Fee

For the first finding, the City must:

Identify the purpose of the fee. (§66001(a)(1))

The purpose of this fee is to implement the actions of the Citywide MIP, which is mandated under VTA's Congestion Management Program when regional intersections fall below LOS E. The imposition of impact fees is one of the preferred methods of ensuring that development bears a proportionate share of the cost of capital facilities necessary to accommodate new development. This fee will charge new development the fair share cost of transportation improvements needed to mitigate the transportation impacts created by that development.

2. Use of Fee Revenues

For the second finding, the City must:

Identify the use to which the fee is to be put. (§66001(a)(2))

If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged.

Detail on planned uses of fee revenues is contained in **Chapter 3** of this report.

3. Benefit Relationship

For the third finding, the City must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The City has determined that the improvements listed in the report are necessary to address deficiencies related to traffic congestion and CMP compliance, as identified in the MIP and the City's environmental documents, due to future development under the 2030 GP. Public facilities funded by the fee will provide a network of transportation infrastructure accessible to the additional residents and workers associated with new development, resulting in mobility and accessibility benefits to the new development. Thus, there is a reasonable relationship between

the use of fee revenues and the new residential and nonresidential development that will pay the fee.

4. Burden Relationship

For the fourth finding, the City must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))

The number of residential dwelling units and building square footage are indicators of the demand for transportation facilities needed to accommodate growth. As new building square footage is created, the occupants of the new structures will place additional burdens on the transportation facilities. The need for the fee is based on traffic engineering studies assessing the impact of additional vehicle trips from new development as well as City policies governing the design of a transportation system needed to serve new growth areas. Traffic engineering and related data were also used to inform the scope of improvements included in the fee program. For transportation improvements needed to accommodate the development anticipated in the near term, the cost burden is fully allocated based on development anticipated in the near term. For transportation improvements that are not immediately needed to accommodate near term development, but that will be needed to accommodate development in the longer term, the cost burden is allocated based on projections of new development. Thus, there is a reasonable relationship between the need for the planned improvements, the scope of the improvements, and the parcels that will pay the fee.

5. Proportionality

For the fifth finding, the City must:

Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))

There is a reasonable relationship between the TIF for a specific development project and the cost of the facilities attributable to that development based on the estimated vehicle trip demand the development will generate in the MIP. The total fee for a specific development is based on its planned square footage for nonresidential uses, the number of rooms for lodging uses, and the number of dwelling units for residential uses. Larger projects of a certain land use type will have a higher trip generation and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the TIF for a specific development project and the cost of the facilities attributable to that project. Existing deficiencies are not included in the fee, since the baseline for the growth attributable to the fee was set at a time when no deficiencies existed, the 2012 adoption of the 2030 GP.