

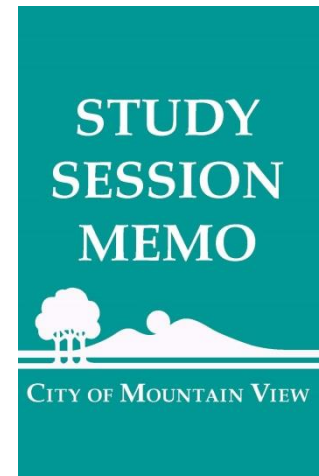
DATE: May 2, 2017

TO: Honorable Mayor and City Council

FROM: Eric Anderson, Senior Planner
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Director
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VIA: Daniel H. Rich, City Manager

TITLE: **Multimodal Improvement Plan and
Transportation Impact Fee**



PURPOSE

The purpose of this Study Session is for the City Council to provide feedback on the Multimodal Improvement Plan's Draft Action List, and to provide preliminary input for preparation of a Transportation Impact Fee Nexus Study.

BACKGROUND

On November 10, 2015, the City Council authorized staff to begin work on a Multimodal Improvement Plan to comply with Santa Clara Valley Transportation Authority's (VTA) Congestion Management Program (CMP). The project team consultant is TJKM, a transportation consulting firm with experience on many projects in the City.

The City's Multimodal Improvement Plan will include measures to address future congestion impacts in the area, including improvements at impacted intersections to improve vehicle flow and improvements and programs to support travel by other modes.

Congestion Management Program (CMP)

The CMP is mandated by State law and is managed for the County by the VTA. The CMP is a comprehensive transportation improvement program with the goal to reduce traffic congestion, improve air quality, and inform land use decision making. The VTA has established a list of major intersections monitored for congestion with level of service (LOS) standards set by the CMP statute.

According to CMP legislation, if a city fails to meet LOS standards for one or more of these intersections, it risks forfeiting roughly 25 percent of gas tax allocations from the State (about \$405,000 per year for Mountain View). Based on analyses of 2030 General Plan growth, as well as regional growth, several intersections are projected to fall below the CMP LOS standard, level of service “E.” Attachment 1 shows all CMP facilities (including ramps, roadways, and intersections) in the Mountain View area, including the facilities that are projected to fall below LOS standards by 2030.

Avoidance of Street Widening with Multimodal Improvement Plan

In general, LOS standards are maintained through street widening. The Mountain View 2030 General Plan’s policy direction, however, does not support street widening as a strategy (see Policy MOB 10.3: Avoidance of Street Widening, Page 114). This is due to limited space for additional right-of-way, increased crossing distances for pedestrians, induced demand, and other issues related to the City’s desired future character. Instead, the General Plan directs future efforts to include transportation demand management, operational improvements, and multimodal improvements and services.

The VTA supports multimodal policies and programs instead of street widening. However, the VTA requires cities to prepare a Multimodal Improvement Plan to document existing and future efforts to address increased congestion. If the Multimodal Improvement Plan is adopted and approved by the VTA Board of Directors, the City will be in conformance with the CMP, even if specific intersections fall below the LOS standard, and will not risk losing gas tax revenue.

A Multimodal Improvement Plan is a key tool in the transition from vehicle-centered LOS standards toward a more multimodal future. It has the following benefits for the City:

- It documents the City’s commitment to improving transportation and air quality outcomes, and consolidates City measures to combat congestion and support sustainable transportation.
- It provides a road map for improving transportation in the City, which is fully built-out and has significant space constraints to road widening.
- It allows the City flexibility when it is impossible or undesirable to meet LOS standards by improving systemwide multimodal transportation instead of strictly adhering to a traffic LOS standard that may contradict other community goals.

- It is a plan for implementing and funding these measures, with sources such as “Public Benefits” from developers, other City funding sources, and developer mitigations (such as location-specific improvements or payment of an impact fee).

Council Transportation Committee

On November 7, 2016, the Council Transportation Committee (CTC) reviewed key questions related to preparation of the Multimodal Improvement Plan’s Action List. Two members of the public spoke and both mentioned the importance of metrics, such as vehicle miles travelled (VMT), in tracking success. The CTC’s direction included the following:

- The Multimodal Improvement Plan should not strive to bring deficient facilities up to LOS standards (though the City can continue to work toward that goal through other means). A goal of the Multimodal Improvement Plan is to give the City flexibility in complying with the CMP, and continued adherence to LOS would not achieve that goal.
- Actions in the Action List should be considered based on high priority, effectiveness, cost and certainty, as well as simultaneous benefits to multiple modes.
- The CTC provided additional direction to develop actions on a range of topics.

DISCUSSION

Multimodal Improvement Plan Action List

The Action List is a list of improvements, programs, or actions that will encourage mode shift and contribute to improvements in air quality. The Draft Action List, including a map of the proposed actions, is attached to this memo (Attachment 2). It is the main part of the Multimodal Improvement Plan, and the primary tool for the City to offset LOS deficiencies.

Actions are based on direction from the Bay Area Air Quality Management District (BAAQMD) Clean Air Plan and VTA’s Deficiency Plan Requirements. These documents limit the types of actions that can be included in the Multimodal Improvement Plan, and encourage the City to identify actions across a broad range of topics, such as pedestrian and bicycle improvements, transportation demand management, and land use strategies. The Draft Action List includes all the types of actions required, except those that are not relevant to the City (such as Goods

Movement Improvements and Emission Reduction Strategies, because the City is not a significant origin or destination for goods movement).

Over 80 percent of the actions in the Draft Action List are directed at increasing the use of transit, walking, and bicycling. For example, the draft actions support:

- **Transit**—the design and construction of dedicated transit lanes on Shoreline Boulevard and Charleston Road, a new Downtown Transit Center Master Plan, and a study for a new automated transit system;
- **Pedestrians**—Safe Routes to Schools programs, and crosswalk and sidewalk improvements throughout the City;
- **Bicycles**—new trail connections and extensions, new bicycle boulevards, bicycle lanes and cycle tracks, and new development standards for bicycle parking;
- **Multimodal land uses and development**—new residential land uses and densities throughout the Change Areas—improving the City’s jobs-housing balance and reducing the strain on the regional transportation system—transportation demand management requirements, and expansion of the Mountain View Transportation Management Association.

Cumulative growth from the 2030 General Plan (as well as regional effects) will trigger the need for the Multimodal Improvement Plan. Therefore, the Draft Action List includes actions programmed since the adoption of the General Plan in 2012. Many of these actions are already complete or under way, which further demonstrates the City’s willingness to make significant and rapid progress on these issues. These actions are labeled “Ongoing,” “Programmed/Underway,” and “Completed” in the list.

The City Council should focus on actions labeled “Unscheduled.” These are listed below, with more detail provided in the attached Draft Action List (“Unscheduled” actions are separated out at the beginning of the list). Unscheduled actions are from recent planning documents selected based on their community priority and effectiveness. These actions, based on preliminary review, do not have major physical or technical constraints on their completion, but do not currently have funding. Several of these actions have been identified for funding in the Proposed 2017-2022 Capital Improvement Program or Council Priority Projects list.

The City will be obligated to complete actions in the Multimodal Improvement Plan. The Plan needs to be approved by the VTA and the City is required to monitor and report on its implementation. Even though the Plan will include procedures to modify

or remove actions if the City no longer wants them, these amendments to the Plan may also need VTA approval, and may require a proportionate new action added to the Plan. In consideration of these obligations, the City Council can review and provide feedback on this list.

Unscheduled Actions in the Draft Action List:

1. Transit Center Master Plan Next Steps
2. Permanente Creek Pedestrian/Bicycle Connection Across Central Expressway
3. Stevens Creek Trail Extension to Mountain View High School
4. Latham/Church Bicycle Boulevard Construction
5. Shoreline Boulevard Pedestrian/Bicycle Path over Central Expressway
6. Citywide, On-Street Bicycle Improvements (including El Camino Real and San Antonio areas)
7. Citywide Cycle Track Feasibility Studies
8. Shoreline Boulevard Pedestrian and Bicycle Improvements (in North Bayshore)
9. Garcia Avenue Pedestrian and Bicycle Improvements (in North Bayshore)
10. East-West Greenway Connection Nos. 1 and 2 (in North Bayshore)
11. New Zoning Standards for Bicycle Parking and Amenities
12. Traffic Operations Center
13. Rengstorff Grade Separation (at Caltrain)
14. Rengstorff Adaptive Signal System
15. Continue Working with VTA and Caltrans on Highway 85/El Camino Real/ Highway 237 Interchange
16. Additional Citywide Roadway Improvements

The following actions are currently being considered for funding in the Proposed 2017-2022 Capital Improvement Program or Council Priority Projects:

17. Charleston Road Transit Boulevard (in North Bayshore)
18. San Antonio/Mayfield Pedestrian/Bicycle Tunnel
19. Shoreline Boulevard at 101 Pedestrian/Bicycle Bridge
20. Bridge from Colony Street to Permanente Creek Trail
21. Citywide Transportation Demand Management Ordinance

Public Comment

Multiple e-mails have been received about the Multimodal Improvement Plan (included as Attachment 3). Many of the suggestions are addressed in the Draft Action List, such as higher priority for bicycles and pedestrians in street design, and improved roadway operations such as signal timing improvements.

Question 1

Does the City Council support the Multimodal Improvement Plan Draft Action List?

Transportation Impact Fee

The City has limited resources to implement projects on the Draft Action List. In addition, there may be transportation actions and improvements needing funding, which the City may not want included in the Action List. While public benefits, grants, and partnerships may provide significant resources, another dedicated funding source will be necessary to fully implement the Plan and other transportation improvements in the City.

Impact fees are fees on new development (such as a new office or apartment building) to finance capital facility and infrastructure needed to serve new development. These fees cannot be used to pay for the operation and maintenance costs of any facilities or infrastructure. These fees also cannot be used to pay for the cost of existing deficiencies. The Multimodal Improvement Plan is being developed to address projected future impacts on CMP facilities, so much of the cost of these improvements can be levied on future development.

Any impact fee must be based on a reasonable nexus between the impact of the new development and the costs of new facilities and improvements needed to serve such growth, and must be supported by specific findings that demonstrate this nexus. When the City Council authorized the scope of work for the Multimodal Improvement Plan, it included a nexus study. If the City Council so directs, the project team will begin work on the nexus study after the Draft Action List is finalized.

Other cities in the area have transportation impact fees. In addition, the City Council adopted a North Bayshore transportation and utility impact fee in February 2016. The transportation portion of this fee is currently \$22.47 per square foot for office, \$2.35 per square foot for retail, and \$2,000.00 per room for hotels. A list of transportation impact fees in other cities is shown below.

Transportation Impact Fees in Nearby Cities

	Office (per Square Foot)	Single-Family (per Unit)	Multi-Family (per Unit)
Sunnyvale	\$9.10 ^{a,b}	\$2,144	\$1,317
Palo Alto	\$17.34 ^{a,c}	\$3,354 ^a	\$2,012 ^a
Los Altos	\$9.08	\$6,152	\$3,777
Menlo Park	\$4.63	\$3,139	\$1,927
San Mateo	\$3.14	\$3,422	\$2,101
Fremont	\$10.77	\$3,879	\$3,009

^a Estimated, fee is based on trips.

^b Applies to area north of Highway 237.

^c Applies to Stanford Research Park.

If the City Council chooses not to pursue the adoption of an impact fee, a different approach to funding the Multimodal Improvement Plan actions will need to be determined. This could include project-specific conditions on development, which would be more complex, costly, and uncertain than an impact fee in the development review process. Existing funding sources could continue to be tapped, but funding for many projects on the Draft Action List is currently undetermined, which may threaten the City's compliance with the Congestion Management Program.

As part of the goal-setting process, the City Council has discussed evaluating a transportation tax, which could also be used for some of these actions. However, based on the timing of the Multimodal Improvement Plan and uncertainty about the transportation tax, staff does not recommend relying on the proposed tax at this time.

At a later date, staff can provide analysis about whether to rely on an impact fee versus a tax for these and other actions.

Question 2

Does the City Council wish to pursue a transportation impact fee on new development?

Impact Fee Structure

Impact fees may be structured in a number of different ways based on the City's policy goals. While the fee cannot be higher than the level supported by the nexus study, the fee can be lower for specific land uses, locations, or projects. The following are examples of policy considerations that could affect the impact fee:

Exemption for North Bayshore. The City adopted a transportation impact fee that applies only to the North Bayshore Area, funding improvements (or the proportion of those improvements) that are only for the benefit of that area. If so determined by the nexus study, a Citywide transportation impact fee could also apply to the North Bayshore Area, based on the impact of North Bayshore development on transportation Citywide. However, the City Council may not want to add an additional fee to North Bayshore development since discussion of the adopted fee in 2016 did not consider the potential of an additional Citywide fee.

Other Geographic Considerations. The City could incentivize development in certain areas by adopting lower fees in those areas.

Exemption for Affordable Housing. This would be based on the City Council's priority to support affordable housing. It could also be based on the lower likelihood of vehicle ownership among these units. An impact fee exemption, or lower fee, for affordable housing could be structured similar to the Park Land Dedication Fee exemption.

Lower Fee for Retail or Hotels. The City Council has previously supported lower fees for these uses to reduce disincentives for their development.

Basis for Fee. Impact fees can be based on several development characteristics. The simplest basis for an impact fee is building square footage or dwelling units. In other cities, impact fees are often based upon trips generated by the development, though that can be more uncertain and difficult to calculate. Other bases may include number of parking spaces or a development's projected impact on key intersections, but these

may incur additional challenges in the development review process, and would be difficult to apply consistently.

Question 3

What policies should be considered in how the impact fee is structured?

- a. Should the North Bayshore Area be exempt?
- b. Should other geographic areas be considered?
- c. Should there be an exemption or lower fee for affordable housing?
- d. Should there be a lower fee for retail or hotels?
- e. What basis should be used for the fee?

Additional Information

Should the Council wish to proceed with the nexus study, the project team will conduct a development fee comparison with other cities in the region and conduct some outreach with the development community. These outcomes will be forwarded to the City Council when they deliberate on the impact fee. This will provide the City Council with additional information to determine the amount, structure, or details of the transportation impact fee under consideration.

If the City Council wants additional information or analysis for their deliberation on the impact fee, some direction would be appropriate at this time. However, the scale of the additional request(s) may affect the timing/budget of the project.

RECOMMENDATION

Staff recommends the City Council provide input on the following key questions related to the Multimodal Improvement Plan and transportation impact fee:

- 1. Does the City Council support the Multimodal Improvement Plan Draft Action List?
- 2. Does the City Council wish to pursue a new transportation impact fee on development?

3. What policies should be considered in how the impact fee is structured?
 - a. Should the North Bayshore Area be exempt?
 - b. Should other geographic areas be considered?
 - c. Should there be an exemption or lower fee for affordable housing?
 - d. Should there be a lower fee for retail or hotels?
 - e. What basis should be used for the fee?

NEXT STEPS

The VTA Board of Directors is the final approval body for the Multimodal Improvement Plan. There are also several advisory bodies to the Board, including the Technical Advisory Committee (TAC), the Policy Advisory Committee (PAC), and the Congestion Management Program & Planning Committee (CMPP), that will be providing recommendations to the Board on the Plan. Throughout the month of May, the TAC, the PAC, and the CMPP will be providing feedback on the Draft Action List to make sure it is consistent with VTA expectations. These VTA committees are currently reviewing the same materials as the City Council. Comments from the City Council will be forwarded verbally to the VTA committees prior to their deliberation.

After the City Council and VTA committees provide their feedback, the project team will develop the final Multimodal Improvement Plan, which will include cost, phasing, and other information about the actions, and return to the City Council for adoption. In addition, the project team will prepare a nexus study for the City Council to consider a Citywide Transportation Impact Fee, if so directed by the City Council.

PUBLIC NOTICING

Agenda posting, and interested parties were notified of the meeting. Plus, a website is maintained for public comment, and the City continues to publicize it.

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Attachments: 1. CMP Monitoring Facilities Map
2. Draft Action List
3. Public Comment