

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 3/8/2016	(3) CONTACT/PHONE Michelle Matson, Traffic Engineer (805) 788-2830	
(4) SUBJECT Hearing to consider a resolution to: 1) adopt the 2015 South County Circulation Study and Traffic Impact Fee Update; 2) adopt the Mitigated Negative Declaration and Initial Study; and 3) approve the extension of the payback period of the loan of funds from the Nipomo Road Improvement Area 2 account to the Nipomo Road Improvement Area 1 account. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution to: 1. Adopt the South County Circulation Study and Traffic Impact Fee Update; and 2. Adopt the Mitigated Negative Declaration and Initial Study; and 3. Approve the extension of the payback period of the loan of funds from the Nipomo Road Improvement Area 2 account to the Nipomo Road Improvement Area 1 account.			
(6) FUNDING SOURCE(S) Road Improvement Fees	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent    { } Presentation <b>{X}</b> Hearing (Time Est. <u>20 min.</u> )    { } Board Business (Time Est. <u>   </u> )			
(11) EXECUTED DOCUMENTS <b>{X}</b> Resolutions    { } Contracts    { } Ordinances    { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required <b>{X}</b> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A    Date: 12/16/14, #26	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 4.			

Reference: 16MAR08-H-2

## County of San Luis Obispo



TO: Board of Supervisors  
FROM: Public Works  
Michelle Matson, Traffic Engineer  
VIA: Jeremy Ghent, Transportation Division Manager  
DATE: 3/8/2016

SUBJECT: Hearing to consider a resolution to: 1) adopt the 2015 South County Circulation Study and Traffic Impact Fee Update; 2) adopt the Mitigated Negative Declaration and Initial Study; and 3) approve the extension of the payback period of the loan of funds from the Nipomo Road Improvement Area 2 account to the Nipomo Road Improvement Area 1 account. District 4.

### **RECOMMENDATION**

It is recommended that the Board adopt the attached resolution to:

1. Adopt the South County Circulation Study and Traffic Impact Fee Update; and
2. Adopt the Mitigated Negative Declaration and Initial Study; and
3. Approve the extension of the payback period of the loan of funds from the Nipomo Road Improvement Area 2 account to the Nipomo Road Improvement Area 1 account.

### **DISCUSSION**

The South County Circulation Study of January 1989 initiated the County's Road Improvement Fee Program to mitigate cumulative traffic impacts caused by new development under the adopted General Plan. To date, the South County fee areas have collected over \$34,000,000 and helped fund the Willow Road Interchange, Tefft Street Interchange Improvements, traffic signals, left turn lanes and other capacity improvements in the community of Nipomo. The Board adopted the most recent update of the South County Road Improvement Fee Resolution on December 16, 2014.

The South County program is divided into Area 1, the south mesa including Nipomo proper, and Area 2, the north mesa area which contains rural residential and light industrial land uses. The Woodlands development contributes a prorata mitigation fee into both Area 1 and 2.

a) Comprehensive New Study Update

Pursuant to Government Code Section 66000-66008, the Public Works Department is presenting the Comprehensive Update and Annual Report for the South County Road Improvement Fee Area. The attached resolution continues the fees and adopts the 2015 South County Circulation Study and Traffic Impact Fee Update, included as Exhibit "A" and the Mitigated Negative Declaration included as Exhibit "C." The previously adopted Board policy for determining the amount of the fees is included as Exhibit "B" to the resolution. Previously, your Board adopted resolutions imposing road improvement fees on new development under the provisions of Ordinance 2379.

The attached 2015 South County Circulation Study and Traffic Impact Fee Update is a comprehensive update to the program. The update analyzed the circulation network under existing and build out conditions per the General Plan and reestablished the nexus for the included capital improvement projects.

Staff has re-evaluated both the trip demands and mitigation project costs and concluded that the existing fee level is necessary to fund the identified improvements in the 2015 South County Circulation Study and Traffic Impact Fee Update. The road improvement fees have remained the same in these areas since 2009 and are shown in the table below per peak hour trip (pht).

Land Use	Area 1	Area 2
Residential	\$12,011/pht	\$10,048/pht
Retail	\$3,336/pht	\$4,539/pht
Other	\$5,133/pht	\$6,983/pht

The fees have been noticed prior to this public hearing for their adoption.

As required by CEQA, all discretionary projects carried out by the County Public Works Department are reviewed to identify, avoid, reduce, and mitigate any potential environmental impacts. The Initial Study, Mitigated Negative Declaration for this project was prepared by the County Public Works Department Environmental Division Staff, with review and approval by the Environmental Coordinator of the County Department of Planning and Building. The Environmental Coordinator found that the proposed project will not have a significant effect on the environment because of the inclusion of suitable mitigation measures that are designed to avoid and/or reduce all possible project-related impacts to insignificant levels. The Mitigated Negative Declaration is attached as Exhibit "C" to the resolution.

b) Past Fiscal Year Report

Between July 1, 2014 and June 30, 2015, \$339,073 in fees were collected from 28 permits within the South County Area 1 and 2. Two (2) road fee appeals were filed in South County Area 1 during this time period. One (1) fee appeal was denied and the other was adjusted due to the finding that tract improvements created additional capacity.

During FY 2012-2013 and 2013-2014, Nipomo South County Area 1 did not have sufficient funds to pay for the Willow Road Interchange and Extension costs and \$100,741 was borrowed from Nipomo South County Area 2 to pay for project costs. No additional money was borrowed or paid back during FY 2014-15. The FY 2014-15 account summaries are shown in the table below.

<b>FY 14/15</b>	<b>Area 1</b>	<b>Area 2</b>
<b>Balance (07/01/14)</b>	<b>\$48,741</b>	<b>\$3,477,206</b>
Fees Received (+)	211,370	127,703
Interest (+)	274	12,161
Expenditures (-)	182,965	42,291
<b>Balance (06/30/15)</b>	<b>\$77,420</b>	<b>\$3,574,778</b>

See the attached South County Area 1 and 2 FY 2014-15 Account Summaries for detailed expenditure details.

Oak tree mitigation measures associated with the Willow Road Extension Project are on-going in Area 1 and funds will be used until the environmental requirements have been completed. Public Works is working towards operational improvements at the Tefft Street Interchange through traffic studies and engaging Caltrans. Staff is currently studying the secondary access of Oakglen Avenue, however, road improvement funds are not being used to fund the study.

Area 2 has sufficient funds to move forward with capital improvement projects. Public Works will continue to work toward improvements on Halcyon Road at Highway 1 (N) Intersections and channelization/shoulder widening of Los Berros Road at Dale Avenue.

c. Resolution to continue Inter-Account Loan

As indicated, Area 1 account required borrowing from Area 2 account in order to cover project expenditures for the Willow Road Interchange project. While just over \$100,000 has been borrowed to date, there remains one final project invoice, of approximately \$1 million, to cover cost for a Southern California Gas Transmission line relocation required for project construction. Staff has disputed charges from Southern California Gas Company which has not resolved final payment. Toward that end, we request the Board adopt the attached resolution allowing the inter-account loan to continue up to fiscal year 2020/21. We could expect full repayment of the loan in the next four years based on Road Improvement Fee receipts.

**OTHER AGENCY INVOLVEMENT/IMPACT**

The Public Works Department and Omni-Means, Inc. presented the 2015 South County Circulation Study and Traffic Impact Fee Update to the South County Advisory Committee's Traffic and Circulation Committee for review. The committee unanimously supports the study and has provided the attached Area 1 and Area 2 Road Improvement Fee project priorities for both road improvement fee and discretionary funding.

Staff has also reviewed the Road Improvement Fee program with the Economic Vitality Corporation's Building Cluster group.

The attached Mitigated Negative Declaration was noticed for public comment in a local newspaper and circulated to various state and resource agencies through the State Clearinghouse. The minimum 30-day review period for the project ended January 13, 2016.

County Counsel has reviewed the attached resolution as to legal form and effect.

## **FINANCIAL CONSIDERATIONS**

The Road Improvement Fees fund identifies several Capital Improvement Project (CIP) programs for the specific area which is implemented under the program. The fees are held in a separate Road Improvement Fund and are not part of the Road Fund.

The fees are based on current project development and construction costs. As these costs change, the fees change accordingly.

## **RESULTS**

Your receipt and review of the attached reports will meet the requirements of California Government Code Section 66000-66008 for the Road Improvement Fees. The programs enable the Department to collect improvement fees and to construct road improvements necessary to accommodate traffic generated by future development in these areas. This action will facilitate your Board's desire for a well governed, safe and prosperous community.

## **ATTACHMENTS**

1. Vicinity Map
2. Area 1 and Area 2 Road Improvement Fee Project Priorities
3. South County Area Road Improvement Fee Areas Map
4. South County Area 1 FY 2014-15 Account Summary
5. South County Area 2 FY 2014-15 Account Summary
6. Resolution Continuing the Road Improvement Fee for all Development within Portions of the South County Area of the County of San Luis Obispo, and Adopting the required 2015 South County Circulation Study and Traffic Impact Fee Update, and Adopting the Required Mitigated Negative Declaration and Initial Study, and Extending the Loan of Funds from the Nipomo Road Improvement Area 2 Account to the Nipomo Road Improvement Area 1 Account

File: CF 830.110.05 Transportation Planning – South County (Nipomo)

Reference: 16MAR08-H-2

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