



December 10, 2024

Honorable Mayor and Council Members:

Slater Stewart, Assistant Engineer

Title: FY 2023/2024 AB 1600 Traffic and Facility Impact Fee Public Hearing and Fee Adjustments

Approved By: Jen Callaway, Town Manager

Recommended Action: Council conduct a Public Hearing on FY 2023/2024 AB 1600 fee revenues and expenditures; adopt Resolution 2024-75 making findings to retain AB 1600 fees collected in excess of five years ago, which remain unspent, and approve the annual AB 1600 program fee adjustments.

Discussion:

Annual AB 1600 Traffic Impact and Facility Impact Fee Program Report

This staff report constitutes the annual reporting requirement for the AB 1600 program in complying with the provisions of Government Code Section 66006, which requires each public entity that collects AB 1600 fees to provide an annual report and to hold an annual public hearing that discloses the amount of fees collected during the previous fiscal year, as well as the amount of interest earned on those fees. The statute also requires that the public entity disclose the amount of funds which have been spent on given projects over the previous fiscal year. The purpose of tonight's agenda item is to present that information and conduct the referenced public hearing.

Traffic Impact Fee Fund

Exhibit 1, which presents "The beginning and ending balance of the account or fund", fulfills the requirements of Section 66006 (b) (1) (C) and Section 66006 (b) (1) (D), "the amount of the fees collected and the interest earned." The beginning balance on July 1, 2023, was \$7,668,453 and the ending balance on June 30, 2024, was \$8,984,662. As shown in ***Exhibit 1***, during the 2023/2024 fiscal year \$1,048,047 in traffic impact fees was collected and \$507,553 in interest was earned for a total revenue amount of \$1,555,600. During this same fiscal year, \$239,391 was expended on program projects. \$19,756 in traffic impact fees was expended on the Pioneer Trail & Bridge Street Extension Project, \$76,435 was expended on the I-80/Donner Pass Road/Coldstream RAB Project, \$125,687 was expended on the Bridge Street/West River Street/DPR Intersection Improvement Project, \$3,128 was expended on administration of the program, \$14,782 was reimbursed to a developer after a revision to the impact fee calculation for their project, and \$7,475 was expended on credit card fees associated with the collection of traffic impact fees. A negative expenditure of \$7,872 is shown for the Church Street Extension Project; this negative expenditure represents a reimbursement from the project to the traffic impact fee fund after a final accounting of project expenditures determined that the traffic impact fee funds were misallocated.

Exhibit 2 fulfills Section (b) (1) (E) "an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees". In FY 2023/2024, 50.0% of the Pioneer Trail & Bridge Street Extension Project, 100% of the I-80/Donner Pass Road/Coldstream RAB Project, - 0.9% of the Church Street Extension Project, and 100% of the Bridge Street/West River Street/DPR Intersection Improvement Project was funded with AB 1600 traffic impact fee funds.

As shown in **Exhibit 1**, there are \$845,248 of traffic impact fees which were collected in excess of five years ago that remain unspent. This is primarily due to project development timing and because some of the larger projects such as the Pioneer Trail & Bridge Street Extension Project and the SR267 Brockway Road Roundabout Project require more funds than would be collected over a typical five-year time period. Staff is recommending that the Council make specific findings contained in draft Resolution 2024-75 (attached as **Exhibit 3**) to retain these unspent funds. Adoption of Resolution 2024-75 will also set the new Traffic and Facility Impact Fees.

To document compliance with Section 66006 (b) (1) (G) and (H), there have been no inter-fund transfers or loans made from the AB 1600 traffic impact fee program funds nor have there been any refunds made pursuant to subdivision (e) of Section 66001 nor allocation pursuant to subdivision (f) of Section 66001.

Facility Impact Fee Fund

On June 6, 2005, the Town implemented the AB1600 facilities impact fee program. **Exhibit 4** which presents "The beginning and ending balance of the account or fund", fulfills the requirements of Section 66006 (b) (1) (C) and Section 66006 (b) (1) (D), "The amount of the fees collected and the interest earned."

Exhibit 4 also shows a summary of the facilities impact fee program transactions. During fiscal year 2023/2024, \$310,677 in facilities impact fees was collected and \$47,576 in interest was earned for a total revenue amount of \$358,252. During this same period negative \$146,842 was expended in the facilities impact fee program. **Exhibit 2** fulfills Section (b) (1) (E) "an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees". **Exhibit 2** shows that negative 17.6% (\$150,326) of the Church Street Extension Project was funded with facilities impact fees. This negative expenditure represents a reimbursement from the project to the facilities impact fee fund after a final accounting of project expenditures determined that the facilities impact fee funds were misallocated. No AB 1600 facility impact fee program funds have been on deposit in excess of five years and, therefore, no specific findings need to be made for the AB 1600 facility impact fee program. To document compliance with Section 66006 (b) (1) (G) and (H), there have been no inter-fund transfers or loans made from the AB 1600 facilities impact fee program funds nor have there been any refunds made pursuant to subdivision (e) of Section 66001 nor allocation pursuant to subdivision (f) of Section 66001.

Traffic Impact Fee Adjustments

Exhibit 5 fulfills the requirements of Section 66006 (b) (1) (F) which requires the local agency to identify the approximate date by which construction of a public improvement will commence. It also presents the AB 1600 traffic impact fee program projects, adopted February 9, 2016, with cost estimates that have been updated based on inflationary adjustments or better cost information. The change in the Construction Cost Index (CCI) as reported by Engineering News Record (ENR) for the period from July 1, 2023, through June 30, 2024 (end of fiscal year) was determined to be 0.91% (see attached index chart as **Exhibit 6**). The traffic impact fee program's project cost estimates have all been updated by this inflationary adjustment (0.91%) with the exception of the completed projects where actual cost information is available.

The total project cost that is the responsibility of the traffic impact fee program was calculated to be \$107,568,991 (including eastern Nevada and Placer County improvements). The amount of additional funds not yet collected is \$95,188,860. The updated traffic impact fees are calculated in **Exhibit 7** by dividing the project costs not yet collected by the number of Dwelling Unit Equivalent (DUE) of future development (\$95,188,860/10,715). Therefore, the new traffic impact fee per DUE is calculated to be **\$8,884**. This new fee is \$132/DUE (1.51%) more than the current fee of \$8,752/DUE. If adopted, staff recommends that these fees become *effective February 10, 2025*.

Traffic Impact Fee Program

TABLE 5: Dwelling Unit Equivalent Factors and Fee Calculations							
Fee Formula: $\$8,884 \times \text{DUE per Unit} \times \text{Units (from Project)} = \text{fee}$							
Land Use Category	Unit	ITE Land Use Code	PM Peak Hour Trip Rate Per Unit ³	% New Trips	New Trips per Unit	DUE per Unit	Fee per square foot
Residential (Note 1)	1,000 s.f.	210, 220, 240	0.41	100%	0.41	0.41	\$3.64
Hotel/Motel	Room	310	0.7	100%	0.70	0.70	
Office							
General Office	1,000 s.f.	710	1.49	100%	1.49	1.49	\$13.24
Medical Office	1,000 s.f.	720	3.57	100%	3.57	3.57	\$31.72
Commercial							
General Retail	1,000 s.f.	Note 4	6.08	43%	2.64	2.64	\$23.45
Multiplex Movie Theater	1,000 s.f.	445	2.94	100%	2.94	2.94	\$26.12
Restaurant - Quality or High-Turnover	1,000 s.f.	931, 932	8.67	37%	3.23	3.23	\$28.70
Fast Food Restaurant / Coffee Shop	1,000 s.f.	933, 934	29.4	30%	8.78	8.78	\$78.00
Supermarket	1,000 s.f.	850	9.48	34%	3.24	3.24	\$28.78
Convenience Market	1,000 s.f.	851	52.4	24%	12.53	12.53	\$111.32
Bank	1,000 s.f.	912	24.3	27%	6.56	6.56	\$58.28
Gas Station	Fueling Position	944	13.87	13%	1.79	1.79	
Health Fitness Club	1,000 s.f.	492	3.53	75%	2.65	2.65	\$23.54
Industrial							
Light Industrial	1,000 s.f.	110	0.97	100%	0.97	0.97	\$8.62
Warehouse	1,000 s.f.	150	0.32	100%	0.32	0.32	\$2.84
Hospital	1,000 s.f.	610	0.93	77%	0.72	0.72	\$6.40
Public Park	Acre	417	0.2	100%	0.2	0.20	
School							
Elementary School	1,000 s.f.	520	1.21	80%	0.97	0.97	\$8.62
Middle School	1,000 s.f.	522	1.19	80%	0.95	0.95	\$8.44
High School	1,000 s.f.	530	0.97	80%	0.78	0.78	\$6.93
Community College	1,000 s.f.	540	2.54	80%	2.03	2.03	\$18.03
Note 1: Residential additions less than 500 square feet shall not be assessed a fee. An Accessory Dwelling Unit (ADU) less than 750 square feet shall not be assessed a fee. Note 3: PM peak-hour of adjacent street traffic. Note 4: Trip generation rate based on calibrated Town of Truckee Model.							

The attached **Exhibit 7**, DUE and Fee Calculations, fulfills the requirements of Section 66006 (b) (1) (B), "The amount of the fee."

Facilities Impact Fee Adjustments

The change in the Construction Cost Index (CCI) for the time period of July 1, 2023, through June 30, 2024 (end of fiscal year) as determined by Engineering News Record (ENR) was determined to be 0.91% as shown in **Exhibit 6**. Table 1 below shows the current and proposed adjustments to the facilities impact fees. If adopted, staff recommends that these fees become *effective February 10, 2025*. **Table 1** fulfills the requirements of Section 66006 (b) (1) (B), "The amount of the fee."

Table 1 - Facility Impact Fees

Land Use Category	Unit	Current Fees	Proposed Fees
Residential (Note 1)	s.f.	\$1.68	\$1.69
Hotel/Motel	Room	\$247	\$249
Commercial/Office	s.f.	\$1.70	\$1.72
Industrial	s.f.	\$1.05	\$1.06
Note 1: Residential additions less than 500 square feet shall not be assessed a fee. An Accessory Dwelling Unit (ADU) less than 750 square feet shall not be assessed a fee.			

Table 2 fulfills the requirements of Section 66006 (b) (1) (F) which requires the local agency to identify the approximate date by which construction of a public improvement will commence.

Table 2

Facilities Public Improvement Projects	Estimated Construction Commencement
Relocate Town Corporation Yard	2009
Increase Storm Drain Capacity Townwide	>2029
Trout Creek Restoration	2006
Relocate Animal Services	2012
PD Expansion Tenant Improvements	2019

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input checked="" type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: Conducting this public hearing maintains the Town's compliance with the AB1600 legislation, thereby allowing the Town to continue collecting AB1600 facilities impact and traffic impact fees. Inflationary cost adjustments will maintain the Fee Program's ability to implement AB 1600 program projects.

Public Communication: Standard Town Council agenda postings and public hearing notifications in the Sierra Sun.

Attachments:

Exhibit 1 – Summary of Traffic Impact Fees
Exhibit 2 – AB 1600 Project Expenditures
Exhibit 3 – Draft Resolution 2024-75
Exhibit 4 – Summary of Facility Impact Fees
Exhibit 5 – Traffic Impact Fee Project List and Estimated Construction Commencement Dates
Exhibit 6 – ENR's Monthly Construction Cost Index Chart
Exhibit 7 – Calculation of Traffic Impact Fee per DUE