

2018 REGIONAL DEVELOPMENT IMPACT FEE PROGRAM NEXUS STUDY UPDATE

DRAFT REPORT

**Prepared For:
Transportation Agency for Monterey County**

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EXECUTIVE SUMMARY

The Transportation Agency for Monterey County (TAMC) Regional Development Impact Fee (RDIF) program was last updated in 2013 through the *2013 RDIF Nexus Study Update* (Wood Rodgers, July 2013). TAMC is legally mandated to update the RDIF program every five years. To that end, this 2018 RDIF Nexus Study Update consists of a comprehensive reevaluation of existing and projected Monterey County (County) roadway deficiencies, regional improvement projects that may address the deficiencies and provide other benefits, and a fee allocation scheme to fund those regional improvements.

Modifications to the methodology used in the *2013 RDIF Nexus Study Update* include utilizing a new horizon-year of 2035, and adding a new, fifth benefit zone for the Fort Ord Reuse Authority (FORA) area. This study documents the technical steps that were undertaken during the creation of updated fees that new development within Monterey County will be required to pay as mitigation for cumulative impacts to the regional road network.

Based on the forecast of the latest version of the Association of Monterey Bay Area Governments' (AMBAG) Regional Travel Demand Model (RTDM), substantial future traffic volume growth is projected on regional corridors throughout Monterey County, which would result in deficiencies beyond those observed under existing conditions. In order to mitigate some of those deficiencies, the updated RDIF program proposes over \$950 million of transportation improvements, spread over twelve identified projects, as well as an additional \$10 million in transit capital improvements. The projects included in the updated 2018 RDIF program are:

1. SR-1 Corridor and Busway
2. SR-156 Widening
3. Marina-Salinas Corridor
4. Davis Road North
5. Davis Road South
6. Del Monte Corridor Improvements
7. US-101 South County Phase 1 (Frontage Roads – Salinas to Chualar)
8. US-101 South County Phase 2 (Harris Road Interchange)
9. SR-68 Commuter Improvements
10. US-101 Widening from Airport Boulevard to Boronda Road
11. County Road G12 San Miguel Canyon Improvements
12. Salinas Road Improvements

With the above proposed regional improvement projects in place, 18 County regional roadway segments are projected to go from unacceptable to acceptable Year 2035 LOS conditions. These improvements by themselves are not projected to mitigate the County's transportation issues completely; however, they will provide improved traffic flow throughout the County. All of the above improvement projects are included in the *Final Moving Forward Monterey Bay, 2040 Metropolitan Transportation Plan / Sustainable Communities Strategy (2040 MTP/SCS)* (AMBAG, June 2018) and the *2018 Monterey County Regional Transportation Plan (2040 RTP)* (TAMC, June 2018).

The RDIF program will provide approximately \$131 million (in 2018 dollars) to fund the fair-share portion of the \$950 million worth of capital improvements attributed to the planned new development in Monterey County. This funding only represents a portion of the required funding for each of the proposed projects. The share of funding corresponding to existing traffic and "External" (i.e. out-of-County) traffic is planned to come from other sources.

The nexus analysis completed as part of this 2018 RDIF Nexus Study Update proportionately allocated cost shares of each of the twelve regional transportation improvement projects to the five benefit zones based on land use growth projections for each zone. Cost allocation was achieved using select-link RTDM model runs to determine percentage of new growth occurring in each benefit zone. The allocated costs for each benefit zone were then distributed to each land use category within each zone based on projected trips generated by each use type, to derive the final fee rates by land use by zone. The final fee rates determined in this 2018 RDIF Nexus Study Update would be applied to all new development projects that cause a net increase in vehicle trips. **Table 1** presents a summary of the final 2018 RDIF Nexus Study Update rate schedule.

Table 1. 2018 RDIF Rate Schedule

Land Use Type (Unit)	Benefit Zone 1: North County	Benefit Zone 2: Greater Salinas	Benefit Zone 3: Peninsula and South Coast	Benefit Zone 4: South County	Benefit Zone 5: FORA
Residential Average (dwelling unit)	\$4,850	\$3,097	\$4,687	\$1,937	\$3,881
Single Family	\$5,473	\$3,495	\$5,290	\$2,186	\$4,381
Apartment	\$3,844	\$2,454	\$3,714	\$1,535	\$3,076
Condo/Townhome	\$3,352	\$2,140	\$3,239	\$1,339	\$2,682
Multi-Family	\$2,122	\$1,355	\$2,051	\$848	\$1,699
Retail (per 1,000 sq. ft.)	\$7,747	\$4,946	\$7,487	\$3,094	\$6,199
Office/Government (per 1,000 sq. ft.)	\$6,329	\$4,041	\$6,116	\$2,528	\$5,065
Industrial/Agriculture (per 1,000 sq. ft.)	\$2,185	\$1,396	\$2,112	\$873	\$1,748
Light Industrial	\$3,986	\$2,546	\$3,852	\$1,593	\$3,190
Heavy Industrial	\$858	\$548	\$829	\$343	\$687
Warehouse	\$2,837	\$1,812	\$2,742	\$1,133	\$2,270
Manufacturing	\$2,185	\$1,396	\$2,112	\$873	\$1,748
Lodging (per room)					
Hotel	\$4,673	\$2,984	\$4,516	\$1,866	\$3,739
Motel	\$3,220	\$2,056	\$3,112	\$1,287	\$2,577
Fee per trip	\$577	\$365	\$558	\$229	\$460

1. INTRODUCTION

The Transportation Agency for Monterey County maintains a Regional Development Impact Fee program in Monterey County, which helps to streamline the process for analyzing and mitigating transportation impacts. The RDIF program provides a mechanism through which land use growth pays for its fair share of regional roadway improvements needed to accommodate traffic growth in the County. The RDIF program was originally adopted by the County Board of Supervisors on August 27, 2008. The RDIF program was last updated in 2013 through the *2013 RDIF Nexus Study Update* (Wood Rodgers, July 2013).

TAMC is legally mandated to update the RDIF program every five years. To that end, this 2018 RDIF Nexus Study Update consists of a comprehensive reevaluation of existing and projected County roadway deficiencies, regional improvement projects that address the deficiencies, and an allocation of the fees to help fund those regional improvements. This study documents the technical steps that were undertaken during the creation of updated fees that new development within Monterey County would be required to pay as mitigation for cumulative impacts to the regional road network.

A horizon-year of 2035 was identified for use in this 2018 RDIF Nexus Study Update, consistent with the 20 year planning horizon defined in *Moving Forward Monterey Bay, 2035 Metropolitan Transportation Plan / Sustainable Communities Strategy (2035 MTP/SCS)* (AMBAG, amended January 11, 2017). The 2035 MTP/SCS was AMBAG's currently adopted Metropolitan Transportation Plan at the time of initiation of the 2018 RDIF Nexus Study Update.

The four (4) benefit zones (North County, Greater Salinas, Peninsula and South Coast, and South County) included in the 2013 RDIF Nexus Study Update were retained, while an additional benefit zone was added for the Fort Ord Reuse Authority area. The Fort Ord Reuse Authority is an area located within the Peninsula and South Coast benefit zone, which had previously been excluded from analysis in the RDIF program as the Fort Ord Reuse Authority implements a separate Community Facilities District fee for growth within the FORA boundaries. With the planned sunset of FORA in 2020, this analysis was conducted to ensure that mitigations for cumulative impacts to the regional transportation network are still captured for growth in the FORA area if FORA were to transition those responsibilities to the RDIF program.

The benefit zone methodology used in the RDIF program allows the fee amounts collected from different areas of the County to be proportionate to the benefits those areas receive from the proposed regional improvement projects. In addition to the roadway improvements identified in the program, an additional fee is attributed to transit improvements. The different components that make up the RDIF are described in more detail below.

1.1 FEE COMPONENTS

The RDIF program will include fee components for the following three types of costs:

Roadway Impact Costs by Land Use: This component refers to the transportation impact fee attributed to addressing vehicular travel impacts on the regional roadway system caused by land development throughout the County. This is the primary fee component and represents, by far, the largest portion of the RDIF program. The following sections of this report describe in detail the technical steps and processes used to derive the costs associated with this component.

Transit and Administration Costs: The *2013 RDIF Nexus Study Update* selected a transit fee amount that the program should raise based on regional transit needs, and then distributed that fee to each of the benefit zones based on their relative transit usage. This 2018 RDIF Nexus Study Update

retains that methodology. Consistent with the 2013 *RDIF Nexus Study Update*, for the total fees to be collected by the 2018 RDIF program for funding transit improvements, TAMC proposed an amount of \$10 million. Total horizon-year transit trips by benefit zone were extracted from a run of the Year 2035 RTDM. Transit share was then calculated by dividing the total transit trips forecast to occur in each benefit zone by the total transit trips forecast to occur in the County. The majority of transit trips in Monterey County were observed to occur in the Greater Salinas and the Peninsula and South Coast Benefit Zones, and therefore the transit fee was applied primarily to those two zones. The results of this computation are summarized in **Table 2**. Note that the amount to be collected by the RDIF should be designated towards transit capacity-enhancing projects, as it cannot be used to offset operating costs.

Table 2. 2035 Transit Trips by Benefit Zone

Zone #	Benefit Zone	Transit Trips	Total Motorized Vehicular Trips	Total Motorized Person Trips	% of Person Trips by Transit	Relative Share of County Transit Trips
1	North County	791	84,371	134,994	0.58%	5.3%
2	Greater Salinas	6,621	357,385	571,816	1.14%	44.3%
3	Peninsula and South Coast	6,128	337,219	539,550	1.12%	41.0%
4	South County	809	123,586	197,738	0.41%	5.4%
5	Fort Ord Reuse Authority	607	34,999	55,998	1.07%	4.1%
Total		14,956	937,560	1,500,096	0.99%	100.00%

Appendix A provides a list of long- and short-term unfunded transit capital projects identified by Monterey-Salinas Transit (MST) for development over a 20-year planning horizon, with 2011-12 as the base year. The RDIF fee component collected and earmarked for transit capital expansion would likely be applied towards projects on this list. While specific transit projects have not been selected for funding in the fee program, TAMC prefers increasing transit service related to congested corridors on the regional transportation system, particularly where Bus Rapid Transit service is being considered along Highway 1 through Sand City and Seaside and the Marina-Salinas Multimodal Corridor.

In addition to the transit fee, an administrative fee totaling one percent of the Roadway Impact and Transit Costs was added to the total amount of the program. This administrative fee includes the cost required for the Transportation Agency for Monterey County to manage the program.

External/Other Components: There are cost/fee components that are only attributable to sources that are either exempt or otherwise excluded from the RDIF program. Existing development and traffic is considered exempt from impact fees. Growth outside of Monterey County boundaries is considered “External” and therefore exempt from the TAMC RDIF program.

2. SYSTEM DEFICIENCIES ANALYSIS

Existing and projected future conditions deficiencies on regional roadway facilities throughout Monterey County have been identified to assist the Transportation Agency for Monterey County (TAMC) with the selection of transportation improvement projects to be included in the current 2018 RDIF Nexus Study Update. Deficiencies were identified using current traffic count data, the latest available version of the Association of Monterey Bay Area Governments regional travel demand model, and standard Highway Capacity Manual methodologies. This chapter discusses the characteristics of Monterey County's regional transportation system as well as the specific steps taken to analyze system deficiencies.

2.1 EXISTING TRANSPORTATION SETTING

Monterey County covers over 3,300 square miles of coastal mountains and valleys stretching along 100 miles of the California coastline. The County is bordered by Santa Cruz County to the north, San Benito County and Fresno County to the east, Kings County to the southeast, San Luis Obispo County to the south, and the Pacific Ocean to the west. Monterey County's regional roadway network is made up of various freeways, highways, and county roads, as well as various arterials and collectors. For purposes of the TAMC 2018 RDIF Nexus Study Update, the regional transportation network as defined in the prior *2013 RDIF Nexus Study Update* and the *2014 Monterey County Regional Transportation Plan* (TAMC, amended April 27, 2016) was retained with adjustments/refinements as necessary. **Figure 1** illustrates the study area (Monterey County) and the regional transportation network analyzed in this RDIF Update. Monterey County's regional transportation network is also described in detail below.

2.1.1 REGIONAL ROADWAYS

Regional roadways facilitate the movement of people and goods in and through the region. Regional roadways generally provide connections between counties, cities, communities, or activity centers. Trips on regional roadways are generally longer on average than trips on local roads. Regional roadways often consist of state highways or freeways, county roads, or travel routes that consist of multiple arterials linked together. The following roadway segments represent key regional travel corridors that were evaluated as part of this RDIF Nexus Study Update.

US Route 101 (US 101), also called El Camino Real, is a north-south freeway of national and statewide importance that traverses the west coast of the United States. US 101 serves as the principal inter-regional auto and truck travel route that connects the California Central Coast to the San Francisco Bay Area to the north and the Los Angeles urban basin to the south. Within Monterey County, US 101 serves as an important north-south route for business, recreation, tourism, commuting, freight and goods movement, and national defense transport. US 101 is also one of the primary facilities connecting southern Monterey County, including the Salinas Valley cities of Gonzales, Soledad, Greenfield, and King City, to the greater Salinas area and smaller communities such as Prunedale to the north. US 101 in Monterey County is primarily four-lane divided freeway, however some segments are still classified as conventional highway and have at-grade connections to local roadways. Per year 2015 Caltrans traffic count data, US 101 mainline currently carries Annual Average Daily Traffic (AADT) varying from approximately 40,000 to 85,000 vehicles per day through the northern portion of the County, and between 10,000 to 35,000 vehicles per day through the southern portion of the County.

State Route 1 (SR 1), also called Cabrillo Highway, is a state highway that runs along California's Pacific coastline which accommodates interregional and local trips. State Route 1 serves various tourist destinations along Monterey Bay, is commonly used for commuter travel to the San Francisco

Figure 1. Study Area Map