

City of Hercules

111 Civic Drive
Hercules, CA 94547



Meeting Agenda

Tuesday, February 26, 2019

6:00 PM

SPECIAL MEETING AND SPECIAL CLOSED SESSION - 6:00 P.M.

REGULAR MEETING - 7:00 P.M.

Council Chambers

City Council

Mayor Dan Romero
Vice Mayor Roland Esquivias
Council Member Chris Kelley
Council Member Gerard Boulanger
Council Member Dion Bailey

David Biggs, City Manager
Patrick Tang, City Attorney
Lori Martin, City Clerk

To view webcast of meetings, live or on demand, go to the City's website at www.ci.hercules.ca.us. In addition, a live broadcast of City Council meetings is available on Comcast Cable Channel 28.

I. SPECIAL MEETING - COMMISSION INTERVIEWS – 6:00 P.M. CALL TO ORDER - ROLL CALL

II. PUBLIC COMMUNICATION - SPECIAL MEETING

III. APPLICANT INTERVIEWS - FINANCE COMMISSION

1. [19-475](#) Finance Commission Interviews
Recommendation: Interview candidates for the Finance Commission.

Attachments: [Staff Report - Commission Appointments](#)

IV. CLOSED SESSION – CALL TO ORDER - ROLL CALL

V. PUBLIC COMMUNICATION - CLOSED SESSION ITEMS

VI. CONVENE INTO CLOSED SESSION

1. [19-481](#) Pursuant to Government Code Section 54957(b)(1) PUBLIC EMPLOYMENT - Title: City Manager Contract
2. [19-488](#) Pursuant to Government Code Section 54956.9 (d)(2), Conference with Legal Counsel - Potential Litigation - Exposure to litigation in one (1) case.

VII. REGULAR MEETING – 7:00 P.M. CALL TO ORDER - ROLL CALL

VIII. REPORT ON ACTION TAKEN IN CLOSED SESSION

IX. PLEDGE OF ALLEGIANCE

X. MOMENT OF SILENCE

XI. INTRODUCTIONS/PRESENTATIONS/COMMISSION REPORTS

1. [19-477](#) Proclamation - Special Recognition to Officer Luis Montenegro as the 2019 Police Officer of the Year

Attachments: [Proclamation - 2019 Police Officer of the Year](#)

2. [19-472](#) Proclamation - Recognizing the Hercules Chinese Association on their 40th Anniversary and Declaring February 26, 2019 as Chinese Heritage Day in the City of Hercules

Attachments: [Proclamation - Chinese Heritage Day](#)

XII. AGENDA ADDITIONS/DELETIONS

XIII. PUBLIC COMMUNICATIONS

This time is reserved for members of the public to address issues not included in the agenda. In accordance with the Brown Act, Council will refer to staff any matters brought before them at this time, and those matters may be placed on a future agenda.

Individuals wishing to address the City Council are asked to complete a form indicating the name and address of the speaker and the general topic to be addressed. Speakers must make their comments from the podium and will be allowed 3 minutes to discuss their concerns. All public comments are recorded and become part of the public record. A limit of 30 minutes will be devoted to taking public comment at this point in the agenda. If any speakers remain at the conclusion of the initial 30 minute period, time will be reserved at the conclusion of the meeting to take the remaining comments.

XIV. PUBLIC HEARINGS

1. [19-480](#) **2019 West Contra Costa County Subregional Transportation Mitigation Program (STMP) Fee Update**
Recommendation: Hold a public hearing and consider:
 - a) Waiving the first reading and introducing an Ordinance amending Hercules Municipal Code Title 10, Chapter 17 - West County Subregional Transportation Mitigation Program, and
 - b) Adopting a Resolution authorizing the City Manager to execute a Master Cooperative Agreement between the West Contra Costa Transportation Advisory Committee (WCCTAC) and the City of Hercules and other member agencies in its current substantive form with Exhibits A - 2019 Nexus Update of the STMP Impact Fee and Exhibit B - STMP Administrative Guidelines as a reference and incorporate the new STMP Nexus Fees into the City's Master User Fee Schedule.

Attachments: [Staff Report - 2019 WCCTAC STMP Fee Update](#)
[Att1-2019-02-14 WCCTAC Transmittal ltr 4 STMP](#)
[Att2-FINAL STMP Model Ordinance](#)
[Att3-Reso for WCCTAC STMP Master Coop Agrmt and Fees](#)
[Att4- STMP Master Coop Agrmt](#)
[Att4-ExbA-Final 2019 STMP Report](#)
[Att4-ExbB-Draft Admin Guidelines](#)

XV. CONSENT CALENDAR

1. [19-478](#) **Meeting Minutes**
Recommendation: Approve the Regular Meeting Minutes of February 12, 2019.

Attachments: [Minutes - 021219 - Regular](#)

XVI. DISCUSSION AND/OR ACTION ITEMS

1. [19-476](#) **Finance Commission Appointments**
Recommendation: Consider making two (2) appointments to the Finance Commission for the start of two (2) year terms ending December 31, 2020.
Attachments: [Staff Report - Finance Commission Appointments](#)

2. [19-482](#) **FY 2018-19 Mid-Year Budget Review and Miscellaneous Mid-Year Budget Appropriations and Adjustments and Authorizing the Creation of a Management Analyst Position**
Recommendation: Receive a report on the FY 2018-19 mid-year budget review and adopt a Resolution approving various mid-year budget appropriations and adjustments and authorizing the creation of a Management Analyst position.
Attachments: [Staff Report - Mid-Year Budget](#)
[Attach 1 - Resolution](#)
[Exhibit 1 - Proposed Budget Amendment](#)
[Exhibit 2 - Management Analyst](#)
[Attach 2 - Decision Package Status Update 02182019](#)
[Attach 3 - General Fund Budget Summary](#)
[Attach 4 - General Fund Reserves](#)
[Attach 5 - General Fund Expenditure Detail](#)

3. [19-474](#) **Discussion of Planning and Zoning Noticing Requirements**
Recommendation: Receive report, discuss, and provide direction, if any.
Attachments: [Staff Report - Noticing Requirements 02262019](#)

4. [19-470](#) **Update on the Queen Anne House**
Recommendation: Receive report, discuss, and provide direction, if any.
Attachments: [Staff Report - Queen Anne Update 02262019](#)

5. [19-471](#) **Update on Clock Tower**
Recommendation: Receive report, discuss, and provide direction, if any.
Attachments: [Staff Report - Clock Tower Update 02262019](#)

XVII. PUBLIC COMMUNICATIONS

This time is reserved for members of the public who were unavailable to attend the Public Communications period during Section X of the meeting, or were unable to speak due to lack of time. The public speaker requirements specified in Section X of this Agenda apply to this Section.

**XVIII. CITY COUNCIL/CITY MANAGER/CITY ATTORNEY ANNOUNCEMENTS,
COMMITTEE, SUB-COMMITTEE AND INTERGOVERNMENTAL COMMITTEE REPORTS
AND FUTURE AGENDA ITEMS**

This is the time for brief announcements on issues of interest to the community. In accordance with the provisions of the Brown Act, matters which do not appear on this agenda but require City Council discussion may be either (a) referred to staff or other resources for factual information or (b) placed on a future meeting agenda.

XIX. ADJOURNMENT

The next Regular Meeting of the City Council will be held on Tuesday, March 12, 2019 at 7:00p.m. in the Council Chambers.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at www.ci.hercules.ca.us and can receive e-mail notification of agenda and staff report postings by signing up to receive an enotice from the City's homepage. Agendas and staff reports may also be obtained by contacting the Administrative Services Department at (510) 799-8215

(Posted: February 21, 2019)

**THE HERCULES CITY COUNCIL ADHERES TO THE FOLLOWING POLICIES,
PROCEDURES AND REGULATIONS REGARDING CITY COUNCIL MEETINGS**

1. SPECIAL ACCOMODATIONS: In compliance with the Americans with Disabilities Act, if you require special accommodations to participate at a City Council meeting, please contact the City Clerk at 510-799-8215 at least 48 hours prior to the meeting.

2. AGENDA ITEMS: Persons wishing to add an item to an agenda must submit the final written documentation 12 calendar days prior to the meeting. The City retains the discretion whether to add items to the agenda. Persons wishing to address the City Council otherwise may make comments during the Public Communication period of the meeting.

3. AGENDA POSTING: Agendas of regular City Council meetings are posted at least 72 hours prior to the meeting at City Hall, the Hercules Swim Center, Ohlone Child Care Center, Hercules Post Office, and on the City's website (www.ci.hercules.ca.us),

4. PUBLIC COMMUNICATION: Persons who wish to address the City Council should complete the speaker form prior to the Council's consideration of the item on the agenda.

Anyone who wishes to address the Council on a topic that is not on the agenda and is relevant to the Council should complete the speaker form prior to the start of the meeting. Speakers will be called upon during the Public Communication portion of the meeting. In accordance with the Brown Act, the City Council may not take action on items not listed on the agenda. The Council may refer to staff any matters brought before them at this time and those matters may be placed on a future agenda.

In the interests of conducting an orderly and efficient meeting, speakers will be limited to three (3) minutes. Anyone may also submit written comments at any time before or during the meeting.

5. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Council or a member of the public prior to the time the City Council votes on the motion to adopt.

6. LEGAL CHALLENGES: If you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the meeting or in written correspondence delivered at, or prior to, the meeting. Actions challenging City Council decisions shall be subject to the time limitations contained in Code of Civil Procedure Section 1094.6.



STAFF REPORT TO THE CITY COUNCIL

DATE: Special Meeting of February 26, 2019 – 6:00 p.m.

TO: Members of the City Council

SUBMITTED BY: Lori Martin, Administrative Services Director/City Clerk

SUBJECT: Finance Commission Interviews

RECOMMENDED ACTION:

Conduct interviews for all eligible candidates which have applied for the Hercules Finance Commission. Appointments to Hercules Boards and Commissions will be considered at the regular City Council meeting of February 26, 2019 commencing at 7:00 p.m.

FISCAL IMPACT OF RECOMMENDATION:

There is no fiscal impact associated with this item.

DISCUSSION:

The City's Finance Commission currently has two (2) seats with expired terms which ended on December 31, 2018. Pursuant to Hercules Municipal Code Section 2-2.602 (c)(1), members serve until a successor is duly appointed and qualified.

At a regular City Council meeting held on February 12, 2019, Hercules City Council approved the re-appointment of Commissioner Zania Harris to a new term ending December 31, 2020.

The City has conducted an open and extended recruitment for applicants to fill the remaining two (2) seats with expired terms. To date four (4) applications have been received and have been provided to the City Council for reference while conducting the interviews. Candidates scheduled for an interview are: Diana Galieva, Dillard Davis, Edward Ulle, and Myrna Godinez.

Finance Commission – Two (2) terms to be filled with terms ending December 2020

The Finance Commission meets the fourth Monday of every month at 7:00 p.m. The Commission is advisory to the Council.

ATTACHMENTS:

None.

PROCLAMATION

COMMENDING AND EXPRESSING SPECIAL RECOGNITION TO OFFICER LUIS MONTENEGRO OF THE HERCULES POLICE DEPARTMENT AS THE 2019 POLICE OFFICER OF THE YEAR

WHEREAS, Luis Montenegro was raised in Pinole, attending St. Patrick's Elementary and graduated from St. Patrick / St. Vincent High School in Vallejo in 2003; and

WHEREAS, Luis Montenegro continued his education and in 2011 received his Bachelors of Science degree in Sociology from California State University, Sacramento; and

WHEREAS, in 2012 Luis Montenegro attended and graduated from the Contra Costa County Law Enforcement Academy and was subsequently hired as a fulltime police officer with the Fairfield Police Department in 2012; and

WHEREAS, Officer Montenegro decided to continue his law enforcement career in Hercules and was hired as a full time police officer with the Hercules Police Department on November 14th, 2016; and

WHEREAS, in January 2018 Officer Montenegro rescued a victim of sex trafficking, a minor who was abducted from Yolo County, and arrested the suspect who was later sentenced to State Prison; and

WHEREAS, Officer Montenegro holds the position of Police Explorer Advisor, where he mentors, trains, and guides youths 14 – 20 years of age who are interested in a law enforcement career; and

WHEREAS, Officer Montenegro has been recognized by his supervisors as an excellent mentor and instructor and as a result of his excellent performance, commitment and knowledge, Officer Montenegro was selected to be one of the Department's Field Training Officers; and

WHEREAS, Officer Montenegro was appointed to the position of Police Corporal where he assisted the Watch Commander, trained new Officers, and assumed the position of Shift Supervisor in the absence of the Team Sergeant from November 2018 through January 2019; and

WHEREAS, in 2018 Corporal Montenegro accounted for 9% of all Calls For Service, 13% of all Reports taken, 11% of all arrests made, and 9% of all citations issued; and

WHEREAS, in a secret ballot Corporal Montenegro was a near unanimous selection for Officer of the Year by his peers.

NOW THEREFORE, BE IT PROCLAIMED, that I, Dan Romero, Mayor of the City of Hercules, on behalf of the entire City Council and the Hercules community, do hereby commend and express appreciation to Corporal Luis Montenegro for his dedication to the law enforcement profession and the community he proudly serves.

In witness whereof, I hereunto set my hand and cause the Seal of the City of Hercules to be affixed on this 26th day of February, 2019.

Dan Romero, Mayor

PROCLAMATION

PROCLAMATION CONGRATULATING THE HERCULES CHINESE ASSOCIATION ON THEIR 40TH ANNIVERSARY AND DECLARING FEBRUARY 26, 2019 AS CHINESE HERITAGE DAY IN THE CITY OF HERCULES

WHEREAS, the Chinese Association of Hercules was established in 1979 as a non-profit mutual benefit corporation organized to be primarily social in nature, with non-political, non-sectarian, and non-discrimination values; and

WHEREAS, the Association's purpose is to promote friendship and cooperation among its members and community, to foster pride in the City, to promote traditional Chinese culture and to provide a strong voice for the Chinese in the Hercules community; and

WHEREAS, the Association was started in 1979 with 6 families when the Hercules population was 5,963, it now consists of more than 250 members from Hercules, a population of 26,317 and surrounding communities, who participate in and support many city-sponsored events, such as community cleanup day, cultural festival, July 4th parade, and tree lighting ceremony; and

WHEREAS, the Association successfully raised funds for the Hercules Library and the Earthquake relief effort in China, has organized free health and safety seminars for its members and has initiated free classes at the Hercules Senior Center, including Tai Chi and Yuen Ji Chinese Dance; and

WHEREAS, in 1990, the Association established the Academic Achievement Awards Program and renamed it in 2014 to the Susie Ko Academic Achievement Awards Program to recognize Grades 3-12 Association members, encouraging students to attend college and to promote community involvement. Since the program's inception, awards have been presented to more than 325 scholar recipients; and

WHEREAS, in 2008, the Chinese Association, in partnership with the Hercules Historical Society, installed a memorial plaque at Frog Pad Park dedicated to the memory of the Chinese workers who toiled under treacherous conditions at Hercules Powder Works, many of whom perished in explosions; and

WHEREAS, the year 2019 marks the 105th anniversary of the departure of the once indispensable immigrant and California-born Chinese workforce from the powder works plant.

NOW, THEREFORE, BE IT PROCLAIMED that I, Dan Romero, Mayor of the City of Hercules, on behalf of the entire City Council and the Hercules community, do hereby recognize and congratulate the Hercules Chinese Association on their 40th anniversary and do hereby proclaim February 26, 2019 as Chinese Heritage Day in the City of Hercules.

I further call upon all citizens of Hercules to commemorate the 105th anniversary of the Chinese workforce's departure from the Hercules Powder Works plant, to celebrate the contributions made by Chinese residents' past and present and to recognize the valuable role played by the Chinese Association in Hercules.

In witness whereof, I hereunto set my hand and cause the Seal of the City of Hercules to be affixed this twenty-sixth day of February 2019.

Dan Romero, Mayor



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: Holly Smyth, AICP Planning Director

SUBJECT: 2019 West Contra Costa County Subregional Transportation Mitigation Program (STMP) Fee Update

RECOMMENDED ACTION: Hold a public hearing and consider a) Waiving the first reading and Introducing an Ordinance amending Title 10, Chapter 17 – West County Subregional Transportation Mitigation Program of the Hercules Municipal Code and b) Adopting a Resolution Authorizing the City Manager, City Clerk and City Attorney to Execute The Master Cooperative Agreement Between the West Contra Costa Transportation Advisory Committee (WCCTAC) and the City of Hercules and other member Agencies in its current substantive form (with Exhibit A - 2019 Nexus Update of the STMP Impact Fee and Exhibit B- STMP Administrative Guidelines as a reference), and incorporate the new STMP Nexus Fees into the City's Master Fee Schedule effective July 1, 2019.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

The West Contra Costa Transportation Advisory Committee (WCCTAC), our local regional transportation agency that oversees the STMP program in coordination with each member jurisdiction, has completed a 2019 Nexus Update report supporting an update to its fee program. The WCCTAC Board has authorized its Chair to sign the Master Cooperative Agreement and is requesting that its member jurisdictions do the same. Additionally, WCCTAC is requesting that its STMP partners each adopt a new ordinance to implement the fee update effective July 1, 2019.

WCCTAC staff and their consultant, Fehr and Peers, will attend the Council meeting to make a presentation to review the current STMP program, share highlights from the nexus report, present the key elements of the updated program, and respond to questions.

FISCAL IMPACT OF RECOMMENDATION:

The attached ordinance outlines the new STMP fees to be charged at 75% of the maximum potential with an annual automatic increase using the Engineering News-Record Construction Cost Index for the San Francisco Bay Area calculated by WCCTAC as stated therein. The following Table No. 1 shows the recommended increase for the developer fees by unit type.

Table 1: Developer Fee Increase by Unit Type

Unit Type	FY 2017-18 if indexed (1.42% annually)	Current Fee in Hercules	Maximum Potential Fee	Board Recommended Fee set at 75% of the maximum
Single Family (per unit)	\$3,697	\$2,904	\$7,252	\$5,439
Multi Family (per unit)	\$2,348	\$1,844	\$3,572	\$2,679
Office (per sq. ft.)	\$5.00	\$3.927	\$11.63	\$8.72
Retail (per sq. ft.)	\$2.59	\$2.036	\$8.79	\$6.59
Industrial (per sq. ft.)	\$3.49	\$2.741	\$7.41	\$5.56
Senior Housing (per unit)	\$995	\$784	\$1,958	\$1,469
Hotel (per room)	\$2,789	\$2,197	\$4,641	\$3,481
Storage Facility	\$0.75	\$0.593	\$1.02	\$0.76
Other (AM peak hour trip)	\$	\$3,924	\$9,800	\$7,350
Church (per sq. ft.)	\$2.24	\$1.768	-	-
Hospital (per sq. ft.)	\$5.98	\$4.710	-	-

The Building Department staff continues to collect the prescribed STMP fees at the building permit stage of development, and will begin to collect the new increased STMP fees per the new Ordinance, thereafter passing the funds through to WCCTAC.

DISCUSSION:

Documents:

Model STMP Ordinance: WCCTAC developed a model ordinance for its STMP partners to use as a template. Each jurisdiction adopted a similar ordinance in 2006. Each party is now requested to adopt its own ordinance, based on this Model STMP Ordinance, in order to update the STMP program.

STMP Master Cooperative Agreement. This document is an agreement between WCCTAC and local jurisdictions to formalize the institutional arrangements for the collection, oversight and expenditure of the 2019 STMP fees and the close out of the 2006 STMP program. All parties signed the current agreement in 2006. All parties are now requested to sign the new version as substantively provided.

Final Report of the 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee. This report contains the analysis legally required to update the STMP fees. This document is provided for reference and is attached to the STMP Master Cooperative Agreement as Exhibit A.

STMP Administrative Guidelines: These were developed by WCCTAC and its member agencies to provide a resource for local agency and WCCTAC staff on day-to-day operational details and procedures. The guidelines are intended to be updated from time to time if necessary, following review by the WCCTAC TAC (Technical Advisory

Committee) and approval by the WCCTAC Executive Director. This document is provided for informational purposes and is attached to the STMP Master Cooperative Agreement as Exhibit B.

What is the WCCTAC?

The West Contra Costa Transportation Advisory Committee (WCCTAC) is one of four Regional Transportation Planning Committees (RTPCs) in Contra Costa County and represents the West Contra Costa sub-area. The Committees were created in 1988 to guide transportation projects and programs included in the Measure C, half-cent, transportation sales tax approved by Contra Costa County voters. Measure C was succeeded by Measure J in 2004.

WCCTAC is a public agency, governed by a Joint Exercise of Powers Agreement between the following member agencies: the cities of El Cerrito, Hercules, Pinole, Richmond, San Pablo; Contra Costa County; and the transit operators, AC Transit, BART, and WestCAT. WCCTAC's operating revenues are derived from dues paid by member agencies as well as from numerous grants.

WCCTAC aims to improve the transportation system in West Contra Costa through the development and coordination of transportation plans, projects, programs and policies for the West Contra Costa area. In addition to directing some funds from Measure J, WCCTAC administers the Sub-regional Transportation Mitigation Fee Program (STMP) which collects impact fees from development projects built in the West Contra County and applies them to transportation improvements.

WCCTAC also manages a Transportation Demand Management (TDM) Program using the '511 Contra Costa' brand which is aimed at vehicle trip reduction. Programs include: outreach to assist employers with development of trip reduction programs, bicycle programs, carpool and transit incentive programs and other projects to encourage alternative to driving alone.

What is the STMP?

In 1988 Contra Costa County residents adopted Measure C, a half-cent sales tax measure for transportation projects and programs which voters renewed in 2004 with the passage of Measure J. These ballot measures require that local jurisdictions develop a program of regional traffic mitigation fees, assessments, or other mitigations, as appropriate, to fund regional and subregional transportation projects. In developing these fee programs, local jurisdictions are required to consider such issues as jobs/housing balance, carpool and vanpool programs, and proximity to transit service in the establishment of the regional traffic mitigation program.

The West County Subregional Transportation Mitigation Program (STMP) is an important mechanism for regional collaboration in West County. Regional, multi-jurisdictional fee programs are more complicated than local mitigation fee programs administered by a single jurisdiction; however, regional programs offer a forum for cooperation and coordination that allows the agencies involved to make more comprehensive transportation investments than any single jurisdiction could do on its own.

The STMP was developed with the participation and concurrence of local jurisdictions in

determining the most feasible methods of mitigating regional traffic impacts. The Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, as well as the County of Contra Costa have each adopted an ordinance implementing this fee program. These jurisdictions share a desire to assure that new development in West County pays its fair-share toward regional circulation and transit improvements that are proportional to the traffic impact the new development will generate. The STMP is not a return-to-source program. The local fees collected in West County provide congestion relief to mitigate traffic on regional routes and through improved transit service throughout West County.

WCCTAC first implemented a transportation impact fee via the STMP in 1997. Impact fees are established under a state law known as Assembly Bill (AB) 1600, the Mitigation Fee Act. WCCTAC conducted an update of the fee program in 2005/2006 to help fund an expanded list of regional transportation improvements.

Participating jurisdictions are responsible for collecting the STMP fee, filling out a quarterly report form and forwarding the fees to WCCTAC. WCCTAC is empowered to coordinate and administer revenues for the regional transportation improvements funded with these fees. Measures C and J also require that all Contra Costa County jurisdictions participate in the regional transportation mitigation program. Jurisdictions that are not participating in such a program are at risk of losing their annual Measure C (and subsequently Measure J) local street maintenance and improvement (return-to-source) funds.

STMP Update:

In late 2016, WCCTAC began the process of updating the STMP and its nexus study. This update has been a multi-step process during which WCCTAC's staff and consultants have worked closely with the WCCTAC Technical Advisory Committee (WCCTAC TAC) and made periodic check-ins with the WCCTAC Board. The consultant team developed a series of technical memos which evaluated the 2005/2006 STMP, reviewed West County existing conditions and growth projections, developed criteria for a project list, and identified projects and determined the nexus between the projects and the maximum potential fee that could be charged. These memos are available on the WCCTAC website: https://www.wcctac.org/app_pages/view/210. The technical memos are summarized in the Final Report of the 2019 Nexus Update of the STMP Impact Fee. WCCTAC anticipates that the updated STMP will become effective July 1, 2019.

Final Report of the 2019 Nexus Update of the STMP Impact Fee

The purpose of this report is to provide the technical basis for updating the STMP. The focus of the updated program is to support a regional multimodal transportation system in West County that serves the expected future demand. This report documents the analytical approach for establishing the required nexus between anticipated future development in West Contra Costa County and the need for regional transportation improvements.

2005/2006 STMP Revenue and Disbursements

As shown in Table 2-3 of the Final Report, the STMP generated about \$11.6 million in revenue as of December 1, 2018, including \$8.7 million between 2005 and 2018. About \$5.9 million has been disbursed as of December 1, 2018; total disbursements by project are summarized in Table 2-4. As shown in Table 2-3, an account balance of about \$5.7 million

remains as of December 1, 2018. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies to date. WCCTAC recently completed a 2018 Call for Projects and its Board agreed to disburse the remaining balance for transportation capital improvements that fall under the project list identified in the 2005 Update of the STMP. The WCCTAC Board further agreed to designate revenues generated between December 1, 2018 and June 30, 2019 (the proposed last day of the 2005/2006 STMP) to specific projects from the 2018 Call for Projects. This action essentially will result in no or very few dollars from the 2005/2006 STMP remaining unprogrammed at its conclusion.

STMP Update: New 2019 Project List

The WCCTAC TAC recommended, and WCCTAC Board approved, a final list of capital improvement projects for inclusion in the updated STMP. The detailed project list is included in the Final Report of the “2019 Nexus Update of the STMP Impact Fee” contained in Exhibit A. Summarized versions are available as Table 3-1 in the same report as well as in the Master Cooperative Agreement and the Model Ordinance. This list contains a combination of projects currently in the STMP, as well as projects that have been identified through the review of recent planning documents, the application of project eligibility criteria, and feedback from the TAC and Board. Overall, the purpose of the projects remains the same as when the STMP was first adopted. These projects are intended to provide congestion relief and mitigate traffic impacts on regional routes through capacity improvements on those routes, improved transit services for subregional and regional travel, and improved facilities that allow West County residents to more efficiently access regional routes and transit services. There are twenty projects included in the STMP 2019 Nexus Update and their overall total project cost is \$855 million. Only a portion of this overall cost can be attributed to the impact of new development.

Table 2-3: STMP Revenue and Disbursements (as of December 1, 2018)¹

Period	Revenue	Disbursements	Balance ²
1998 – 2004	\$2,942,031.00	\$2,235,826.70	\$706,204.30
2005 – 2018 ³	\$8,668,484.55	\$3,652,097.91	\$5,722,590.94
Total to Date	\$11,610,515.55	\$5,887,924.61	\$5,722,590.94

Notes:

1. Information presented in Table 2-3 is based on the best information available at this time, however, the records may not be complete.
2. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies.
3. Reporting period as of December 1, 2018.

Table 2-4: STMP Disbursements by Project (as of December 1, 2018)¹

Project	Total Amount Committed	Total Amount Disbursed to Date
Richmond Intermodal Station	\$527,000.00	\$223,116.36
I-80/San Pablo Dam Road, I-80/Central Avenue, SR 4/ Willow Avenue Interchange Improvements	\$2,800,435.39	\$2,800,435.39
Capitol Corridor Improvements (Hercules Passenger Rail Station)	\$1,000,000.00	\$988,774.00
Ferry Service to San Francisco from Richmond and/or Hercules/Rodeo	\$300,000.00	\$0.00
BART Access and/or Parking Improvements (El Cerrito Plaza, El Cerrito Del Norte, and/or Richmond BART Stations)	\$1,186,200.00	\$813,991.86
Bay Trail Gap Closure	\$500,000.00	\$487,365.06
San Pablo Dam Road Improvements in Downtown El Sobrante	\$0.00	\$0.00
San Pablo Avenue Corridor Improvements	\$0.00	\$0.00
North Richmond Connection Project	\$0.00	\$0.00
Hercules Transit Center	\$304,963.13	\$304,963.13
Del Norte Area TOD Public Infrastructure Improvements	\$300,000	\$0.00
Administrative ²	N/A	\$269,278.81
Total	\$6,918,598.52	\$5,887,924.61

Notes:

1. Information presented in Table 2-4 is based on the best information available at this time, however, the records may not be complete for every project on the list.
2. Includes disbursements for administrative purposes and those that were not otherwise categorized.

Source: WCCTAC, December 2018.

STMP Update: Growth Projections

An important step in quantifying the nexus relationship is to determine the amount of new development anticipated in the planning horizon (year 2040) of the study. Fehr & Peers reviewed the historical and projected housing and job growth in West County provided by the Association of Bay Area Governments (ABAG) and summarized in Table 4-1. Based on the information presented in Table 4-1, the WCCTAC TAC recommended, and the WCCTAC Board approved, a 0.9 percent annual housing growth rate and 1.2 percent annual job growth rate for use in the nexus study update. These projections were incorporated into the year 2040 land use file of the Contra Costa Transportation Authority (CCTA) travel demand model in the appropriate Transportation Analysis Zones (TAZs) for the West County region. Table 4-2 shows the amount of new development anticipated based on applying those growth rates; the number of dwelling units in West County would increase by 18,725 units (17 percent of total 2040 amount), and the number of jobs would increase by 18,794 jobs (21 percent of total 2040 amount). As shown in Table 4-3, total “service population” in West County, which is the sum of population plus jobs, is expected to increase by 82,037 (19 percent of total 2040 amount).

Table 4-1: West County Annual Growth Rate Comparison

Year Range	Annual Housing Growth Rate	Annual Job Growth Rate
2000 – 2005 (Historical)	0.9%	0.7%
2005 – 2010 (Historical)	-0.1%	-2.1%
2010 – 2015 (Historical)	0.9%	1.7%
2015 – 2040 (Forecast, based on ABAG Projections 2013)	1.2%	1.2%
2015 – 2040 (Forecast, based on ABAG Projections 2017)	1.0%	1.4%

Table 4-2: Forecasted Housing and Job Growth in West County

Year	Residential (Dwelling Units)			Non-Residential (Jobs)			
	Single-Family	Multi-Family	Total	Office	Retail	Industrial	Total
2018	65,727	28,657	94,384	45,920	16,172	9,525	71,617
2040	70,412	42,697	113,109	60,528	19,485	10,398	90,411
Net Increase	4,685	14,040	18,725	14,608	3,313	873	18,794
Net Increase as % of Total 2040 Amount	7%	33%	17%	24%	17%	8%	21%

Table 4-3: Forecasted Service Population Growth in West County

Year	Total Population	Total Jobs	Service Population (Population + Jobs)
2018	267,305	71,617	338,922
2040	330,548	90,411	420,959
Net Increase	63,243	18,794	82,037
Increase as % of Total 2040 Amount	19%	21%	19%

STMP Update: Nexus Analysis

An important part of a nexus analysis is to establish whether the transportation facilities that will be addressed by projects in the fee program are currently operationally deficient. Existing deficiencies should be accounted for in the fee calculations to ensure new development pays its fair share and is not being charged to correct an existing problem. Fehr & Peers conducted an evaluation of existing transportation conditions based on a review of recent studies that contain information pertaining to the current operations along Routes of Regional Significance, existing transit services, and existing pedestrian and bicycle infrastructure.

In light of these conditions, the STMP calculations presented here have been conducted by calculating the growth in West County development as a percentage of the total future population and jobs.

The concept of this nexus study is to determine the proportion of the cost of each project that is reasonably attributable to new development within West County, and therefore could be included in the STMP fee. The primary analytical tool available to estimate the proportion of usage on each facility coming from new growth in West County is the CCTA regional travel demand model.

The percentages were applied to the cost of each STMP project, and the resulting amount represents the portion of the cost of each project that was used when calculating the STMP fee. Using these calculations, the STMP program could capture about \$162 million, which is approximately 19 percent of the overall total project cost of \$855 million. Other funding sources would be needed to cover the remainder of the costs, to account for the travel demand generated by existing West County residents as well as existing and future travelers who pass through West County on their way to other destinations.

The STMP Update's nexus analysis determined that the STMP could legally justify collecting a maximum potential of \$162 million (approximately 19%) of the \$855 million cost of the STMP Update Project List based on future West County growth from new development. The consultants then calculated what the maximum potential STMP fee that could be charged to new development for common land use categories.

It is important to note that the fee calculation is intended to represent the maximum potential fee that is justified through this nexus analysis and that could be charged to each land use type to support the list of STMP projects. Setting new fee levels is a policy decision of the WCCTAC Board. The WCCTAC Board in making its recommendation considered that if it set fees lower than the maximum potential fee, the STMP program would generate less revenue than estimated and would take longer to generate the estimated funding for projects on the list.

STMP Update: WCCTAC Board Recommended Fee Levels

Although permitted to index the 2005/2006 STMP fees for inflation, there has not been consistent indexing over time. An inflation index to reflect changes in construction costs is a common practice in fee programs. To assist in making comparison to similar other fees, the consultants calculated what the 2005/2006 STMP fees would be if they had been indexed annually for inflation.

The maximum potential STMP fee was compared to the current STMP fees and to other similar, Measure J required sub-regional fee programs in Contra Costa. The new maximum potential fees calculated are higher than the current non-indexed and indexed STMP fees in all land use categories and compared to other sub-regional transportation areas and shown in Table 5-3. For residential uses, the new maximum STMP fee is somewhat higher than the residential fee charged in the Tri-Valley area, and lower than the residential fees in East County and Lamorinda. For non-residential uses, the new maximum STMP fee is higher than the comparable fees in East County and Tri-Valley, and roughly similar to the non-residential fees in Lamorinda.

Table 5-3: Comparison to Other Sub-Regional Fees

Jurisdiction	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
West County Area					
WCCTAC Maximum Potential Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
WCCTAC (original 2005) ¹	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed) ²	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
Other Sub-Regional Fees in Contra Costa					
East County	\$18,186	\$11,164	\$1.56	\$1.80	\$1.56
Lamorinda	\$7,269	\$5,088	\$7.78	\$7.78	\$7.78
Tri-Valley	\$4,369	\$3,010	\$7.43	\$3.48	\$4.32

Notes:

1. Reflects the 2005 STMP Fee Schedule.
2. Reflects the 2005 STMP Fee Schedule if it had been consistently indexed to year 2018. The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area.

Source: Fehr & Peers, 2018.

At the September 28, 2018 meeting, the WCCTAC Board recommended that fee levels be set at 75 percent of the maximum potential fee calculations shown on the above Table 1. Setting the fees at these levels is expected to generate an estimated \$121.3 million (of the \$162 million potential) through year 2040 to the WCCTAC STMP program.

ATTACHMENTS:

1. WCCTAC Transmittal Letter
2. Draft Ordinance amending the Hercules Municipal Code Title 10, Chapter 17
3. Draft Resolution Approving Master Cooperative Agreement and putting fees in Master User Fee Schedule Effective 7/1/2019
4. Master Cooperative Agreement with WCCTAC
 - A. 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee
 - B. STMP Administrative Guidelines

El Cerrito



Hercules

February 14, 2019

Pinole

The Honorable Mayors of West Contra Costa County,
President of the Contra Costa Board of Supervisors,
Members of the West Contra Costa City Councils and
Members of the Contra Costa Board of Supervisors

Richmond

RE: 2019 West County Subregional Transportation Mitigation Program (STMP) Fee Update

Dear STMP Partners:

San Pablo

As you may know, the West Contra Costa Transportation Advisory Committee (WCCTAC) is a Joint Powers Authority (JPA) composed of West County Cities, Contra Costa County, and public transit providers BART, AC Transit and WestCAT. The JPA designates WCCTAC as responsible for managing the West County Subregional Transportation Mitigation Fee Program (STMP). This program is required by Measure J, the half-percent sales tax that funds transportation projects in Contra Costa County. STMP fees are collected so that new development pays for transportation impacts with the funds going towards transportation improvements serving West Contra Costa.

Contra Costa
County

AC Transit

For nearly two years, the WCCTAC Board, its Technical Advisory Committee (TAC), Fehr and Peers (a consulting firm), and WCCTAC staff have worked on updating the STMP. In December 2018, the WCCTAC Board accepted the 2019 Nexus Update of the STMP Impact Fee Final Report. This report provides the legal justification to update fee levels and updates the list of projects that are eligible to receive funding. At its January 2019 meeting, the WCCTAC Board authorized WCCTAC staff to circulate several documents to STMP partner agencies for action.

BART

The last major update of the STMP occurred in 2006. At that time, the five West County cities and the County each adopted implementing ordinances and signed on to a Master Cooperative Agreement. In order to implement the updated STMP program, each city and the County will again need to adopt a new ordinance and sign the new Master Cooperative Agreement.

WestCAT

6333 Potrero Avenue, Suite 100, El Cerrito CA 94530
Phone: 510.210.5930 ~ www.wcctac.org

WCCTAC developed these documents with the assistance of staff members on the WCCTAC TAC, who facilitated in-house reviews of the documents including by local jurisdiction's legal counsels. The documents were then further refined before the TAC made its recommendation to forward them to the WCCTAC Board for adoption. WCCTAC requests that agencies adopt an ordinance substantively similar to the Model Ordinance and authorize the signing of the new Master Cooperative Agreement. These draft documents are attached. WCCTAC has also worked closely with its member agencies to develop a set of Administrative Guidelines to provide a resource for local agency and WCCTAC staff on day-to-day operational details. These are also included as reference.

WCCTAC requests that member agencies agendaize these documents for their councils/board in February and March with the intent of adoption by April 30, 2019, so that the new fees may go into effect on July 1, 2019. WCCTAC staff and its consultants can be present at Council/Board of Supervisors meetings to make a presentation and/or respond to questions.

Should you have any questions or additional needs, please do not hesitate to contact me (510.210.5933, jnemeth@wcctac.org) or WCCTAC's project manager for this update, Leah Greenblat (510.210.5935 or LGREENBLAT@wcctac.org).

Sincerely,



John Nemeth
Executive Director, WCCTAC

Attachments:

1. Final Report of the 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee
2. New Master Cooperative Agreement
3. Model Ordinance
4. Administrative Guidelines

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ORDINANCE NO.

AN ORDINANCE OF THE CITY OF HERCULES RESCINDING ORDINANCE NO. 417 DATED JUNE 27, 2006 AND ADOPTING HERCULES MUNICIPAL CODE, TITLE 10 – LAND USE, CHAPTER 17 – “WEST CONTRA COSTA SUBREGIONAL TRANSPORTATION MITIGATION PROGRAM (STMP) 2019” UPDATE

WHEREAS, Measure C, the Contra Costa County half-cent sales tax measure adopted in 1988 for transportation projects and programs, requires the Contra Costa Transportation Authority (CCTA or Authority) to:

- Develop a program of regional traffic mitigation fees, assessments, or other mitigations, as appropriate, to fund regional and subregional transportation projects, as determined in the Comprehensive Transportation Plan of the Authority.
- Consider such issues as jobs/housing balance, carpool and vanpool programs, and proximity to transit service in the establishment of the regional traffic mitigation program.
- Implement the development mitigation program with the participation and concurrence of local jurisdictions in determining the most feasible methods of mitigating regional traffic impacts. The Authority shall take existing regional traffic impact fees into account.

WHEREAS, Measure J, the successor to Measure C, was passed by the voters in Contra Costa County in November 2004, extending the half-cent sales tax through March 31, 2034 and also containing a Growth Management component with the same obligations regarding regional traffic mitigation fees as described above;

WHEREAS, West Contra Costa County traffic is heavily impacted by a combination of traffic generated by residents and employees of West County, as well as through traffic from other regions in Contra Costa County and other counties; and West Contra Costa County provides congestion relief through a regional traffic mitigation fee collected and expended to mitigate traffic on regional routes through capacity improvements on those routes, improved transit services for subregional and regional travel, and improved facilities that allow West County residents to more efficiently access regional routes and transit services;

WHEREAS, the West Contra Costa Transportation Advisory Committee (WCCTAC) is comprised of elected officials from the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo and the agencies AC Transit, BART, WestCAT and Contra Costa County, is governed by a Joint Exercise of Powers Agreement (JPA) and has been in existence since 1990;

WHEREAS, WCCTAC is empowered to coordinate and administer fee revenues for regional transportation improvements and has been doing so since the West County Subregional Transportation Mitigation Program (STMP) fee was originally adopted in 1997 and updated in 2006;

WHEREAS, through the aegis of WCCTAC, the West County jurisdictions and Contra Costa County have reached consensus on the 2019 STMP Update, as described in the Master Cooperative Agreement By and Among the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa and the West Contra Costa Transportation Advisory Committee for the 2019 Subregional Transportation Mitigation Fee Program (“Cooperative Agreement”), and are adopting this Ordinance to implement the collection of fees relative to the STMP in order to provide funding for regional transportation improvements necessary as part of each jurisdiction’s contribution to regional needs;

WHEREAS, the City desires to assure that new development in the City contributes to such needed regional improvements based on the development’s proportionate contribution to the need for new or improved regional circulation and transit improvements;

WHEREAS, WCCTAC’s consultant, Fehr & Peers, has prepared a nexus study report, which is provided as Exhibit A, and incorporated by reference herein, which outlines the basis for the updated STMP fee;

WHEREAS, the aforementioned report describes the regional transportation improvements that will be necessary in the City and the other member jurisdictions because of new development expected under the adopted general plans of member jurisdictions, estimates the full cost of building said regional capital improvements, and sets forth the fees necessary to fund such necessary and vital improvements;

WHEREAS, the General Plan of the City requires new developments to pay their fair share of impacts to existing public facilities and upgrading or constructing new public facilities and that the City work with other jurisdictions in order to establish and utilize regional funding mechanisms, including fees on new development, to fund regional transportation improvements.

WHEREAS, in adopting the updated transportation impact fee described herein, the City has found the fee to be consistent with its General Plan and existing ordinances.

WHEREAS, Measure J also requires that all Contra Costa County jurisdictions participate in the regional transportation mitigation program, and jurisdictions that are not participating in such a program are at risk of losing their Measure J local street maintenance and improvement funds;

WHEREAS, adoption and approval of the STMP fee are also exempt from CEQA pursuant to Public Resources Code § 21080(b)(8)(D) and 14 Cal. Code Regs. § 15273(a), since they constitute the modification, restructuring or approval of a fee or charge needed to obtain funds for capital projects that are necessary only to maintain service within existing service areas within the City/County, pursuant to the findings set forth herein.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS:

SECTION I: Remove and replace Title 10, Chapter 17 of the Hercules Municipal Code as follows:

10-17.101– TITLE

The title of this Chapter of the Hercules Municipal Code is the **West County Subregional Transportation Mitigation Program 2019 Update**.

10-17.102 - PURPOSE

The purpose of the STMP Update and the STMP fee set forth in this Chapter is to meet the intent of Measure J by levying a fee on new development to mitigate the regional impacts of new trips generated by that development. Further, the purpose of the STMP fee set forth in this Chapter is to raise funds for regional transportation projects in West County.

10-17.103 – FINDINGS

- A. The STMP fee is required to defray all or a portion of the costs of building transportation capital improvement projects needed to mitigate impacts of new development projects.
- B. The STMP fee will raise funds for twenty (20) projects, in the general categories of freeway and interchange improvements, local street and intersection improvements, transit and station-related improvements, bicycle and pedestrian-focused improvements, and complete streets projects. A detailed description of the projects can be found in Section 10-17.105.
- C. The total cost of the twenty(20) projects is approximately \$855 million in 2018 dollars. The nexus study report determined the maximum amount of eligible funding that could be collected through the STMP program at \$161.8 million.
- D. The nexus findings, in conformance with Government Code § 66000 et seq. can be found in the “2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee” (herein after referred to as the 2019 STMP Nexus Update) prepared by Fehr & Peers for WCCTAC dated December 2018. Two copies of the 2019 STMP Nexus Update are on file with the (City Clerk/Clerk of the Board) and is incorporated herein by reference (and also provided as Exhibit A).
- E. The 2019 STMP Nexus Update included the following steps:
 - Projecting the amount of new development anticipated in West County;
 - Setting criteria for identifying eligible capital improvement projects;
 - Specifying the transportation improvements needed to accommodate growth;
 - Evaluating the relationship between the improvements, the share of funding from new development, and the impacts of new trip generation;
 - Allocating the costs across land use types; and;
 - Preparing fee schedules and implementation documents.
- F. After considering the 2019 STMP Nexus Update, the testimony received at a noticed public hearing, the agenda statements, the General Plan, and all correspondence received (together, the “Record”), the City Council approves and adopts the 2019 STMP Nexus Update and incorporates such report herein by reference.

- G. Adoption of the STMP fee set forth in this Chapter, as it relates to development within the City, is intended to obtain funds for capital projects necessary to maintain service within the WCCTAC area. Accordingly, this fee, as it relates to development within the City, is not a “project” within the meaning of the California Environmental Quality Act. (Pub. Res. Code § 21080(b)(8)(D)).
- H. The Record establishes and finds:
- That there is a reasonable relationship between the use of the STMP fee set forth in this Chapter (funding for transportation capital infrastructure projects) and the type of development projects on which this fee is imposed in that all development in the City — both residential and non-residential—will contribute to the need for the projects listed in Section 10-17.105 of this Chapter; and
 - That there is a reasonable relationship between the need for the projects listed in Section 10-17.105 of this Chapter and the type of development projects on which this fee is imposed in that new development in the City — both residential and non-residential—will generate persons who live, work, shop, travel to and from, commute to and from, and visit the City and who, therefore, contribute to the need for the projects listed in Section 10-17.105 of this Chapter; and
 - That there is a reasonable relationship between the amount of the fee set forth in this Chapter and the cost of the projects listed in Section 10-17.105 of this Chapter or portion of such projects attributable to the development on which this fee is imposed in that such fee is calculated based on projections described in the 2019 STMP Nexus Update of new development, the total cost of the projects listed in Section 10-17.105, and allocation of a fair share of costs to new development across the various land use types.

10-17.104 – FEES

- A. Levy of the Fee and Fee Structure. In order to fund the program and projects stated herein, the following updated STMP fee schedule shall be implemented July 1, 2019 and shall terminate on March 31, 2040. The following fees, to be updated annually for inflation pursuant to Section 10-17.104(J), are payable to the City at the time of issuance of a building permit.

<u>LAND USE TYPE</u>	<u>FEE</u>
Single Family Residential	\$5,439/DU*
Multi-Family Residential	\$2,679/DU
Senior Housing	\$1,469/DU
Hotel	\$3,481/Room
Retail/Service	\$6.59/SF**
Office	\$8.72/SF
Industrial	\$5.56/SF
Storage Facility	\$0.76/SF
Other	\$7,350 per AM peak hour trip

*DU = Dwelling Unit

**Sq. Ft. = Square Foot

City is responsible for determining the appropriate land use category and fee amount to apply to specific development projects being considered by their jurisdiction. AGENCY will refer to the STMP Administrative Guidelines for guidance on how to apply these land use categories to development projects.

- B. No development shall be exempt from the fee, except if application of the fee to the development would be unlawful under and/or conflict with federal, state, or local law and/or regulation. In addition, accessory dwelling units within the footprint of an existing dwelling unit's habitable space are not required to pay the STMP Fee.
- C. A project that reconstructs or re-uses an existing structure or development that has been occupied within the previous three years is subject to the fee only to the extent that it would generate more A.M. peak hour vehicle trips than the existing development.
- D. Fees for uses not identified in Section 10-17.104A shall be determined by the City using the "Other" land use type and according to methodology provided by WCCTAC in the STMP Master Cooperative Agreement and the STMP Administrative Guidelines. The STMP Administrative Guidelines are incorporated into the STMP Master Cooperative Agreement and provided for reference as Exhibit B, and may be changed from time to time by the WCCTAC Executive Director. The current version of the STMP Administrative Guidelines is available from WCCTAC or the City clerk.
- E. An applicant may receive credit against fees for the dedication of land for right-of-way and/or construction of improvements for 2019 STMP projects listed in Section 10-17.105 where such right-of-way or construction is beyond that which would otherwise be required for approval of the proposed development. The calculation of the amount of credit against fees for 2019 STMP dedications or improvements shall be based upon a determination by the City that such credits are in fact exclusive of the dedications, setbacks, improvements, and/or traffic mitigation measures which are required by local ordinance, standards, or other practice. In addition, the credit shall be calculated based upon the actual cost of construction of improvements or, in the case of land dedication, on an independent appraisal approved by the local jurisdiction.

An applicant may receive reimbursement from STMP fees paid by other development projects to the extent that the amount of the credit is greater than the STMP fee obligation of the development project. The award of any credit or reimbursement by the City must be preapproved by the WCCTAC Board; in making that decision, the Board will take into consideration criteria and metrics related to funding availability and project prioritization that they use in making other STMP funding decisions.

- F. The fees specified herein shall be made a condition of approval of all tentative and final subdivision maps. The fees shall be collected at the time of the issuance of any building permit.

- G. The STMP fees specified above shall be collected for projects in the entire City.
- H. Fees paid pursuant to this Chapter shall be deposited in a separate segregated interest-bearing account, and together with any interest accumulated on amounts on deposit, shall be remitted on a quarterly basis along with the required Quarterly Report to WCCTAC or its designee, to be placed in a fund to be used solely for the purposes described in this Chapter and in the Master Cooperative Agreement. Any interest accumulated on such funds shall also be used only for the purposes specified in this Chapter.
- I. The fees will be used for, but are not limited to, the administration of the STMP, planning, environmental documentation, design, acquisition of right-of-way, and construction of the projects.
- J. Effective July 1, 2020 and on each subsequent anniversary date of such date, the amount of each of the developer fees, set forth in Section 10-17.104A above, shall increase or decrease by the annual percentage change in the Engineering News Record Construction Cost Index for the San Francisco Bay Area for the for the twelve month period ending with the February index of the same calendar year. The percentage change will be calculated by WCCTAC, which will notify all signatories to the Cooperative Agreement of the change.
- K. Pursuant to Government Code section 66001(d), after the fifth fiscal year following the first deposit of 2019 STMP revenues and every five (5) years thereafter, WCCTAC shall make all required findings with respect to that portion of the fee account or fund remaining unexpended, whether committed or uncommitted. Such findings shall be made in connection with the release of public information required by Government Code section 66006(b).
- L. Pursuant to Government Code Section 66006, as specified, WCCTAC shall submit a public report to the WCCTAC Board on an annual basis, identifying the amount of fee revenues collected and other statutorily required information, which will also be shared with Agencies' City Managers/County Administrator.
- M. An applicant may appeal the determination of the amount of the STMP fee due, and such appeal shall be made in writing to WCCTAC with supporting documentation. The WCCTAC Board shall consider the appeal at a regularly scheduled meeting, and shall make a decision on the appeal. The decision of the WCCTAC Board is final.

10-17.105 — PROJECT DESCRIPTIONS, FUNDING COMMITMENTS, AND ELIGIBLE COSTS, AND IMPLEMENTATION SCHEDULE

- A. List of Projects. The 2019 STMP Nexus Study fees provided for in this chapter shall be used exclusively for the following summary of projects (note that more detailed project descriptions can be found in the 2019 STMP Nexus Study report):

1. **San Pablo Avenue Complete Streets Projects** – Transit, bicycle, and pedestrian improvements along several segments of San Pablo Avenue.
2. **Appian Way Complete Streets Project** – Pedestrian, bicycle, and transit access improvements along Appian Way in El Sobrante and in City of Pinole.
3. **San Pablo Dam Road Improvements** – Multimodal access improvements along San Pablo Dam Road through downtown El Sobrante.
4. **Bay Trail Gap Closure** – Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County.
5. **Ohlone Greenway Improvements** – Crossing, wayfinding, signing, lighting, safety, access and landscaping improvements along Ohlone Greenway.
6. **I-580/Harbor Way Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront/ferry terminal and central Richmond.
7. **I-580/Marina Bay Parkway Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront and downtown Richmond.
8. **Richmond Ferry to Bridge Bicycle Improvements** – Improve bicycle access between Richmond Ferry Terminal and Bay Trail near Richmond-San Rafael Bridge.
9. **I-80 Express Bus** – Capital Improvements associated with implementing I-80 Express Bus service between Hercules and Oakland/Emeryville/Berkeley/San Francisco, with possible intermediate stops.
10. **Hercules Regional Intermodal Transportation Center** – Complete construction of new Capitol Corridor train stop, with associated track improvements, parking and access facilities.
11. **BART Extension from Richmond Station (Planning and Conceptual Engineering Phases)** – Planning, conceptual engineering and/or program level environmental clearance phases of potential BART extension to Contra Costa College/City of San Pablo.
12. **San Pablo Avenue Transit Corridor Improvements** – Extension and improvement of bus rapid transit (BRT) and/or rapid bus service along San Pablo Avenue through West County, with stops including Richmond Parkway Transit Center and Hercules Transit Center.

13. **23rd Street Transit Corridor Improvements** – Provision of bus rapid transit (BRT) and/or rapid bus service along 23rd Street from Richmond Ferry Terminal/UC Berkeley Richmond Field Station to Richmond BART, to Contra Costa College, and potentially to Hilltop Mall.
14. **West County BART Station Access and Parking Improvements** – Station modernization and capacity enhancements, parking, and access improvements at El Cerrito Plaza, El Cerrito del Norte, and Richmond BART stations, and Richmond Crossover Project to allow increased frequency along Richmond line.
15. **Del Norte Area TOD Public Infrastructure Improvements** – Parking facilities, bicycle, pedestrian, and/or bus transit access improvements, signage, lighting, improvements to station access or station waiting areas, ADA improvements, improvements to adjacent streets, street crossings, or signals, and/or Ohlone Greenway improvements.
16. **San Pablo Avenue Intersection Realignment** – Intersection reconfiguration, potential signal modifications to accommodate pedestrian, bicycle, and bus rapid transit (BRT) access at intersection of San Pablo Avenue, 23rd Street, and Road 20.
17. **I-80/San Pablo Dam Road Interchange Improvements, Phase 2** – Interchange reconstruction, new bridge over Wildcat Creek, and improved bicycle and pedestrian facilities.
18. **I-80/Central Avenue Interchange Improvements, Phase 2** – Increase intersection spacing to increase vehicle capacity, connect Pierce Street and San Mateo Street, convert Pierce Street access at Central Avenue to right-in/right-out and improve multimodal access.
19. **I-80/Pinole Valley Road Interchange Improvements** – Improve merge from eastbound on-ramp to I-80, widen ramp terminal intersections, and make pedestrian crossing improvements.
20. **Future Nexus Study Updates** – Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP fee.

- B. Funding Commitments and Eligible Costs. Program revenues shall be available for project costs through completion of construction. Costs include, but are not limited to, environmental clearance, conceptual engineering, traffic studies, design, right-of-way acquisition, utility relocation, and costs of construction. Actual funding commitments will depend upon STMP fee revenues collected and project priorities as determined by WCCTAC.

Administrative costs for WCCTAC shall not exceed four percent (4%) of the STMP fee revenues collected under the Master Cooperative Agreement.

- C. Implementation Schedule. WCCTAC, the project sponsors and co-sponsors, shall work to promote steady progress on all of the projects, to the extent that funding and project readiness permit.

SECTION II– NOTICE AND HEARINGS

This Ordinance was adopted pursuant to the procedures established by state law, and all required notices have been given, and the public hearing has been properly held and conducted.

SECTION III – EFFECTIVE DATE

This Ordinance shall take effect and be enforced sixty (60) days after the date of its adoption, and prior to the expiration of fifteen (15) days from the passage thereof, the ordinance shall be published as required by law, and thereafter the same shall be in full force and effect.

SECTION IV – SEVERABILITY

If any section, subsection, sentence, clause or phrase or word of this ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City hereby declares that it would have passed and adopted this ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional, unlawful or otherwise invalid.

First read at a regular meeting of the Hercules City Council on the 23rd day of February, 2019, and passed and adopted at a regular meeting of the Hercules City Council held on the _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

Dan Romero, Mayor

ATTEST:

Lori Martin, City Clerk and Administrative Services Director

- Exhibit A: 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee (December 2018), accepted by WCCTAC Board on December 14, 2018.
Exhibit B: 2019 STMP Fee Administrative Guidelines

RESOLUTION NO. 19-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES AUTHORIZING THE CITY MANAGER, CITY CLERK, AND CITY ATTORNEY TO SIGN THE NEW MASTER COOPERATIVE AGREEMENT WITH WCCTAC AND AMEND THE CITY'S MASTER FEE SCHEDULE TO ACCOUNT FOR THE 2019 UPDATE TO THE SUBREGIONAL TRANSPORTATION MITIGATION FEE PROGRAM (STMP)

WHEREAS, the West Contra Costa Transportation Advisory Committee ("WCCTAC") is a joint exercise of powers authority (JPA) formed in 1990 pursuant to Government Code Section 6500, et. Seq. by and between the City of El Cerrito, the City of Hercules, the City of Pinole, the City of Richmond, the City of San Pablo, Contra Costa County, Alameda-Contra Costa Transit District ("AC Transit"), San Francisco Bay Area Rapid Transit ("BART"), and West Contra Costa Transit Authority ("WestCAT"); and

WHEREAS, the Mitigation Fee Act allows for fees to be charged to new development to offset the impacts generated by the new development; and

WHEREAS, Measure C and its successor Measure J both included a Growth Management Plan which require local jurisdictions to develop a program of regional traffic mitigation fees, assessments, or other mitigations, as appropriate, to fund regional and subregional transportation projects; and

WHEREAS, WCCTAC first implemented a transportation impact fee via the Subregional Transportation Mitigation Fee Program (STMP) in 1997, the purposes of which is to mitigate the impacts of new trips generated by new development; and

WHEREAS, the last update to the STMP program was in 2006; and

WHEREAS, WCCTAC retained Fehr and Peers to conduct a new nexus study regarding an update to the STMP impact fee; and

WHEREAS, the WCCTAC Board accepted the Final Report of the 2019 Nexus Update of the STMP impact fee ("Nexus Update") at its December 14, 2018 meeting; and

WHEREAS, the WCCTAC Board passed Resolution 19-02 at their January 25, 2019 meeting authorizing the WCCTAC Board Chair to sign the Master Cooperative Agreement for the 2019 Update to the Subregional Transportation Mitigation Fee Program (STMP) (which no longer includes CCTA) and then a transmittal letter has asked that the other five West County cities and the County each sign on to the new Master Cooperative Agreement; and

WHEREAS, the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo and the County of Contra Costa, as well as WCCTAC, have developed a Master Cooperative Agreement for the 2019 STMP Program, attached hereto as Exhibit A, that outlines the roles and

responsibilities of the Parties relative to the administrative, fiscal, and project management of the STMP impact fee program; and

WHEREAS, in 2006 the City adopted implementing Ordinance 417 and entered into a Master Cooperative Agreement with the Contra Costa Transportation Authority (CCTA), the City of Hercules, and the Cities of El Cerrito, Pinole, Richmond, and San Pablo, and the County of Contra Costa and the West Contra Costa Transportation Advisory Committee (WCCTAC) to implement the 2006 Subregional Transportation Mitigation Program (STMP) impact fee; and

WHEREAS, in order to implement the updated STMP program, each city and the County will again need to adopt a new ordinance and sign the new Master Cooperative Agreement; and

WHEREAS, the members of WCCTAC wish to update the Ordinances (which will be considered as a separate action) and Master Cooperative Agreement that support the STMP impact fee program; and

WHEREAS, on February 26, 2019 the City Council held a required public hearing (with two notices being published in the local newspaper 10 and 5 days prior and sent out to requesting parties and current developers notifications 14 days in advance) as required by Government Code section 6062a prior to considering new impact fees; and

WHEREAS, the City Council reviewed the City STMP staff report, 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) with data and findings required by California Government Code Section 66016, STMP Administrative Guidelines, a new Master Cooperative Agreement, this Resolution and a draft Ordinance amending the Hercules Municipal Code Title 10, Chapter 17 for the STMP, and took public testimony; and

WHEREAS, the West Contra Costa Subregional Transportation Mitigation Program (STMP) impact fees are proposed as follows (representing the WCCTAC Board recommendation of 75% of WCCTAC maximum potential fee for all uses as stated in the 2019 Nexus Update of the STMP Final Report and the Master Cooperative Agreement):

Single Family (per unit)	\$5,439
Multi Family (per unit)	\$2,679
Office (per sq ft)	\$8.72
Retail (per sq ft)	\$6.59
Industrial (per sq ft)	\$5.56
Senior Housing (per unit)	\$1,469
Hotel (per room)	\$3,481
Storage Facility	\$0.76
Other (AM peak hour trip)	\$7,350

WHEREAS, adoption and approval of the STMP fee are also exempt from CEQA pursuant to Public Resources Code 21080(b)(8)(D) and 14 California Code Red 15273(a), since they constitute the modification, restructuring or approval of a fee or charge needed to obtain funds

for capital project that are necessary only to maintain service within existing service areas with the City pursuant to the findings set forth in the 2019 Nexus Update of the STMP.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules that the City Council hereby:

- 1) Authorizes the City Manager, City Clerk, and City Attorney to enter into the new Master Cooperative Agreement in substantively the same format as the attached by and among the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa and the West Contra Costa Transportation Advisory Committee for the 2019 Subregional Transportation Mitigation Fee Program.
- 2) Amends the City's existing Master Fee Schedule, approving updates to the Community Development Department section related to the West County Subregional Transportation Mitigation Fee Program (STMP), as listed above, contingent upon the full passage of companion Ordinance _____ introduced on February 23, 2019 and anticipated to be passed March 12, 2019 to become effective by July 1, 2019.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the twenty third day of February 2019, by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, Mayor

ATTEST:

Lori Martin, Administrative Services Director &
City Clerk

ATTACHMENT:

Master Cooperative Agreement with WCCTAC

- Exhibit A: 2019 Nexus Update of the SUBREGIONAL Transportation Mitigation Program (STMP) Impact Fee
- Exhibit B: STMP Administrative Guidelines (amendable by the WCCTAC Executive Director in consultation with the WCCTAC TAC)

**MASTER COOPERATIVE AGREEMENT
BY AND AMONG THE CITIES OF EL CERRITO, HERCULES, PINOLE,
RICHMOND, AND SAN PABLO, THE COUNTY OF CONTRA COSTA
AND THE WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
FOR THE 2019 SUBREGIONAL TRANSPORTATION MITIGATION FEE PROGRAM**

This AGREEMENT is made and entered into as of this _____ day of _____, 2019, by and between the cities of El Cerrito, Hercules, Pinole, Richmond, San Pablo, and the County of Contra Costa, collectively referred to herein as AGENCIES; and individually as an AGENCY, and the West Contra Costa Transportation Advisory Committee, a Joint Exercise of Powers Agency organized pursuant to a Joint Exercise of Powers Agreement among the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa, and the transit agencies AC Transit, Bay Area Rapid Transit District, and Western Contra Costa Transit Authority, hereinafter referred to as WCCTAC. The AGENCIES, and WCCTAC shall sometimes be referred to collectively herein as the “Parties” and individually as a “Party”.

RECITALS

WHEREAS, AGENCIES, and WCCTAC, pursuant to the Contra Costa Transportation Improvement and Growth Management Expenditure Plan and Ordinance (referred to herein as “Measure C”) adopted and approved by the voters in 1988, and pursuant to the extension of the transportation sales tax (referred to herein as “Measure J”) adopted and approved by the voters in November 2004, hereby desire to enter into a Cooperative Agreement for transportation improvements in West Contra Costa County to be funded in whole or in part by developer fees collected under the West County Subregional Transportation Mitigation Program (“STMP”). The 2019 program (the “2019 STMP”) is intended to update the STMP adopted in 2006 (the “2006 STMP”). The transition from the 2006 STMP to the 2019 STMP is outlined herein. This Agreement shall terminate and replace the prior Master Cooperative Agreement Between Contra Costa Transportation Authority, the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo, the County of Contra Costa and the West Contra Costa Transportation Advisory Committee, dated June 13, 2006; and

WHEREAS, the WCCTAC Joint Exercise of Powers Agreement describes the objective of protecting and advancing the interests of West Contra Costa County communities with regard to transportation issues and the utilization of Measure C and Measure J funds, and explicitly designates WCCTAC to oversee the STMP; and

WHEREAS, each AGENCY by local ordinance or resolution, enacted the 2006 STMP, which levies a fee on new development to mitigate the impacts of new trips generated by that development in conformity with the Mitigation Fee Act (Gov. Code §§ 66000 et seq., referred to herein as the “Act”); and

WHEREAS, fees from the 2006 STMP partially funded eleven regional transportation projects which are listed in the Fee Program Background section of the adopted 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee report; and

WHEREAS, fees from the 2019 STMP are proposed to partially fund twenty (20) regional transportation projects, as more particularly described herein (collectively referred to herein as the “Projects” and individually as a “Project”); and

WHEREAS, the conclusions of the nexus study, in conformity with Government Code section 66000 et seq. can be found in the 2019 Nexus Update of the STMP Impact Fee report which is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, this Agreement outlines the roles and responsibilities of the Parties relative to the administrative, fiscal, and project management of the 2019 STMP projects; and

WHEREAS, WCCTAC is the primary responsible entity for the program, and will coordinate and administer the STMP expenditures, the priority for fee disbursements, and provide general management of the STMP consistent with its mission; and

WHEREAS, WCCTAC has evaluated the components of the 2019 STMP and finds that the establishment, imposition, collection, transfer and use of development fees for the purposes and Projects described herein are necessary to mitigate traffic impacts caused by new development and authorized by all applicable legal authorities;

NOW, THEREFORE, in consideration of the foregoing, the Parties hereby agree as follows:

A. PURPOSE

The purpose of this Agreement is to formalize the institutional arrangements for the collection, oversight, and expenditure of the 2019 STMP fees and the close out of the 2006 STMP program.

B. LIST OF PROJECTS

Fees from the 2019 STMP are proposed to partially fund the Projects identified in this Paragraph B, as more particularly described in the 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee report. Each Project shall have one or more designated project sponsors (each a “**Project Sponsor**”). A Project Sponsor may be an AGENCY, WCCTAC or another governmental agency. WCCTAC will enter into a funding agreement with each Project Sponsor as part of funding of each Project, and such funding agreement shall set forth the duties and responsibilities of the Project Sponsor. The Project Sponsor(s) for each Project are listed in parenthesis below after the description of each Project.

1. **San Pablo Avenue Complete Streets Projects** – Transit, bicycle, and pedestrian improvements along several segments of San Pablo Avenue.
(*WCCTAC Cities/Contra Costa County*);
2. **Appian Way Complete Streets Project** – Pedestrian, bicycle, and transit access improvements along Appian Way in El Sobrante and in City of Pinole.
(*Contra Costa County; City of Pinole*);

3. **San Pablo Dam Road Improvements** – Multimodal access improvements along San Pablo Dam Road through downtown El Sobrante. (*Contra Costa County*);
4. **Bay Trail Gap Closure** – Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County. (*East Bay Regional Park District, Contra Costa County, Cities of Richmond and Pinole*);
5. **Ohlone Greenway Improvements** – Crossing, wayfinding, signing, lighting, safety, access and landscaping improvements along Ohlone Greenway. (*City of El Cerrito*);
6. **I-580/Harbor Way Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront/ferry terminal and central Richmond. (*City of Richmond*);
7. **I-580/Marina Bay Parkway Interchange Improvements** – Improve pedestrian and bicycle access across interchange, to serve movements between waterfront and downtown Richmond. (*City of Richmond*);
8. **Richmond Ferry to Bridge Bicycle Improvements** – Improve bicycle access between Richmond Ferry Terminal and Bay Trail near Richmond-San Rafael Bridge. (*City of Richmond*);
9. **I-80 Express Bus** – Capital improvements associated with implementing I-80 Express Bus service between Hercules and Oakland/Emeryville/Berkeley/San Francisco, with possible intermediate stops. (*WCCTAC, WestCAT and AC Transit*);
10. **Hercules Regional Intermodal Transportation Center** – Complete construction of new Capitol Corridor train stop, with associated track improvements, parking and access facilities. (*City of Hercules*);
11. **BART Extension from Richmond Station (Planning and Conceptual Engineering Phases)** – Planning, conceptual engineering and/or program level environmental clearance phases of potential BART extension to Contra Costa College/City of San Pablo. (*WCCTAC, City of San Pablo, BART*);
12. **San Pablo Avenue Transit Corridor Improvements** – Extension and improvement of bus rapid transit (BRT) and/or rapid bus service along San Pablo Avenue through West County, with stops including Richmond Parkway Transit Center and Hercules Transit Center. (*WCCTAC Cities/Contra Costa County*);

13. **23rd Street Transit Corridor Improvements** – Provision of bus rapid transit (BRT) and/or rapid bus service along 23rd Street from Richmond Ferry Terminal/UC Berkeley Richmond Field Station to Richmond BART, to Contra Costa College, and potentially to Hilltop Mall. (*Cities of Richmond and San Pablo*);
14. **West County BART Station Access and Parking Improvements** – Station modernization and capacity enhancements, parking, and access improvements at El Cerrito Plaza, El Cerrito del Norte, and Richmond BART stations, and Richmond Crossover Project to allow increased frequency along Richmond line. (*BART, WCCTAC*);
15. **Del Norte Area TOD Public Infrastructure Improvements** – Parking facilities, bicycle, pedestrian, and/or bus transit access improvements, signage, lighting, improvements to station access or station waiting areas, ADA improvements, improvements to adjacent streets, street crossings, or signals, and/or Ohlone Greenway improvements. (*BART, Cities of El Cerrito and Richmond*);
16. **San Pablo Avenue Intersection Realignment** – Intersection reconfiguration, potential signal modifications to accommodate pedestrian, bicycle, and bus rapid transit (BRT) access at intersection of San Pablo Avenue, 23rd Street, and Road 20. (*City of San Pablo*);
17. **I-80/San Pablo Dam Road Interchange Improvements, Phase 2** – Interchange reconstruction, new bridge over Wildcat Creek, and improved bicycle and pedestrian facilities. (*CCTA*);
18. **I-80/Central Avenue Interchange Improvements, Phase 2** – Increase intersection spacing to increase vehicle capacity, connect Pierce Street and San Mateo Street, convert Pierce Street access at Central Avenue to right-in/right-out and improve multimodal access. (*CCTA*);
19. **I-80/Pinole Valley Road Interchange Improvements** – Improve merge from eastbound on-ramp to I-80, widen ramp terminal intersections, and make pedestrian crossing improvements. (*CCTA, City of Pinole*); and
20. **Future Nexus Study Updates** – Two comprehensive nexus studies and fee updates over the 22-year planning horizon of the 2019 STMP Fee. (*WCCTAC*).

C. CLOSE-OUT OF FEE COLLECTION AND EXPENDITURE FROM THE 2006 STMP

Fees will no longer be collected for the eleven projects from the 2006 STMP as of the Effective Date. All fees collected and unspent for these projects as of the Effective Date shall be used for Projects that are the same as or substantially similar to a project from the 2006 STMP, in order to further the purposes for which the 2006 STMP was adopted.

Any fees collected and unspent from the 2006 STMP that are not able to be used in this manner, shall be refunded or used in accordance with Government Code section 66001(e)&(f).

D. FEES

1. Imposition of the Fees. In order to fund the 2019 STMP, AGENCIES shall consider the adoption, by ordinance or resolution, the following developer fees, to be payable at the time of issuance of building permits:

<u>LAND USE</u>	<u>FEE</u>
Single-Family Residential	\$5,439/DU*
Multi-Family Residential	\$2,679/DU
Senior Housing	\$1,469/DU
Hotel	\$3,481/Room
Retail/Service	\$6.59/SF**
Office	\$8.72/SF
Industrial	\$5.56/SF
Storage Facility	\$0.76/SF
Other	\$7,350 per AM peak hour trip

*DU = Dwelling Unit

**SF = Square Foot

AGENCY is responsible for determining the appropriate land use category and fee amount to apply to specific development projects being considered by their jurisdiction. AGENCY will refer to the STMP Administrative Guidelines for guidance on how to apply these land use categories to development projects.

2. Administrative Fee.

In addition to the STMP fee imposed by section D.1 above, each AGENCY may impose an administrative fee payable to the AGENCY at the time of issuance of a building permit. The administrative fee shall be no greater than the cost incurred by the AGENCY to adopt the ordinance or resolution establishing the 2019 STMP and to collect, report, and transmit appropriate reports and funds to WCCTAC. Any administrative fee applied by AGENCY shall be kept separate from the STMP funds.

3. Tribal Gaming Facility Developments.

The Parties agree that a tribal gaming facility's subregional traffic impacts should be mitigated and that WCCTAC shall be included in any evaluation and determination of such impacts and their mitigation. Monies to pay for mitigation of such subregional impacts may be governed by a tribal-state compact or a tribal-local agency agreement. The collection of any such monies shall be subject to

applicable state and federal law, including but not limited to the Indian Gaming and Regulatory Act, 25 U.S.C. §§ 2701-2721.

4. Transfer of the Fees.

No more than thirty (30) days following the close of each calendar quarter ending after the Effective Date, all STMP fee revenue collected by an AGENCY, and any interest accrued on such revenue, not including any AGENCY administrative fee pursuant to Section D.2, will be transferred by the AGENCY to WCCTAC with a brief Quarterly Report that identifies each development project subject to STMP, and the revenue collected for the development during the reporting period. WCCTAC shall deposit the funds into a separate interest-bearing capital facilities account for the STMP revenues to be used solely for the purposes described herein, and in the fee resolutions or ordinances adopted by the AGENCIES pursuant to this Agreement. The revenues, including any accrued interest from the account, will be disbursed and expended only for the twenty projects identified in Section B above.

5. Reports.

Pursuant to Government Code section 66006(b)(1), within 150 days after the end of each fiscal year, WCCTAC, in cooperation with the Project Sponsors, shall make available to the public and to AGENCIES a status report on the progress attained and costs incurred to date on each Project in the 2019 STMP, including but not limited to:

- i. A brief description of the type of fee in the account or fund.
- ii. The amount of the fee.
- iii. The beginning and ending balance of the account or fund.
- iv. The amount of the fees collected and the interest earned.
- v. 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.
- vi. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001 of the Government Code, and the public improvement remains incomplete.
- vii. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned

fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

- viii. The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

6. Report Reviews.

Pursuant to Government Code section 66006(b)(2), the WCCTAC Board shall review the information contained in the report referenced in Section D.5 of this Agreement at the next regularly-scheduled public meeting not less than fifteen (15) days after this information is made available to the public. Thereafter, such report and any comments or amendments made by the WCCTAC Board, shall be forward to the AGENCIES.

7. Periodic Findings.

After the fifth fiscal year following the first deposit of 2019 STMP revenues and every five (5) years thereafter, WCCTAC shall make all findings required by Government Code section 66001(d). Such findings shall be made in connection with the release of public information required by Government Code section 66006(b) and Section D.6 of this Agreement.

8. Annual Fee Adjustments.

A provision shall be included in the fee resolutions or ordinances adopted by AGENCIES pursuant to this Agreement, requiring automatic annual fee increases or decreases, effective July 1 of each year after 2019, based on the annual percentage change in the Engineering News-Record Construction Cost Index for the San Francisco Bay Area for the 12-month period ending with the February index of the same calendar year. WCCTAC will calculate the annual percentage increase in the STMP fee and notify all AGENCIES of this change. Each AGENCY shall be responsible for implementing this annual change in the STMP Fee.

9. Exemptions and Waivers.

No exemptions for any development subject to the 2019 STMP Fee shall be allowed without pre-approval of WCCTAC except as described in the STMP Administrative Guidelines. Developments may be exempted from the 2019 STMP and the development fees pursuant thereto to the extent allowed by law, and any such exemption shall be reported to WCCTAC.

10. Credits and Reimbursements.

An applicant may receive credit against fees for the dedication of land for right-of-way and/or construction of improvements for specific 2019 STMP projects,

where such right-of-way or construction is beyond that which would otherwise be required for approval of the proposed development. The calculation of the amount of credit against fees for 2019 STMP dedications or improvements shall be based upon a determination by AGENCY that such credits are, in fact, exclusive of the dedications, setbacks, improvements, and/or traffic mitigation measures which are required by local ordinance, standards, or other practice. In addition, the credit shall be calculated based upon the actual cost of construction of improvements or, in the case of land dedication, on an independent appraisal approved by the AGENCY. AGENCY must report any credit to WCCTAC prior to awarding the credit.

An applicant may receive reimbursement from STMP fees paid by other development projects to the extent that the amount of the credit is greater than the STMP fee obligation of the development project. The award of any reimbursement by AGENCY must be preapproved by the WCCTAC Board; in making that decision, the Board will take into consideration criteria and metrics related to funding availability and project prioritization that they use in making other STMP funding decisions.

11. Appeals.

Should an applicant or AGENCY seek an appeal of the fee due, the appeal shall be made in writing to WCCTAC with supporting documentation. The WCCTAC Board shall consider the appeal at a regularly scheduled meeting, and shall make a decision on the appeal. The decision of the WCCTAC Board is final.

12. Verification.

In addition to the quarterly reporting form submitted by the local jurisdictions, WCCTAC in conjunction with the AGENCIES may undertake steps to verify AGENCIES compliance with the 2019 STMP Program. This may include periodic reports to the WCCTAC Board and City/County Managers about compliance with reporting requirements, and/or requesting information on building permits issued to compare with the information contained in the quarterly reporting form.

13. STMP Administrative Guidelines

WCCTAC has adopted administrative guidelines to assist WCCTAC and Agency staff with implementation of the STMP Fee, and provide additional detail not included in this Agreement. The STMP Administrative Guidelines are attached hereto as Exhibit B, and incorporated herein. The Parties understand and agree that the STMP Administrative Guidelines may be changed from time to time in the sole discretion of the WCCTAC Executive Director, as long as such changes do not conflict with this Agreement or applicable law. Prior to adopting any changes to the STMP Administrative Guidelines, the Executive Director shall submit the proposed changes to the WCCTAC Technical Advisory Committee for

review. Upon a change in the STMP Administrative Guidelines, WCCTAC will provide copies of the revised STMP Administrative Guidelines to all Agencies.

E. FUNDING AND ELIGIBLE COSTS

1. Use of Fees.

Fee revenues shall be available for Project costs through completion of construction. Costs include, but are not limited to, environmental clearance, conceptual planning and engineering, traffic studies, design, right-of-way acquisition, utility relocation, and costs of construction. Funding amounts are in 2018 dollars and actual funding commitments will depend upon the 2019 STMP fee revenues collected by the AGENCIES. Eligible Project costs will be determined by WCCTAC consistent with applicable law, in WCCTAC's sole discretion. Project costs will be reimbursed pursuant to procedures determined by WCCTAC.

2. STMP Projects and Nexus Amounts.

The table below shows the maximum potential nexus amount for each project, as determined in the 2019 Nexus Update of the STMP Impact Fee report. The fees shown in Section D.1. of this Agreement are lower than the maximum potential STMP fees determined in the 2019 Nexus Update; therefore, the actual amount of future STMP funding that may be awarded to each project is likely to be less than the maximum potential amount.

ID	Project Name	Maximum Potential STMP Amount	Possible STMP Amount Based on Fees in Section D.1.
1	San Pablo Avenue Complete Streets Projects	\$9,672,000	\$7,254,000
2	Appian Way Complete Streets Project	\$4,429,000	\$3,322,000
3	San Pablo Dam Road Improvements in El Sobrante	\$1,980,000	\$1,485,000
4	Bay Trail Gap Closure	\$2,333,000	\$1,750,000
5	Ohlone Greenway Improvements	\$579,000	\$434,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	\$156,000	\$117,000
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	\$197,000	\$148,000
8	Richmond Ferry to Bridge Bicycle Network Improvements	\$2,450,000	\$1,837,000
9	I-80 Express Bus Service	\$20,749,000	\$15,562,000

ID	Project Name	Maximum Potential STMP Amount	Possible STMP Amount Based on Fees in Section D.1.
10	Hercules Regional Intermodal Transportation Center	\$10,175,000	\$7,631,000
11	BART Extension from Richmond Station	\$2,793,000	\$2,095,000
12	San Pablo Avenue Transit Corridor Improvements	\$36,509,000	\$27,382,000
13	23rd Street Transit Corridor Improvements	\$23,142,000	\$17,356,000
14	West County BART Station Access, Parking & Capacity Improvements	\$16,896,000	\$12,672,000
15	Del Norte Area TOD Public Infrastructure Improvements	\$7,175,000	\$5,381,000
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	\$1,814,000	\$1,360,000
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	\$16,110,000	\$12,082,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	\$2,588,000	\$1,941,000
19	I-80/Pinole Valley Road Interchange Improvements	\$1,534,000	\$1,150,000
20	Future Nexus Study Updates	\$500,000	\$375,000
Totals		\$161,781,000	\$121,334,000

Note: The fees shown in Section D.1. have been set at 75% of the maximum potential STMP fee determined in the 2019 Nexus Update report. Therefore, the values shown in this table as the Possible STMP Amount Based on Fees in Section D.1. are 75% of the Maximum Potential STMP Amount.

F. PROJECT IMPLEMENTATION

WCCTAC and AGENCIES will work to promote steady progress on all Projects, to the extent that funding and Project readiness permit.

G. ADMINISTRATIVE OVERSIGHT AND COST RECOVERY

1. The following parties shall be entitled to recover the following costs and expenses:
 - i. WCCTAC. WCCTAC is entitled to recovery of reasonable administrative costs and expenses actually incurred, not to exceed 4% of the STMP fees collected under this Agreement to provide the 2019 STMP services relating to or incurred in the performance of the following duties: coordination, administration and oversight of Project expenditures; determination of the priority of fee disbursements; provision of general management of the Projects; provision of financial and accounting

services, including but not limited to serving as the repository of the STMP fee revenues and other funds collected under this Agreement and preparation of quarterly reports with the amount of fee revenues collected and the distribution of fees to the Projects.

- ii. AGENCIES. In addition to the STMP fee imposed by section D.1 above, each AGENCY may impose an administrative fee payable to the AGENCY at the time of issuance of a building permit as set forth in Section D.2. The administrative fee shall be no greater than the cost incurred by the AGENCY to adopt the ordinance or resolution establishing the 2019 STMP and cost to collect, report, and transmit appropriate reports and funds to WCCTAC.

H. TERM

The term of this Agreement shall commence on July 1, 2019, (the “Effective Date”) and shall terminate on December 31, 2040, unless terminated earlier in accordance with the terms of this Agreement.

I. TERMINATION

This Agreement will remain in effect until the termination date stated in Section H. above, unless terminated earlier by written agreement of the Parties. However, in no event shall the Parties to this Agreement terminate this Agreement if such a termination would conflict with, cause a default under or otherwise violate the terms or conditions of any revenue bonds.

J. INDEMNIFICATION

1. WCCTAC shall defend, indemnify, save and hold harmless the Cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with an act or failure to act under this Agreement, or breach of any term of this Agreement, by WCCTAC, except to the extent such claims, costs or liability arise from the negligence of El Cerrito, Hercules, Pinole, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.
2. El Cerrito shall defend, indemnify, save and hold harmless WCCTAC; the cities of Hercules, Pinole, Richmond and San Pablo; and the County of Contra Costa; and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by El Cerrito, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, Hercules, Pinole, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.

3. Hercules shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Pinole, Richmond and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Hercules, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Pinole, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.
4. Pinole shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Richmond and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Pinole, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Richmond, San Pablo, Contra Costa County or their officers, agents or employees.
5. Richmond shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Pinole and San Pablo; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Richmond, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Pinole, San Pablo, Contra Costa County or their officers, agents or employees.
6. San Pablo shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Pinole and Richmond; and the County of Contra Costa and their officers, agents and employees from any and all claims, costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by San Pablo, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Pinole, Richmond, Contra Costa County or their officers, agents or employees.
7. Contra Costa County shall defend, indemnify, save and hold harmless WCCTAC; the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo and their officers, agents or employees from any and all claims costs and liability arising out of or in connection with any act or failure to act under this Agreement, or breach of any term of this Agreement, by Contra Costa County, except to the extent such claims, costs or liability arise from the negligence of WCCTAC, El Cerrito, Hercules, Pinole, Richmond, San Pablo, or their officers, agents or employees.

K. PRIMACY OF THE DOCUMENTS

If a dispute arises, the terms of this Agreement shall take precedence over the WCCTAC Joint Exercise of Powers Agreement (“JEPA”) and /or the model Ordinance Establishing the 2019 West Contra Costa Subregional Transportation Mitigation Program (“Ordinance”).

L. ALTERNATIVE DISPUTE RESOLUTION

1. In General. This Paragraph L. establishes the exclusive process by which disputes between or among the Parties to this Agreement concerning or relating to this Agreement shall be resolved. The dispute resolution process established herein shall apply to disputes related to the interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement. Disputes that are not alleged to relate to the interpretation of, or compliance with, this Agreement are not subject to this dispute resolution process.
2. Informal Conferral. If a dispute arises as described above in Paragraph L.1., the parties to the dispute (the “Disputing Parties”) will first attempt to resolve it through informal discussions, which may include designated representatives of the staff of WCCTAC and AGENCIES, at their discretion. Disputing Parties will advise the other Parties of the existence of a dispute and coordinate the date, time and location of informal conferral. If that Informal Conferral is not successful, then the Executive Director, City Managers and County Administrator shall meet to attempt a resolution.
3. Mediation. In the event a dispute cannot be resolved through informal conferral within twenty-one (21) calendar days, the aggrieved Disputing Party, acting through its governing body, shall give written notice to all other Parties to this Agreement, setting forth the nature of and basis for the dispute and facts demonstrating that such Disputing Party is materially and adversely affected thereby. The Disputing Parties, acting through their designated representatives, including counsel, shall endeavor to settle the dispute by mediation. The Disputing Parties shall select a neutral third party with expertise in land use matters to mediate the dispute. The other Parties may, but are not required to, participate in the mediation.
4. Judicial Review. The dispute resolution process described above shall be undertaken in good faith and exhausted prior to resorting to judicial review; provided, however, that by agreeing to this dispute resolution process, no Party hereby loses or waives its right to sue under any applicable statute of limitations or loses or waives its right to assert the operation of any applicable statute of limitations as an affirmative defense. In the event that an applicable statute of limitations would run during the pendency of the dispute resolution process described above, the Disputing Parties shall agree in writing to toll such statute of limitations for such period as may reasonably be necessary to complete the dispute resolution process.

5. **Conduct of Judicial Review.** Should any Party to this Agreement ultimately seek judicial review of a dispute concerning or relating to the implementation, interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement, all Parties will submit to the jurisdiction of a court of competent jurisdiction; provided, however, that the Parties shall cooperate in seeking the appointment of a neutral Judge as defined in California Code of Civil Procedure section 394 to sit in Contra Costa County Superior Court, to preside over any such dispute.
6. **Equitable Relief.** Because the amount of damages in the event of a breach of this Agreement may be difficult or impossible to determine, the obligations of the Parties to this Agreement shall be enforceable by specific performance or other equitable relief, in addition to any other available remedy.

M. NOTICES

Any notices which may be required under this Agreement shall be in writing, shall be effective upon receipt, and shall be given by personal service, by certified or registered mail, or by U.S. mail, to the City Clerks of the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo; and to the Board Clerk for the County of Contra Costa, and to the individuals and addresses set forth below, or to such other addresses which may be specified in writing to the Parties.

To WCCTAC:
6333 Potrero Ave., Suite 100
El Cerrito, CA 94530
Attn: Executive Director

To City of El Cerrito:
10890 San Pablo Avenue
El Cerrito, CA 94530
Attn: City Clerk

To City of Hercules:
111 Civic Drive
Hercules, CA 94574
Attn: City Clerk

To City of Pinole:
2131 Pear Street
Pinole, CA 94564
Attn: City Clerk

To City of Richmond:
1401 Marina Way South
Richmond, CA 94804
Attn: City Clerk

To City of San Pablo:
13831 San Pablo Avenue
San Pablo, CA 94806
Attn: City Clerk

To County of Contra Costa:
651 Pine Street, 1st Floor
Martinez, CA 94553
Attn: Clerk of the Board of Supervisors

N. ADDITIONAL ACTS AND DOCUMENTS

Each Party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent, and purpose of the Agreement.

O. INTEGRATION

Except with respect to matters provided for in the JEPA and/or the Ordinance and subject to the primacy of this Agreement as provided in Paragraph K hereto, this Agreement represents the entire Agreement of the parties with respect to the subject matter hereof. No representation, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

P. AMENDMENT

This Agreement may not be changed, modified, or rescinded except in a written instrument signed by all of the Parties. Any attempt at oral modification of this Agreement shall be void and of no effect.

Q. INDEPENDENT AGENCIES

The Parties are and at all times shall be considered entirely independent parties. The Parties will each act in an independent capacity and not as officers, employees or agents of the other. No Party shall have the right to control the other, except as expressly referenced in this Agreement. Nothing in this Agreement establishes, constitutes or shall be construed to establish or constitute a partnership, agency or employment relationship between the Parties.

R. ASSIGNMENT

The Agreement, and the rights, duties, and obligations of a Party hereunder, may not be assigned, transferred, hypothecated, or pledged by any Party without the express written consent of the other parties.

S. BINDING ON SUCCESSORS, ETC.

The Agreement shall be binding upon the successor(s), assignee(s), or transferee(s) of the AGENCIES, or WCCTAC as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate, or pledge this Agreement other than as provided above.

T. SEVERABILITY

Should any part of this Agreement be determined to be unenforceable, invalid, or beyond the authority of any Party to enter into or carry out, such determination shall not affect the validity of the remainder of this Agreement which shall continue in full force and

effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

U. HEADINGS; RECITALS

The headings of sections, paragraphs and subparagraphs of this Agreement are included for convenience only and shall not be deemed to constitute part of this Agreement or to affect its construction. The recitals are intended to be, and shall be deemed to constitute, part of this Agreement.

V. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and attested by their respective officers, duly authorized so to act, as of the date set forth in the first paragraph of this Agreement.

City of Pinole

City of San Pablo

Mayor / City Manager

Mayor / City Manager

ATTEST:

ATTEST:

Pinole City Clerk

San Pablo City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Pinole City Attorney

San Pablo City Attorney

County of Contra Costa

Chair, Board of Supervisors / County
Administrator

ATTEST: David Twa, Clerk of the Board of
Supervisors and County Administrator

Deputy

APPROVED AS TO FORM:
Sharon Anderson

County Counsel

**West Contra Costa Transportation
Advisory Committee**

Chair

ATTEST:

Board Clerk

APPROVED AS TO FORM:

WCCTAC Legal Counsel

City of Hercules

Mayor / City Manager

ATTEST:

Hercules City Clerk

APPROVED AS TO FORM:

Hercules City Attorney

City of El Cerrito

Mayor / City Manager

ATTEST:

El Cerrito City Clerk

APPROVED AS TO FORM:

El Cerrito City Attorney

City of Richmond

Mayor / City Manager
ATTEST:

Richmond City Clerk

APPROVED AS TO FORM:

Richmond City Attorney

3134047.1

- Exhibit A: 2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee (December 2018), accepted by WCCTAC Board on December 14, 2018.
- Exhibit B: 2019 STMP Fee Administrative Guidelines



Prepared by

FEHR & PEERS

2201 Broadway
Suite 602
Oakland, CA 94612

December 2018

Final Report

2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee

Prepared for:
West Contra Costa Transportation
Advisory Committee (WCCTAC)

2019 Nexus Update of the Subregional Transportation Mitigation Program (STMP) Impact Fee – Final Report

Prepared for:
West Contra Costa Transportation Advisory Committee
(WCCTAC)

December 2018

OK17-0177

FEHR  PEERS

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1. Introduction

The West Contra Costa Transportation Advisory Committee (WCCTAC) is a regional planning agency charged with obtaining the funding for regional transportation improvement projects in West Contra Costa County. WCCTAC's jurisdiction encompasses the western portion of the County, including unincorporated areas as well as the Cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo.

WCCTAC first implemented a transportation impact fee via the Subregional Transportation Mitigation Program (STMP) in 1997. Impact fees are established under a state law known as Assembly Bill (AB) 1600, the Mitigation Fee Act. Fees charged pursuant to this legislation are used to build capital facilities needed to offset the impacts generated by new development. The STMP was designed to provide a contribution from new development toward a series of regional transportation improvements. WCCTAC conducted an update of the fee program in 2005 to help fund an expanded list of regional transportation improvements. Working with the member agencies, WCCTAC has successfully utilized fee revenue to fund various transportation projects throughout the region. This report documents a new update of the STMP, undertaken to update the program for current conditions.

1.1 Purpose

The purpose of this study is to provide the technical basis for updating the STMP. The focus of the updated program is to support a regional multimodal transportation system in West County that serves the expected future demand. This report documents the analytical approach for establishing the required nexus between anticipated future development in West Contra Costa County and the need for regional transportation improvements.

1.2 Study Area

As shown on **Figure 1-1**, the study area includes the unincorporated portions of western Contra Costa County, as well as the Cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo.

1.3 Study Process

This study was developed under the direction of WCCTAC staff. Input was obtained at key points in the study process from the WCCTAC Technical Advisory Committee (TAC) and the WCCTAC Board of Directors (Board). Review was also provided by the WCCTAC Legal Counsel.

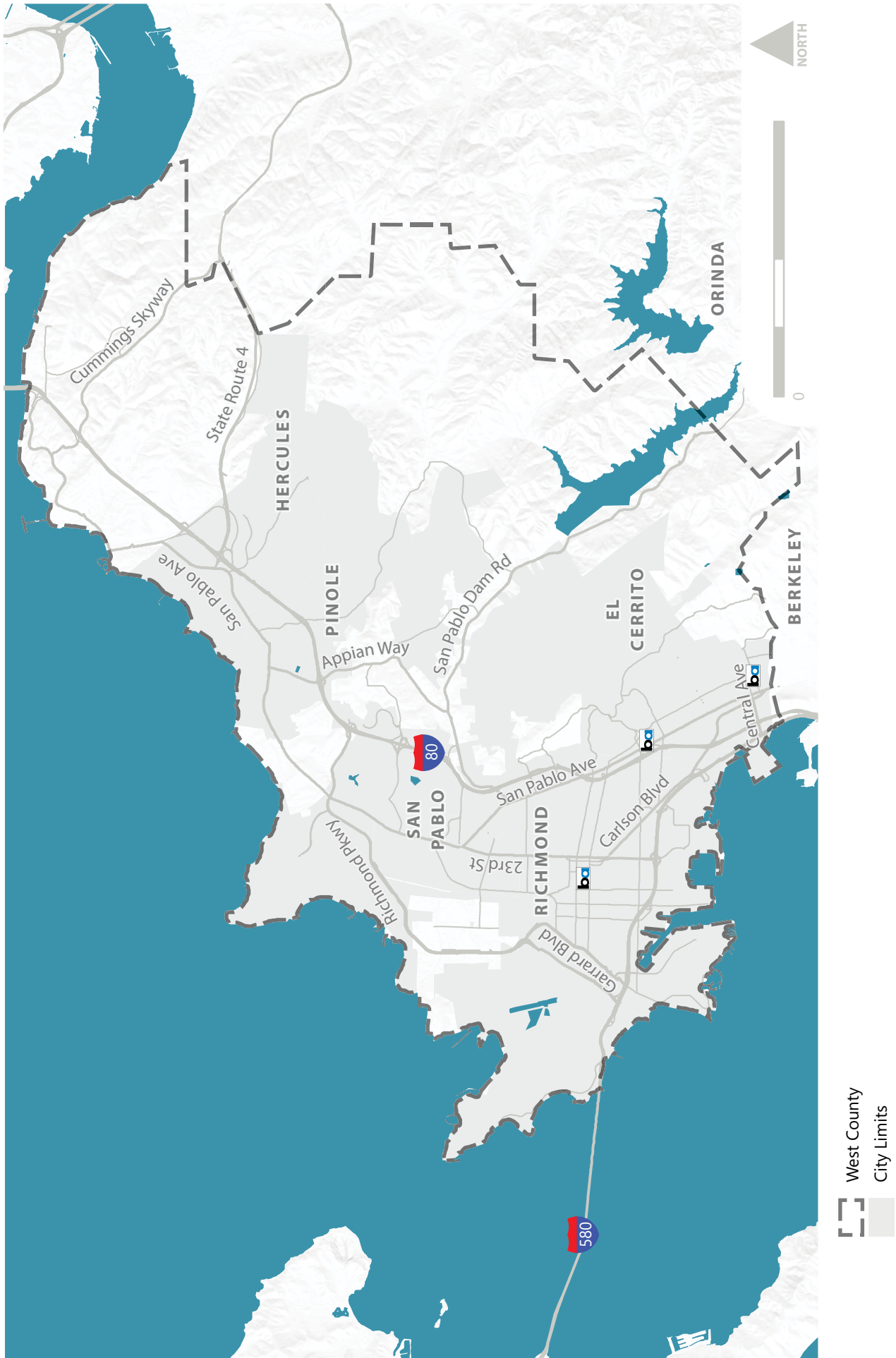


Figure 1-1
STMP Update Study Area



After the results of the fee study are approved by the Board, the updated fee program will be presented to the Contra Costa County Board of Supervisors and the City Councils of El Cerrito, Hercules, Pinole, Richmond and San Pablo. Each jurisdiction will be asked to adopt an updated ordinance, Master Cooperative Agreement, and hold an appropriate public hearing to implement the updated fee program.

1.4 Report Organization

This report contains a total of five chapters including this introductory chapter.

- **Chapter 2 – Fee Program Background** summarizes the status of the current West County STMP.
- **Chapter 3 – Capital Improvement Projects** describes the process for identifying the project list, including cost estimates for each project.
- **Chapter 4 – Growth Projections** summarizes the residential and non-residential growth projections anticipated in the planning horizon (year 2040) of the study.
- **Chapter 5 – Nexus Analysis** describes the methodology and results of the nexus analysis.
- **Chapter 6 – Summary of Required Program Elements** confirms that this report addresses all of the fee program elements as required by Assembly Bill (AB) 1600, the Mitigation Fee Act.



2. Fee Program Background

West Contra Costa County is an area that has experienced population and employment growth within the last decade and where new development is anticipated to continue, causing increased demand on the region's multimodal transportation system. This chapter describes the current status of the regional fees in West County. The West County STMP was first adopted in 1997, and an updated nexus study was prepared in 2005/06. The prior nexus study is titled *2005 Update of the Subregional Transportation Mitigation Program* (2005 Update of the STMP), dated May 5, 2006 and prepared by TJKM Transportation Consultants.

2.1 Overview of the STMP

The STMP is an important mechanism for regional collaboration in West County. The program involves all six jurisdictions (Contra Costa County and the five incorporated cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo) and was established to comply with the countywide Measures C and J Growth Management Program requirements for a mitigation program to fund improvements needed to meet the transportation demands resulting from growth. Regional, multi-jurisdictional fee programs are more complicated than local mitigation fee programs administered by a single jurisdiction; however, regional programs offer a forum for cooperation and coordination that allows the agencies involved to make more comprehensive transportation investments than any single jurisdiction could do on its own.

It is also worth noting that local transportation mitigation fees are charged by some of the STMP member agencies, for the purposes of implementing transportation projects that improve local streets and other transportation facilities. Such local fee programs are separate from and in addition to the STMP.

2.2 Current STMP Fee Levels

The STMP fees from the fee schedule shown in the 2005 Update of the STMP are shown in **Table 2-1**. The STMP ordinance specifies that an inflation index will be used to adjust the fee levels annually to reflect changes in construction costs. This is a common practice in fee programs, to ensure that the "purchasing power" of the fee revenue keeps up with changes in the cost of building capital projects. The index is also shown in Table 2-1, along with a calculation of what the fees would currently be if they had been indexed for inflation.

Table 2-1: WCCTAC 2005 STMP Fee Schedule Indexed for Inflation

Land Use	Unit	2005 STMP Fee Schedule	Index (Jun. 2006 - Jun. 2018)	FY 2017-18 Fee Schedule If Indexed
Single family	per dwelling unit	\$2,595	1.42	\$3,697
Multi-family	per dwelling unit	\$1,648	1.42	\$2,348
Senior Housing	per dwelling unit	\$701	1.42	\$995
Hotel	per room	\$1,964	1.42	\$2,789
Retail	per sq. ft.	\$1.82	1.42	\$2.59
Office	per sq. ft.	\$3.51	1.42	\$5.00
Industrial	per sq. ft.	\$2.45	1.42	\$3.49
Storage Facility	per sq. ft.	\$0.53	1.42	\$0.75
Church	per sq. ft.	\$1.58	1.42	\$2.24
Hospital	per sq. ft.	\$4.21	1.42	\$5.98

Note: The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area, as described in WCCTAC's STMP model ordinance.

In reviewing the actual fees being charged by the member agencies, it was found that there had not been consistent indexing over time. See **Table 2-2** for the currently adopted (as of July 2018) fee schedules for the five primary land use categories administered by WCCTAC member jurisdictions; the fee schedules for the Senior Housing, Hotel, Storage Facility, and other land use categories are not listed in Table 2-2. One objective of this new STMP update is to establish procedures for annual indexing of the fee, and to ensure that there is consistency in the fees being charged across all member agencies.

Table 2-2: Subregional Transportation Mitigation Program (STMP) Fees as of July 2018

Jurisdiction	Single Family (per dwelling unit)	Multi-Family (per dwelling unit)	Office (per square foot)	Retail (per square foot)	Industrial (per square foot)
WCCTAC (original 2005)	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed)	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
County	\$3,768	\$2,392	\$5.10	\$2.65	\$3.56
El Cerrito	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
Hercules	\$2,904	\$1,844	\$3.93	\$2.04	\$2.74
Pinole	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
Richmond	\$2,655	\$1,686	\$4.00	\$2.00	\$3.00
San Pablo	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45

Note: Table 2-2 summarizes the current fee schedules for the five primary land use categories only. Fee schedules for the following land use categories are not listed for brevity: Senior Housing, Hotel, Storage Facility, Church, Hospital and Other.

2.3 STMP Revenue and Disbursements

As shown in **Table 2-3**, the STMP generated about \$11.6 million in revenue as of December 1, 2018, including \$8.7 million between 2005 and 2018. About \$5.9 million has been disbursed as of December 1, 2018; total disbursements by project are summarized in **Table 2-4**. As shown in Table 2-3, an account balance of about \$5.7 million remains as of December 1, 2018. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies to date. WCCTAC also recently released a call for projects and will be coordinating with West County jurisdictions to disburse the remaining balance for transportation capital improvements that fall under the project list identified in the 2005 Update of the STMP. Revenues generated after the upcoming adoption of the STMP update will be disbursed for transportation capital improvements identified in the updated project list described in Chapter 3 below.

Table 2-3: STMP Revenue and Disbursements (as of December 1, 2018)¹

Period	Revenue	Disbursements	Balance ²
1998 – 2004	\$2,942,031.00	\$2,235,826.70	\$706,204.30
2005 – 2018 ³	\$8,668,484.55	\$3,652,097.91	\$5,722,590.94
Total to Date	\$11,610,515.55	\$5,887,924.61	\$5,722,590.94

Notes:

1. Information presented in Table 2-3 is based on the best information available at this time, however, the records may not be complete.
2. A portion of the remaining account balance has been allocated to projects on the current STMP project list; however, not all the allocated amount has been disbursed to the project sponsor agencies to date.
3. Reporting period as of December 1, 2018.

Source: WCCTAC, December 2018.

Table 2-4: STMP Disbursements by Project (as of December 1, 2018)¹

Project	Total Amount Committed	Total Amount Disbursed to Date
Richmond Intermodal Station	\$527,000.00	\$223,116.36
I-80/San Pablo Dam Road, I-80/Central Avenue, SR 4/ Willow Avenue Interchange Improvements	\$2,800,435.39	\$2,800,435.39
Capitol Corridor Improvements (Hercules Passenger Rail Station)	\$1,000,000.00	\$988,774.00
Ferry Service to San Francisco from Richmond and/or Hercules/Rodeo	\$300,000.00	\$0.00
BART Access and/or Parking Improvements (El Cerrito Plaza, El Cerrito Del Norte, and/or Richmond BART Stations)	\$1,186,200.00	\$813,991.86
Bay Trail Gap Closure	\$500,000.00	\$487,365.06
San Pablo Dam Road Improvements in Downtown El Sobrante	\$0.00	\$0.00
San Pablo Avenue Corridor Improvements	\$0.00	\$0.00
North Richmond Connection Project	\$0.00	\$0.00
Hercules Transit Center	\$304,963.13	\$304,963.13
Del Norte Area TOD Public Infrastructure Improvements	\$300,000	\$0.00
Administrative ²	N/A	\$269,278.81
Total	\$6,918,598.52	\$5,887,924.61

Notes:

1. Information presented in Table 2-4 is based on the best information available at this time, however, the records may not be complete for every project on the list.
2. Includes disbursements for administrative purposes and those that were not otherwise categorized.

Source: WCCTAC, December 2018.



3. Capital Improvement Projects

The Mitigation Fee Act indicates that impact fees should be used to fund capital projects, and not for ongoing operating or maintenance costs; for the purposes of this STMP update, emphasis was placed on defining a set of capital projects that achieve the subregional goals of the STMP.

3.1 Project List Criteria

There are many transportation needs in West County, and many projects have been considered or are in various phases of planning. To define projects that are consistent with the regional emphasis of the STMP, the following criteria were defined and accepted by the TAC and Board.

As a first step, all STMP-eligible projects must meet the following criterion:

- Does the project have a reasonable expectation of implementation during the timeframe of the fee program (i.e., year 2040)?

Then, a project should meet at least one of the following criteria to be eligible for STMP funding:

- Does the project address the impacts of congestion on regional travel?
- Is the project located on a Route of Regional Significance?
- Does the project improve access to BART stations, transit centers or major transit hubs?
- Does the project increase transit ridership?
- Does the project improve bicycle or pedestrian access to transit?

Although the focus of the STMP project list is to identify improvements that serve regional travel needs by reducing congestion or increasing accessibility along Routes of Regional Significance and major transit facilities, it is important to note that projects that are not directly located on such routes were also considered. Specifically, projects along other roadways that could indirectly improve regional travel or the operations of Routes of Regional Significance may meet one or more of the above criteria, and thus be STMP-eligible.

3.2 Project Research

Fehr & Peers, in coordination with WCCTAC staff, developed a preliminary list of projects that meet at least one of the approved criteria. These projects were identified by reviewing a large number of planning and



environmental review documents addressing West County's existing and future transportation needs. The following documents were reviewed to develop the preliminary draft project list:

- *Regional Measure 3 Expenditure Plan* (MTC, September 2017)
- *2016 Express Bus Study Update Final Report* (CCTA, June 2017)
- *2017 Countywide Comprehensive Transportation Plan Public Review Draft* (CCTA, May 2017)
- *West Contra Costa High-Capacity Transit Study* (WCCTAC, May 2017)
- *2015 Update of the Contra Costa Congestion Management Program* (CCTA, December 2015)
- *2014 Comprehensive Transportation Project List* (CCTA, March 2015)
- *West County Action Plan for Routes of Regional Significance* (CCTA, January 2014)
- *BART Sustainable Communities Operations Analysis* (BART, June 2013)
- *West Contra Costa Transit Enhancement and Wayfinding Plan* (WCCTAC, October 2011)
- *2009 Contra Costa Countywide Bicycle and Pedestrian Plan* (CCTA, October 2009)
- Various planning and environmental documents completed in the past several years and available on agency websites, including the following:
 - *Final Hercules Safeway Project Transportation Impact Assessment* (City of Hercules,
 - *Administrative Draft San Pablo City Hall Site Reuse Project Transportation Impact Assessment* (City of San Pablo, June 2017)
 - *San Pablo Avenue Complete Streets Study Feasibility Report* (Contra Costa County Public Works, April 2017)
 - *Administrative Draft West County Health Center – Transportation Impact Analysis* (Contra Costa County, April 2017)
 - *Draft CEQA Initial Study/Mitigated Negative Declaration Goodrick Avenue Bay Trail Gap Closure Project* (City of Richmond, January 2017)
 - *CVS/Pharmacy & Wireless Communication Facility Relocation Initial Study* (City of Pinole, October 2015)
 - *South Richmond Transportation Connectivity Plan* (City of Richmond, July 2015)
 - *Bay Walk Mixed-Use Project Final Initial Study and Mitigated Negative Declaration* (City of Richmond, July 2015)
 - *Pinole Gateway Shopping Center Initial Study* (City of Pinole, January 2015)
 - *Draft San Pablo Avenue Specific Plan* (City of El Cerrito, December 2014)
 - *Final Sycamore Crossing Transportation Assessment* (City of Hercules, November 2014)
 - *Final Environmental Impact Report San Pablo Avenue Specific Plan* (City of El Cerrito, August 2014)
 - *Richmond Central Project Initial Study Checklist Public Review Draft* (City of Richmond, April 2014)



- *Draft Environmental Impact Report Bottoms Property Residential Project* (City of Richmond, March 2014)
- *Final Report for the San Pablo Avenue Complete Streets Study* (Cities of Richmond and San Pablo, September 2013)
- *City of Richmond Bicycle Master Plan* (City of Richmond, October 2011)
- *Ohlone Greenway Master Plan* (City of El Cerrito, June 2009)

Fehr & Peers reviewed the documents listed above and assembled a comprehensive initial list of capital projects that were either located on a Route of Regional Significance or could indirectly improve operations on such routes. This initial process identified more than 150 projects. Fehr & Peers then removed duplicative projects, consolidated projects that contained similar elements based on project descriptions, and applied the STMP eligibility criteria, resulting in a preliminary draft list of 39 new projects, in addition to the 11 projects on the current STMP list. These potential projects were discussed at several meetings of the WCCTAC TAC and the Board, who made further adjustments and revisions.

3.3 STMP Update Project List

The TAC recommended, and Board approved, a final list of capital improvement projects for inclusion in the updated STMP. This list contains a combination of projects currently in the STMP, as well as projects that have been identified through the review of recent planning documents, the application of project eligibility criteria, and feedback from the TAC and Board. Overall, the purpose of the projects remains the same as when the STMP was first adopted. These projects are intended to provide congestion relief and mitigate traffic impacts on regional routes through capacity improvements on those routes, improved transit services for subregional and regional travel, and improved facilities that allow West County residents to more efficiently access regional routes and transit services. **Table 3-1** displays the updated STMP list, and the project locations are shown on **Figure 3-1**. All projects on the list are grouped into the following categories:

- Complete streets projects
- Other bicycle and pedestrian-focused improvements
- Transit and station-related improvements
- Local street and intersection improvements
- Freeway and interchange improvements

A detailed version of the project list is also provided in **Appendix A**. In addition to the 19 capital improvement projects shown in Figure 3-1, the project list also includes one administrative project that would allow for two comprehensive nexus studies and fee updates over the 22-year planning horizon of the 2019 STMP fee.

3.4 Cost Estimates

For the purposes of the STMP, it is necessary to have an estimate of the cost to implement each of the capital improvement projects on the project list. Cost estimates were developed for the STMP based on information provided in recent planning documents and input from the TAC. The year that cost estimates were developed varied for each project; to account for this, all cost estimates were escalated to 2018 dollars. The estimated cost of each project is shown on Table 3-1. Additional documentation of the cost estimates is provided in **Appendix B**.

Table 3-1: Updated STMP Projects and Estimated Cost

ID	Project	Description	Estimated Cost (2018\$)
Complete Streets Projects			
1	San Pablo Avenue Complete Streets Projects	a.) Construct bike and pedestrian improvements along San Pablo Avenue from Rodeo to Crockett.	\$ 8,610,000
		b.) Construct bicycle, pedestrian, and transit improvements along San Pablo Avenue between La Puerta Road and Hilltop Drive.	\$ 3,150,000
		c.) Construct bike, pedestrian and transit improvements along San Pablo Avenue from Rivers Street in San Pablo to Lowell Avenue in Richmond.	\$ 13,755,000
		d.) Implement Complete Streets improvements along San Pablo Avenue including directional cycle track or buffered bike lane and other bicycle, pedestrian and transit improvements in El Cerrito.	\$ 8,190,000
		e.) San Pablo Avenue Class I Boardwalk between John Muir Parkway and Sycamore Avenue.	\$ 398,000
		f.) Complete bicycle/pedestrian connection on San Pablo Avenue over Santa Fe Railroad tracks.	\$ 16,800,000
2	Appian Way Complete Streets Project	Provide continuous sidewalks, bike lanes, and improved bus stops along Appian Way from San Pablo Dam Road in unincorporated El Sobrante to about 900 lineal feet north of the city limit within the City of Pinole.	\$ 23,310,000
3	San Pablo Dam Road Improvements in Downtown El Sobrante	Provide complete street improvements on San Pablo Dam Road between El Portal Drive and Castro Ranch Road.	\$ 10,422,000
Other Bicycle and Pedestrian-Focused Improvements			
4	Bay Trail Gap Closure	Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County.	\$ 12,276,000

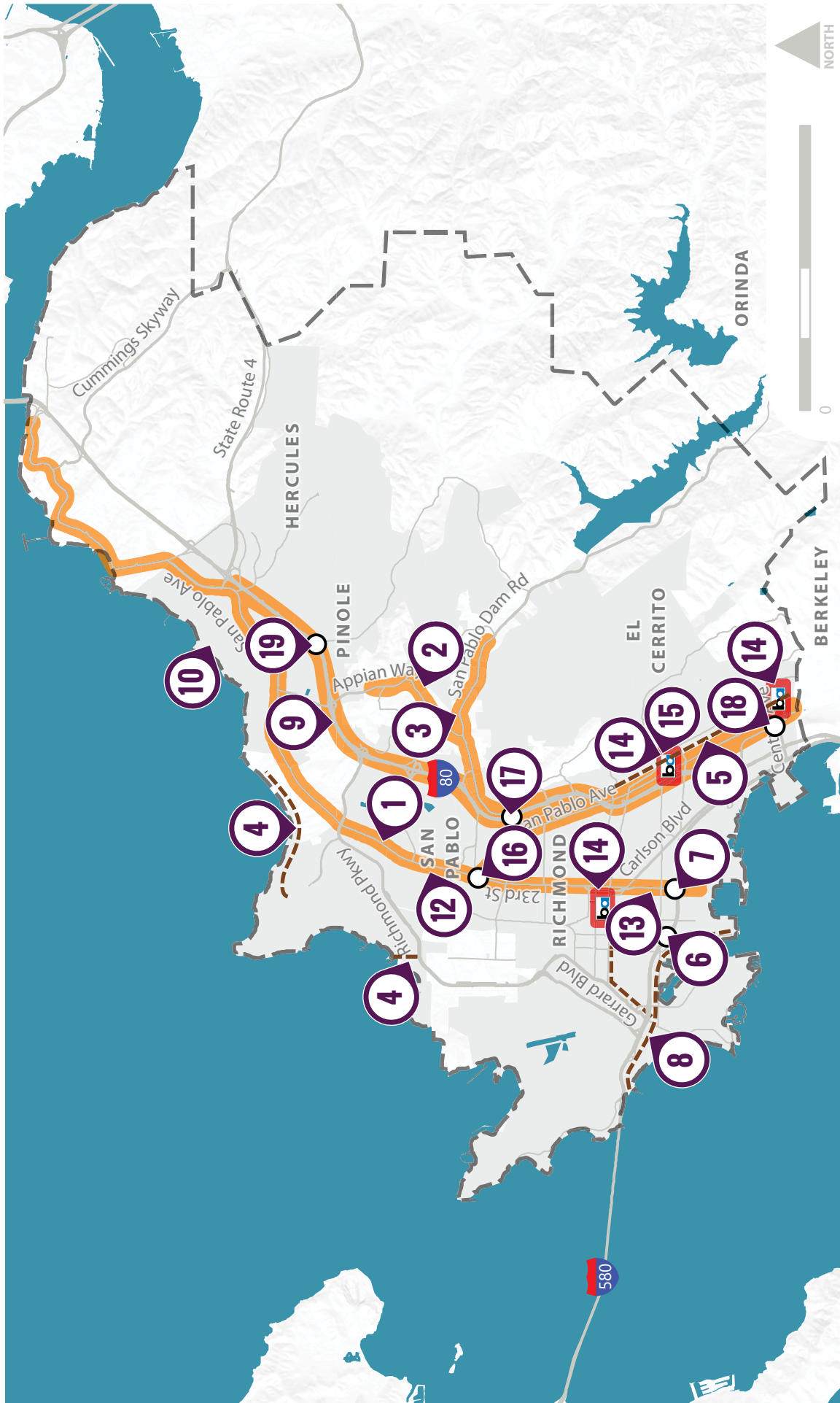
Table 3-1: Updated STMP Projects and Estimated Cost

ID	Project	Description	Estimated Cost (2018\$)
5	Ohlone Greenway Improvements	Implement crossing, wayfinding, signing, lighting, safety, access and security, and landscaping improvements along Ohlone Greenway.	\$ 3,045,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Harbour Way interchange ramps.	\$ 519,000
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Marina Bay Parkway interchange ramps.	\$ 1,095,000
8	Richmond “Ferry to Bridge” Bicycle Network Improvements (connecting Ferry Terminal with Richmond-San Rafael Bridge Bay Trail)	a.) Bicycle Boulevard in Point Richmond area: from the new trail at Tewksbury & Castro to existing Bay Trail at S. Garrard & Richmond Ave.	\$ 1,150,000
		b.) Class 1 trail in Point Richmond to Richmond Greenway, including S. Garrard Blvd and W. Ohio Ave.	\$ 2,950,000
		c.) Two-way cycle-track and road diet on W. Cutting Blvd, Cutting Blvd, and Hoffman Blvd.	\$ 3,550,000
		d.) Two-way cycle-track on Harbour Way South: Hoffman Blvd to Ferry Terminal.	\$ 1,100,000
Transit and Station-Related Improvements			
9	I-80 Express Bus	Capital improvements associated with implementing Express Bus Service on I-80 from Hercules south to Berkeley, Emeryville, Oakland, and expansion to San Francisco, with intermediate stops at the Richmond Parkway Transit Center, a potential I-80/Macdonald Avenue Express Bus/BRT transit center, and other intermediate stops.	\$ 109,203,000
10	Hercules Regional Intermodal Transportation Center	Complete construction of the new train stop for Capitol Corridor service, including parking, station platform, signage and plazas, rail improvements, bicycle and pedestrian access improvements (e.g. Bay Trail connections), etc. Future capital improvements could include preparation for ferry service.	\$ 53,550,000
11	BART Extension from Richmond Station	BART extension from the Richmond BART Station to Contra Costa College. Only the planning, conceptual engineering and program level environmental clearance phases of the project are included.	\$ 14,700,000
12	San Pablo Avenue Transit Corridor Improvements	Bus Rapid Transit (BRT) on San Pablo Avenue approximating the existing 72R Rapid Bus route from downtown Oakland to the Richmond Parkway Transit Center and extending Rapid Bus from the Richmond Parkway Transit Center to the Hercules Transit Center.	\$ 192,150,000

Table 3-1: Updated STMP Projects and Estimated Cost

ID	Project	Description	Estimated Cost (2018\$)
13	23rd Street Transit Corridor Improvements	23rd Street BRT from Richmond Ferry Terminal and UC Berkeley Richmond Field Station to Richmond BART/Capitol Corridor station, then continuing to Contra Costa College.	\$ 121,800,000
14	West County BART Station Access, Parking & Capacity Improvements	a.) El Cerrito Plaza Station Modernization and Capacity Enhancements.	\$ 49,442,000
		b.) El Cerrito Plaza BART Pedestrian & Bike Safety and Access Improvements.	\$ 1,260,000
		c.) Richmond BART Pedestrian & Bike Safety and Access Improvements.	\$ 3,465,000
		d.) Richmond Crossover Project.	\$ 34,759,000
15	Del Norte Area TOD Public Infrastructure Improvements	Planning, engineering, environmental studies, and construction of the public transportation-related improvements related to Transit Oriented Development (TOD) in the area around the El Cerrito Del Norte BART station.	\$ 37,761,000
Local Street and Intersection Improvements			
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	Realignment of skewed 5-legged intersection as part of a bridge removal project that will enhance pedestrian, bicycle and future BRT access.	\$ 15,120,000
Freeway and Interchange Improvements			
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	Reconstruct the existing I-80/San Pablo Dam Road interchange (including modifications to the El Portal Drive and McBryde Avenue ramps) and provide improved pedestrian and bicycle facilities.	\$ 84,788,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	Improve traffic operations and multimodal access at the I-80/Central Avenue interchange and along Central Avenue between Rydin Road and San Pablo Avenue. The project will be completed in two phases.	\$ 15,225,000
19	I-80/Pinole Valley Road Interchange Improvements	Improve merge onto the I-80 mainline from the EB Pinole Valley Road on-ramp to address vehicles accelerating uphill after stopping at ramp meter, in addition to ramp-terminal intersection improvements.	\$ 10,959,000
Administrative Projects			
20	Future Nexus Study Updates	Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP Fee.	\$500,000
Total Estimated Cost			\$ 855,002,000

Notes: See Appendix A for detailed project descriptions.



- STMP Project Types**
- Interchange/Intersection
 - BART Stations
 - Trails/Bicycle Facilities
 - Roadway/Freeway
- West County City Limits**
- City Limits

- STMP Project Types**
- Interchange/Intersection
 - BART Stations
 - Trails/Bicycle Facilities
 - Roadway/Freeway
- West County City Limits**
- City Limits



Figure 3-1
West County STMP Projects

4. Growth Projections

An important step in quantifying the nexus relationship is to determine the amount of new development anticipated in the planning horizon (year 2040) of the study. Fehr & Peers reviewed the historical and projected housing and job growth in West County provided by the Association of Bay Area Governments (ABAG) and summarized in **Table 4-1**. Based on the information presented in Table 4-1, the TAC recommended, and the Board approved, a 0.9 percent annual housing growth rate and 1.2 percent annual job growth rate for use in the nexus study update. These projections were incorporated into the year 2040 land use file of the Contra Costa Transportation Authority (CCTA) travel demand model in the appropriate Transportation Analysis Zones (TAZs) for the West County region. **Table 4-2** shows the amount of new development anticipated based on applying those growth rates; the number of dwelling units in West County would increase by 18,725 units (17 percent of total 2040 amount), and the number of jobs would increase by 18,794 jobs (21 percent of total 2040 amount). As shown in **Table 4-3**, total “service population” in West County, which is the sum of population plus jobs, is expected to increase by 82,037 (19 percent of total 2040 amount).

Table 4-1: West County Annual Growth Rate Comparison

Year Range	Annual Housing Growth Rate	Annual Job Growth Rate
2000 – 2005 (Historical)	0.9%	0.7%
2005 – 2010 (Historical)	-0.1%	-2.1%
2010 – 2015 (Historical)	0.9%	1.7%
2015 – 2040 (Forecast, based on ABAG <i>Projections 2013</i>)	1.2%	1.2%
2015 – 2040 (Forecast, based on ABAG <i>Projections 2017</i>)	1.0%	1.4%

Source: Fehr & Peers, 2018.

Table 4-2: Forecasted Housing and Job Growth in West County

Year	Residential (Dwelling Units)			Non-Residential (Jobs)			
	Single-Family	Multi-Family	Total	Office	Retail	Industrial	Total
2018	65,727	28,657	94,384	45,920	16,172	9,525	71,617
2040	70,412	42,697	113,109	60,528	19,485	10,398	90,411
Net Increase	4,685	14,040	18,725	14,608	3,313	873	18,794
Net Increase as % of Total 2040 Amount	7%	33%	17%	24%	17%	8%	21%

Source: Fehr & Peers, 2018.

Table 4-3: Forecasted Service Population Growth in West County

Year	Total Population	Total Jobs	Service Population (Population + Jobs)
2018	267,305	71,617	338,922
2040	330,548	90,411	420,959
Net Increase	63,243	18,794	82,037
Net Increase as % of Total 2040 Amount	19%	21%	19%

Source: Fehr & Peers, 2018.

The CCTA travel demand model land use forecasts for West County, which are based on data from ABAG, represent residential uses in terms of dwelling units and non-residential uses in terms of numbers of employees. However, because fees are typically assessed on the basis of building area, for the purpose of establishing fee rates, the forecasts of total employees have been converted to square feet of non-residential development by applying the following typical factors:

- Office: 3 employees per 1,000 square feet
- Retail: 2 employees per 1,000 square feet
- Industrial: 1 employee per 1,000 square feet

All uses were then converted to dwelling unit equivalents (DUEs), to account for the fact that different development types generate traffic with different characteristics, and to use a common unit of measurement. This conversion was accomplished by applying use-specific AM peak hour vehicle trip generation rates from the Institute of Transportation Engineers (ITE) Trip Generation, 10th Edition. **Table 4-4**

contains the conversion factors used to calculate DUEs in this study. The results of the DUE conversion are presented in **Table 4-5**.

Table 4-4: DUE Conversion Factors

Land Use Category	Unit ¹	AM Peak Hour Vehicle Trip Rate ²	DUE per Unit ³
Single-Family	DU	0.74	1.00
Multi-Family	DU	0.36	0.49
Office	1,000 sq. ft.	1.16	1.57
Retail	1,000 sq. ft.	0.94	1.27
Industrial	1,000 sq. ft.	0.7	0.95

Notes:

1. DU = dwelling unit; sq. ft. = square feet.
2. AM peak hour trip rates are based on the following ITE codes: single-family = land use code 210, multi-family = land use code 221, office = land use code 710, retail = land use code 820, industrial = land use code 110.
3. DUE per Unit was calculated by normalizing the AM Peak Hour Trip Rate for each category such that the single-family residential category was assigned a DUE of 1.00. This is accomplished by dividing the AM Peak Hour Trip Rate for each category by 0.74, which is the AM Peak Hour Trip Rate of the single-family residential category. Example calculation: DUE per Multi-Family Unit = $0.36 / 0.74 = 0.49$.
4. Land uses that have unique characteristics that do not fall under any of the five general categories listed in the table were evaluated separately and assessed a fee per AM peak hour vehicle trip, as described further under Section 5.3.3.

Source: Fehr & Peers, 2018.

Table 4-5: Forecasted Growth in West County, Converted to DUE

Year	Residential (DUEs) ¹			Non-Residential (DUEs)			
	Single-Family	Multi-Family	Total	Office ²	Retail ³	Industrial ⁴	Total
2018	65,727	14,042	79,769	24,031	10,269	9,049	43,349
2040	70,412	20,922	91,334	31,676	12,373	9,878	53,927
Net Increase	4,685 (+7%)	6,880 (+49%)	11,565 (+14%)	7,645 (+32%)	2,104 (+20%)	829 (+9%)	10,578 (+24%)
Proportion of Total DUE Growth ⁵	21%	31%	52%	35%	9%	4%	48%

Notes:

1. Residential DUE conversion = Number of Dwelling Units * DUE per Unit.
2. Office DUE conversion = (Jobs/3 employees per 1,000 sq ft) * DUE per Unit.
3. Retail DUE conversion = (Jobs/2 employees per 1,000 sq ft) * DUE per Unit.
4. Industrial DUE conversion = (Jobs/1 employee per 1,000 sq ft) * DUE per Unit.
5. Total DUE Growth = 11,565 Net Increase in Residential DUEs + 10,578 Net Increase in Non-Residential DUEs = 22,143.
Example calculation: Single-Family DUE Proportion of Total DUE Growth = $4,685 / 22,143 = 21\%$.

Source: Fehr & Peers, 2018.



Following the same approach used in the 2005 STMP nexus study, the DUE conversion factors have been based on AM peak hour trip generation rates. The 2005 nexus study explained that the purpose of using AM peak hour rates was so as to “not overburden the application of the traffic fees on retail development.” Using the AM peak hour rates will allow the resulting fee calculations to be more directly compared to the current STMP fees. For the purposes of the STMP, which focuses on the impacts of new development, the most important piece of information is the estimated growth in DUEs between existing and future conditions. The total number of DUEs shown in Table 4-5 was used to calculate the maximum potential fee levels for each land use type.



5. Nexus Analysis

This chapter presents the nexus analysis conducted for the new STMP update.

5.1 Existing Deficiencies

An important part of a nexus analysis is to establish whether the transportation facilities that will be addressed by projects in the fee program are currently operationally deficient. Existing deficiencies should be accounted for in the fee calculations to ensure new development pays its fair share and is not being charged to correct an existing problem.

Fehr & Peers conducted an evaluation of existing transportation conditions based on a review of recent studies that contain information pertaining to the current operations along Routes of Regional Significance, existing transit services, and existing pedestrian and bicycle infrastructure. Based on the documents reviewed for this study and the performance standards applied in those documents, existing deficiencies were identified at the following locations, which are all intersections located along Routes of Regional Significance within the City of Richmond:

- Castro Street/Hensley Street
- Richmond Parkway/Pittsburg Avenue
- Richmond Parkway/Parr Boulevard
- Central Avenue/Jacuzzi Street/San Joaquin Street/Westbound I-80 Ramps

The only capital improvement project included in the project list described in Table 3-1 that addresses an intersection listed above is the I-80/Central Avenue Interchange Improvement Project (ID #18).

While the intersections listed above were the only locations specifically identified in the documents reviewed as failing to meet defined performance standards, it is well understood that many of the major transportation facilities in West County routinely operate at over-capacity conditions. For example, substantial congestion commonly occurs on I-80 and on the major routes that feed into or are parallel to the freeway. Parking lots at the three West County BART stations routinely fill around 7:30 AM, indicating that there is more demand for access to those stations than can currently be accommodated. In light of these conditions, the STMP calculations presented here have been conducted by calculating the growth in West County development as a percentage of the total future population and jobs. This is a conservative approach since only a relatively modest portion of each project's cost is included in the STMP, reflecting the projected traffic and service population growth in West County.

5.2 STMP Project Cost Responsibility

The estimation of the percentage of project responsibility that can be attributed to West County (and therefore the percentage of project cost to be included in the STMP) is shown in **Table 5-1**, and the following describes how those percentages were calculated.

The STMP is being updated to include a range of capital improvement projects that are intended to relieve congestion, improve transit services for subregional and regional travel, and allow West County residents to more efficiently access regional routes and transit services. The concept of this nexus study is to determine the proportion of the cost of each project that is reasonably attributable to new development within West County, and therefore could be included in the STMP fee. The primary analytical tool available to estimate the proportion of usage on each facility coming from new growth in West County is the CCTA regional travel demand model. The model is commonly used to evaluate projects that involve major changes to roadway facilities, such as adding lanes to a street or reconfiguring an interchange. The model is not designed or calibrated to capture smaller-scale changes, such as adding a bicycle lane, building sidewalks or crosswalks, or reconfiguring access to a transit station. Therefore, for the purposes of this STMP analysis, the model was used to estimate West County usage percentages for projects that involve freeway, interchange, or local street improvements, and an alternate method was used for projects that involve complete streets, bicycle/pedestrian, and transit-related improvements.

The percentages described below were applied to the cost of each STMP project, and the resulting amount represents the portion of the cost of each project that will be included when calculating the STMP fee. As shown in Table 5-1, using these calculations the STMP program could capture about \$162 million, which is approximately 19 percent of the overall total project cost of \$855 million; other funding sources would be needed to cover the remainder of the costs, to account for the travel demand generated by existing West County residents as well as existing and future travelers who pass through West County on their way to other destinations.

Table 5-1: Maximum STMP Amount for Each Project

ID	Project	Estimated Cost (2018\$)	% from West County	STMP Amount
Complete Streets Projects				
1	San Pablo Avenue Complete Streets Projects	\$ 50,903,000	19%	\$ 9,672,000
2	Appian Way Complete Streets Project	\$ 23,310,000	19%	\$ 4,429,000
3	San Pablo Dam Road Improvements in Downtown El Sobrante	\$ 10,422,000	19%	\$ 1,980,000
Other Bicycle and Pedestrian-Focused Improvements				
4	Bay Trail Gap Closure	\$ 12,276,000	19%	\$ 2,333,000
5	Ohlone Greenway Improvements	\$ 3,045,000	19%	\$ 579,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	\$ 519,000	19%	\$ 156,000
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	\$ 1,095,000	19%	\$ 197,000
8	Richmond Ferry to Bridge Bicycle Network Improvements	\$ 8,750,000	19%	\$ 2,450,000
Transit and Station-Related Improvements				
9	I-80 Express Bus Service	\$ 109,203,000	19%	\$ 20,749,000
10	Hercules Regional Intermodal Transportation Center	\$ 53,550,000	19%	\$ 10,175,000
11	BART Extension from Richmond Station	\$ 14,700,000	19%	\$ 2,793,000
12	San Pablo Avenue Transit Corridor Improvements	\$ 192,150,000	19%	\$ 36,509,000
13	23rd Street Transit Corridor Improvements	\$ 121,800,000	19%	\$ 23,142,000
14	West County BART Station Access, Parking & Capacity Improvements	\$ 88,926,000	19%	\$ 16,896,000
15	Del Norte Area TOD Public Infrastructure Improvements	\$ 37,761,000	19%	\$ 7,175,000
Local Street and Intersection Improvements				
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	\$ 15,120,000	12%	\$ 1,814,000
Freeway and Interchange Improvements				
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	\$ 84,788,000	19%	\$ 16,110,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	\$ 15,225,000	17%	\$ 2,588,000
19	I-80/Pinole Valley Road Interchange Improvements	\$ 10,959,000	14%	\$ 1,534,000
Administrative Projects				
20	Future Nexus Study Updates	\$500,000	100%	\$500,000
Totals		\$ 855,002,000	19%	\$ 161,781,000

Source: Fehr & Peers, 2018.



5.2.1 Transit, Bicycle, and Pedestrian Improvement Projects

For projects involving complete streets, transit, bicycle, and pedestrian improvements (project numbers 1 through 15), the percentage of project costs to be included in the STMP is set at the proportion of the total future service population (defined as population plus employment) in the year 2040 that is expected to be added by new development between 2018 and 2040. The service population calculations are provided below based on the service population summary shown in Table 4-2.

- 2018 existing service population in West County = 338,922
- 2040 projected service population in West County = 420,959
- Net increase in service population in West County = $420,959 - 338,922 = 82,037$
- Proportion of West County growth in 2040 service population = $82,037 / 420,959 = 19\%$

According to this calculation, 19 percent of the total future service population in West County would come from new residential and commercial development in West County. The calculation above accounts for existing and future West County residents that work within and outside of West County, in addition to people that live outside of West County but work in West County. Therefore, the percentage of transit, bicycle, and pedestrian improvements costs that are included in the STMP have been set at 19 percent.

5.2.2 Interchange and Local Street Projects

For projects involving changes to local streets and interchanges (project numbers 16 through 19), the land use projections for the year 2040 were incorporated in the CCTA travel demand model and the model was applied to generate estimates of travel patterns and volumes in the future. A common modeling technique called a select zone analysis was applied to identify the amount of total future traffic volume on each roadway link that is generated by land uses in the West County region. The model produces peak hour results for the PM time period; on each model link that represents the location of a STMP project, the PM peak hour growth in traffic volume attributable to new development in the West County region was compared to the overall future PM peak hour traffic volume, thereby calculating the share of the total future usage of that link attributed to growth in West County. This proportion ranges between 12 and 19 percent for the interchange and local street projects analyzed in this manner. Although the AM peak hour trip generation rates were used to identify the DUE growth anticipated in West County by land use category, the PM peak hour traffic volume growth from the CCTA travel demand model was used to identify the share of the total future usage of interchange and local street projects associated with future development.

It should be noted that the usage percentage for the I-80/San Pablo Dam Road Interchange Improvements Project (project number 17) was adjusted because the CCTA model results did not reflect growth in traffic



volumes at that interchange. Instead, the usage percentage was set to 19 percent to reflect the proportion of new service population in the West County region.

5.2.3 Administrative Projects

The administrative project included in the STMP is to fund future nexus study updates; therefore, 100 percent of the costs are attributed to the STMP update.

5.3 Maximum Fee Calculation

A fee calculation was completed based on the figures described above. Starting from the approximately \$162 million of project costs eligible to be included in the STMP, the costs were then proportioned to each land use category based on the number of DUEs estimated for that category. The total project capital costs associated with each land use category were then divided by the number of DUEs to establish the maximum potential fee level. **Table 5-2** shows the results of these calculations.

It is important to note that the fee calculation shown in Table 5-2 is intended to represent the maximum potential fee that is justified through this nexus analysis and that could be charged to each land use type to support the list of STMP projects. Setting new fee levels is a policy decision of the WCCTAC Board. If an action were taken to set fees lower than shown here, the STMP program would generate less revenue than estimated here and would take longer to generate the estimated funding for projects on the list.

STMP fees are charged to new development of all types located in the geographic area covered by the STMP. Further details about the application of the STMP to specific types of land uses are contained in the WCCTAC STMP Administrative Guidelines developed as part of this update.

Table 5-2: STMP Maximum Potential Fee Calculation by Land Use Category⁵

Land Use Category	Proportion of Total DUE Growth ¹	Capital Cost Allocated to Each Category ²	Total Units ³	Maximum STMP Fees ⁴
Single-Family Residential	21%	\$33,974,010	4,685 DU	\$7,252 per DU
Multi-Family Residential	31%	\$50,152,110	14,040 DU	\$3,572 per DU
Office	35%	\$56,623,350	4,869,300 sq. ft.	\$11.63 per sq. ft.
Retail	9%	\$14,560,290	1,656,500 sq. ft.	\$8.79 per sq. ft.
Industrial	4%	\$6,471,240	873,000 sq. ft.	\$7.41 per sq. ft.

Notes:

1. Proportion based on total DUE growth from 2018 – 2040, as summarized in Table 4-5.
2. Capital Cost Allocated to Each Category = \$161,781,000 * (Proportion of Total DUE Growth).
3. DU = dwelling unit; sq. ft. = square foot. Total units based on growth from 2018 – 2040, as summarized in Table 4-2.
4. Maximum Potential fee calculation for each land use category. Maximum Potential STMP Fee = (Proportion of Total Capital Cost) / (Total Units).
5. For any land use that has unique characteristics that are not captured under any of the general categories in the STMP ordinance, the fee will be calculated based on the number of AM peak hour trips for that specific land use. The maximum potential fee calculation is \$9,800 per AM peak hour trip; the calculation is described in more detail under Section 5.3.3. The STMP Administrative Guidelines provide further guidance for estimating the required fee for “other” category projects.

Source: Fehr & Peers, 2018.

5.3.1 Fee Comparison

The maximum potential STMP fee (presented in Table 5-2) was compared to the current STMP fees and to other sub-regional fee programs in Contra Costa, as summarized in **Table 5-3**. As shown in Table 5-3, the new maximum potential fees calculated are higher than the current non-indexed and indexed STMP fees in all land use categories. For residential uses, the new maximum STMP fee is somewhat higher than the residential fee charged in the Tri-Valley area, and lower than the residential fees in East County and Lamorinda. For non-residential uses, the new maximum STMP fee is higher than the comparable fees in East County and Tri-Valley, and roughly similar to the non-residential fees in Lamorinda.

Table 5-3: Comparison to Other Sub-Regional Fees

Jurisdiction	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
West County Area					
WCCTAC Maximum Potential Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
WCCTAC (original 2005) ¹	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed) ²	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
Other Sub-Regional Fees in Contra Costa					
East County	\$18,186	\$11,164	\$1.56	\$1.80	\$1.56
Lamorinda	\$7,269	\$5,088	\$7.78	\$7.78	\$7.78
Tri-Valley	\$4,369	\$3,010	\$7.43	\$3.48	\$4.32

Notes:

1. Reflects the 2005 STMP Fee Schedule.
2. Reflects the 2005 STMP Fee Schedule if it had been consistently indexed to year 2018. The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area.

Source: Fehr & Peers, 2018.

5.3.2 Board-Recommended Fee Levels

At the September 28, 2018 meeting, the WCCTAC Board recommended that fee levels be set at 75 percent of the maximum potential fee calculations; the Board-recommended fee levels for the five major land use categories are presented in **Table 5-4**. Setting the fees at these levels is expected to generate an estimated \$121.3 million through year 2040.

Table 5-4: Board-Recommended STMP Fee Levels by Land Use Category

Jurisdiction	Single-Family (per unit)	Multi-Family (per unit)	Office (per sq. ft.)	Retail (per sq. ft.)	Industrial (per sq. ft.)
WCCTAC (original 2005) ¹	\$2,595	\$1,648	\$3.51	\$1.82	\$2.45
WCCTAC (if indexed) ²	\$3,697	\$2,348	\$5.00	\$2.59	\$3.49
WCCTAC Maximum Potential Fee	\$7,252	\$3,572	\$11.63	\$8.79	\$7.41
Board Recommendation (75% of WCCTAC Maximum Potential Fee)³	\$5,439	\$2,679	\$8.72	\$6.59	\$5.56

Notes:

1. Reflects the 2005 STMP Fee Schedule.
2. Reflects the 2005 STMP Fee Schedule if it had been consistently indexed to year 2018. The index is based on the Engineering-News Record Construction Cost Index for the San Francisco Bay Area.
3. The WCCTAC Board recommended during the September 28, 2018 meeting that fee levels be set at 75 percent of the maximum potential fee calculations.

Source: Fehr & Peers, 2018.

5.3.3 Maximum Potential Fee for Other Land Use Categories

As with the previously adopted STMP ordinance, the updated STMP Model Ordinance also specifies fees for the following land use categories: senior housing, hotel, storage facility, and other. The maximum potential fees for the senior housing, hotel and storage facility categories were calculated by applying the DUE factor for each category to the maximum potential fee per single family dwelling unit. Any land use that has unique characteristics that are not captured under any of the land use categories in the ordinance would fall under the "other" category, in which the fee is calculated based on the number of AM peak hour trips. The maximum potential fee per AM peak hour trip was calculated by dividing the maximum potential fee per single family dwelling unit by the AM peak hour trip generation rate (0.74) per single family dwelling unit; the calculation is shown below.

- Maximum potential fee per single family dwelling unit = \$7,252
- AM peak hour trip generation rate per single family dwelling unit = 0.74
- Maximum potential fee per AM peak hour trip = $\$7,252 / 0.74 = \$9,800$

The STMP Administrative Guidelines provide further guidance for estimating the required fee for “other” category projects. The maximum potential fee and Board-recommended fees (75 percent of the maximum potential fee) for these land uses are summarized in **Table 5-5**.

Table 5-5: STMP Fee Levels for Other Land Use Categories

Land Use	Unit	AM Trip Generation Rate ¹	DUE	WCCTAC Maximum Potential Fee ²	Board Recommendation (75% of WCCTAC Maximum Potential Fee) ²
Single-Family	Dwelling Unit	0.74	1.00	\$7,252	\$5,439
Senior Housing	Dwelling Unit	0.20	0.27	\$1,958	\$1,469
Hotel	Room	0.47	0.64	\$4,641	\$3,481
Storage Facility	Sq. ft.	0.0001	0.00014	\$1.02	\$0.76
Other ³	AM Peak Hour Trip	N/A	N/A	\$9,800	\$7,350

Notes:

1. AM peak hour trip rates are based on the following ITE codes found in the *ITE Trip Generation Manual* (10th Edition): single-family = land use code 210, senior housing = land use code 252, hotel = land use code 310, storage facility = land use code 151.
2. Fee estimate for senior housing, hotel, and storage facility land uses calculated by applying the DUE to the single-family family fee per dwelling unit.
3. The STMP Administrative Guidelines provide further guidance for estimating the required fee for “other” category projects.

Sources: *ITE Trip Generation Manual* (10th Edition); Fehr & Peers, 2018.

5.4 Other Funding Sources

As with the 2005 update of the STMP, the fee revenue from the 2019 STMP update will not pay the total cost of all transportation infrastructure improvements described in Table 3-1. Other funding will need to be obtained, some of which has already been identified. The following projects on the updated STMP list have identified other funding sources:

- Hercules Regional Intermodal Transportation Center (Project ID #9) has identified \$1 million in funding.
- Del Norte Area TOD Public Infrastructure Improvements (Project ID #15) has identified \$7.1 million in funding.
- San Pablo Avenue Intersection Realignment at 23rd Street and Road 20 (Project ID #16) has identified \$9.5 million in funding.



- I-80/Central Avenue Phase Interchange Improvements (Project ID #18) has identified \$13.9 million in funding.

Although additional funding sources have not yet been identified for the remaining projects, the following describes a range of other funding sources that are potentially available to fund the remaining capital costs.

Measure J - Approved by Contra Costa County voters in 2004, it imposed a continuation of a half-cent on the dollar sales tax for 25 more years beyond the original 1988 transportation sales tax measure (Measure C) that expired in 2009. As with Measure C, the tax revenues will be used to fund a voter-approved Expenditure Plan of transportation programs and projects. Measure J will provide approximately \$2.5 billion for countywide and local transportation projects and programs through the year 2034.

Regional Measure 3 - Approved by Bay Area voters in June 2018, Regional Measure 3 will raise tolls on the Bay Area region's state-owned toll bridges by \$1 beginning January 1, 2019. Tolls will rise by another \$1 in January 2022 with another \$1 increase in January 2025. Toll revenues will be used to finance a \$4.5 billion set of highway and transit improvements along the toll bridge corridors and their approach routes. The Regional Measure 3 Expenditure Plan currently contains \$25 million for I-80 corridor transit improvements in Contra Costa, \$100 million for AC Transit rapid bus corridor improvements, \$90 million for Capital Corridor improvements, and \$150 million for San Francisco Bay Trail and Safe Routes to Transit improvements,

One Bay Area Grants (OBAG) – Established in 2012, OBAG taps federal funds to maintain Metropolitan Transportation Commission's (MTC) commitment to regional transportation priorities while also advancing the Bay Area's land-use and housing goals. OBAG targets project investments in Priority Development Areas (PDAs), where cities and counties can use OBAG funds to invest in streetscape enhancements, bicycle and pedestrian improvements, Safe Routes to School projects, and transportation planning efforts. MTC adopted the funding and policy framework for the second round of the OBAG program in November 2015. The second round of OBAG funding is projected to generate about \$916 million to fund projects from 2017-18 through 2021-22. The OBAG 2 program is divided into a Regional Program, managed by MTC, and County Program, managed by the nine Bay Area Congestion Management Agencies (CMAs).

Senate Bill 1 (SB 1) – Signed into law by Governor Jerry Brown in April 2017, SB 1 is expected to raise \$52.4 billion for transportation investments over the next decade. Revenues to pay for SB 1 programs will come from new transportation-related fees and adjustments to state taxes on diesel fuel and gasoline. By 2018-19, MTC estimates SB 1 will generate more than \$365 million per year for transportation in the nine-county Bay Area. Most of that funding will be directed to maintenance and repairs of roadways and public transit systems. Funding will also be available for mobility improvements and expanding bicycle and pedestrian access.



State Transportation Improvement Program (STIP) Funds – Generated by gas tax revenues, these funds are allocated by the State of California to Contra Costa County every two years for programming transportation improvement projects. According to the *2018 Report of STIP Balances County and Interregional Shares* (California Transportation Commission, August 2018), about \$87.3 million in STIP funds are currently allocated to transportation projects in Contra Costa County.



6. Summary of Required Program Elements

This report has provided a detailed discussion of the elements of the updated West County Subregional Transportation Mitigation Program and explained the analytical techniques used to develop this nexus study. The report addresses all of the fee program elements required by AB 1600, as summarized below.

1. *Identifying the purpose of the fee*

The STMP has been in place for more than 20 years. The purpose of the STMP is to support regional multimodal transportation system improvements needed to mitigate the transportation-related impacts of new development in western Contra Costa County.

2. *Identifying how the fee will be used and the facilities to be funded through the fee*

The fee will be used to help fund capital improvement projects that will accommodate future transportation needs in western Contra Costa. Table 3-1 identifies the projects to be funded through the fee.

3. *Determining a reasonable relationship between the fee's use and the type of development on which the fee is imposed*

As described in Chapter 4, different types of development generate traffic with different characteristics. The calculations presented in Table 4-5 account for these different characteristics by applying dwelling unit equivalent factors to each type of development. These considerations account for the differential impacts on the transportation system generated by different development types.

4. *Determining a reasonable relationship between the need for the public facility and the type of development on which the fee is imposed*

The need for the improvements listed in Table 3-1 has been established through the prior and current STMP nexus studies. The STMP calculations presented in this report have been conducted by calculating the growth in West County development as a percentage of the total future population and jobs. This is a conservative approach since only a relatively modest portion of each project's cost is included in the STMP, reflecting the projected traffic and service population growth in western Contra Costa County.

5. *Determining a reasonable relationship between the amount of the fee and the cost of the public facility (or portion of facility) attributable to new development*



Chapter 5 of this report describes the calculations applied to determine the cost of the improvements listed in Table 3-1 that is attributable to new development. Thus, a reasonable effort has been made to quantitatively establish the relationship between the fees charged in the STMP and the costs of transportation infrastructure improvements attributable to new development within western Contra Costa.

Appendix A – 2019 Update of the STMP Project List

WEST COUNTY STMP PROJECTS						
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)
Complete Streets Projects						
1	San Pablo Avenue Complete Streets Projects ²	a.) Construct bike and pedestrian improvements along San Pablo Avenue from Rodeo to Crockett by reducing roadway from 4 lanes to 3 lanes plus Class I path.	Countywide Transportation Plan (2017), West County Transit Enhancement and Wayfinding Plan (2011)	\$8,610,000		County
		b.) Construct bicycle and pedestrian improvements along San Pablo Avenue between La Puerta Road and Hilltop Drive. Including new sidewalk installation on San Pablo Avenue between Lancaster Drive and Robert Miller Drive on the east side, and on Robert Miller between San Pablo Avenue and Hilltop Drive, to improve pedestrian access to the Contra Costa College Transit Hub and the Hilltop Mall Area.	West County Transit Enhancement and Wayfinding Plan	\$3,150,000		Richmond
		c.) Construct bike, pedestrian and transit improvements along San Pablo Avenue from Rivers Street in San Pablo to Lowell Avenue in Richmond.	Countywide Transportation Plan, San Pablo Bicycle and Pedestrian Master Plan (2017)	\$13,755,000		San Pablo
		d.) Implement Complete Streets improvements along San Pablo Avenue including directional cycle track or buffered bike lane and other bicycle, pedestrian and transit improvements in El Cerrito.	Countywide Transportation Plan, El Cerrito San Pablo Avenue Specific Plan (2014)	\$8,190,000		El Cerrito
		e.) San Pablo Avenue Class I Boardwalk between John Muir Parkway and Sycamore Avenue. Project is necessary to provide pedestrian and transit access to a recently approved shopping center on San Pablo Avenue, across the street from the planned boardwalk.	West County Transit Enhancement and Wayfinding Plan	\$398,000		Hercules
		f.) Complete bicycle/pedestrian connection on San Pablo Avenue over Santa Fe Railroad tracks by upgrading the existing bridge or constructing new dedicated bicycle/pedestrian bridge.	Countywide Transportation Plan	\$16,800,000		Pinole
2	Applian Way Complete Streets Project ²	Provide continuous sidewalks and bike lanes throughout the corridor. The project will also consider future/existing bus stop locations, on-street parking and sidewalk treatments, such as bulb outs and median refuge islands, while also improving access consistent with ADA. Project limits are along Applian Way from San Pablo Dam Road in unincorporated El Sobrante to about 900 lineal feet north of the city limit within the City of Pinole.				
3	San Pablo Dam Road Improvements in Downtown El Sobrante ²	Provide complete street improvements on San Pablo Dam Road between El Portal Drive and Castro Ranch Road. Improvements may include multimodal infrastructure on San Pablo Dam Road as well as completion of Pitt Way which will provide a circulation loop in the center of town that will provide enhanced access to community space and commercial areas in downtown El Sobrante.	Countywide Transportation Plan 2005 Update of the Subregional Transportation Mitigation Program (STMP)	\$23,310,000		County, Pinole
Complete Streets Project Category - Total Cost Estimate				\$84,635,000	\$0	\$16,081,000
Other Bicycle and Pedestrian-Focused Improvements						
4		Close Bay Trail gaps in West Contra Costa County along the following segments: 1.) 0.3-mile segment along Goodrick Avenue in Richmond. 2.) 1.5-mile segment between Atlas Road and Cypress Avenue in unincorporated Contra Costa County. 3.) 0.1-mile segment between Bayfront Park and Pinole Creek in Pinole. Projects listed above are key gap closures that can improve access to transit facilities near the Bay Trail.				
5	Bay Trail Gap Closure Ohlone Greenway Improvements	Implement crossing, wayfinding, signing, lighting, safety, access and security, and landscaping improvements along Ohlone Greenway.	Countywide Transportation Plan, Ohlone Greenway Master Plan (2009)	\$12,276,000		County, Pinole, Richmond
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Harbour Way interchange ramps, to improve pedestrian and bicycle connections between waterfront (including future Ferry terminal) and central Richmond.	West County Transit Enhancement and Wayfinding Plan, South Richmond Transportation Connectivity Plan (2015)	\$3,045,000		El Cerrito
7	I-580/Marina Bay Parkway Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Marina Bay Parkway interchange ramps. The following improvements may be considered: -Stripe and sign bike lanes along Marina Parkway, connect bike lanes to the Officer Moody Class I path at Meeker Avenue/Marina Bay Parkway Intersection. -Consider narrowing or removing travel lanes on South 23rd Street to provide a bicycle and pedestrian connection to downtown Richmond. -Stripe crosswalks at freeway ramps for pedestrian and bicycle travel across ramps. -Square the freeway off-ramps to slow speeds and improve sightlines between drivers and bicyclists/pedestrians.		\$519,000		Richmond
			West County Transit Enhancement and Wayfinding Plan, City of Richmond Bicycle Master Plan (2011)	\$1,095,000		Richmond
						\$197,000

October 3, 2018

WEST COUNTY STMP PROJECTS						
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)
8	Richmond Ferry to Bridge Bicycle Network Improvements	a.) Point Richmond area: from the new trail at Tewksbury & Castro to existing bay trail at S Garrard & Richmond Ave. This segment could vary from short-term bicycle boulevard-style improvements through the neighborhood to a long-term goal of a Class I path through railroad and Caltrans ROW along Railroad Ave and Tewksbury Ave. (Approximately 2,300 ft)	N/A (Project Identified by City of Richmond Staff)	\$1,150,000		Richmond
		b.) Point Richmond to Richmond Greenway: including S Garrard Blvd and W Ohio Ave. Because acquisitions or easements on railroad property have failed, there is a proposal to build a Class I trail along the north side of W Ohio between Garrard and 2nd St. The curb and gutter on this side of the road would need to be rebuilt. A similar trail or 2-way cycle track could be extended along S Garrard to existing facilities at W Cutting. (W Ohio Ave segment: 3,100 ft, S Garrard Blvd: 2,800 ft)	N/A (Project Identified by City of Richmond Staff)	\$2,950,000		Richmond
		c.) W Cutting Blvd, and Hoffman Blvd. A two-way cycle track is proposed by reducing the number of vehicle travel lanes. Local businesses have requested the City add parking on the north side of West Cutting Blvd, and this will be studied in conjunction with the proposed bicycle facilities. This is also one of our focus areas for stormwater pollution mitigation, so a bioswale buffer between the cycle track and roadway would be ideal. Bicycle and pedestrian improvements adjacent to freeway access points are also necessary at Hoffman & Cutting and Hoffman & Harbour Way South. (W Cutting and Cutting Blvd segment: 5,500 ft, Hoffman Blvd: 1,600 ft)	N/A (Project Identified by City of Richmond Staff)	\$3,550,000		Richmond
		d.) Harbour Way South: Hoffman to Ferry Terminal. Private developments are in the process of planning and building portions of a two-way cycle track along the frontage of their properties between Hoffman and the Cannery property, and this project would connect and extend those improvements. (2,200 ft total)	N/A (Project Identified by City of Richmond Staff)	\$1,100,000	\$0	Richmond
		Other Bicycle and Pedestrian-Focused Project Category - Total Cost Estimate			\$25,685,000	
9	I-80 Express Bus (Short & Mid-Term Improvements)	Capital Improvements associated with implementing Express Bus Service on I-80 from Hercules Transit Center south to Berkeley, Emeryville, Oakland, and expansion to San Francisco, with intermediate stops at the Richmond Parkway Transit Center and a potential I-80/Macdonald Avenue Express Bus/BRT transit center. Expansion of park-and-ride lots and freeway ramp improvements could occur in the medium to long-term. A series of Richmond Parkway Transit Center Improvements may also include: -Improve pedestrian and bicycle crossings at the I-80/Blume Drive and I-80/Fitzgerald Drive intersections -New sidewalks and bicycle lanes providing access to the transit center.	West County High-Capacity Transit Study (2017), 2016 Express Bus Study Update Final Report (2017)	\$109,203,000		WCCTAC
10	Hercules Regional Intermodal Transportation Center	Current phase of Hercules RTC is to complete construction of the new train stop for Capitol Corridor service, including parking, station platform, signage and plazas, rail improvements, bicycle and pedestrian access improvements (e.g. Bay Trail connections), etc. Capital improvements along the corridor in West Contra Costa, including track improvements, drainage, fencing, safety improvements, etc. Future capital improvements could include preparation for ferry service.	West County High-Capacity Transit Study, Countywide Transportation Plan, 2005 Update of the STMP	\$53,550,000	\$1,000,000	Hercules
11	BART Extension (Planning & Conceptual Engineering Phases) from Richmond Station ³	BART extension from the Richmond BART Station. Only the planning, conceptual engineering and program level environmental clearance phases of the project are included for Segment 1 from Richmond to Contra Costa College/City of San Pablo.	West County High-Capacity Transit Study	\$14,700,000		WCCTAC
12	San Pablo Avenue Transit Corridor Improvements ²	BRT on San Pablo Avenue approximating the existing 72R Rapid Bus route from downtown Oakland to the Richmond Parkway Transit Center and extending Rapid Bus from the Richmond Parkway Transit Center to the Hercules Transit Center. In the short-term, Rapid Bus Improvements could be extended to Richmond Parkway with service to Contra Costa College and Hilltop Mall and transit priority treatments introduced along the corridor. Extending Rapid Bus treatments north to the Hercules Transit Center and introducing bus-only lanes on San Pablo Avenue from El Cerrito del Norte north to 23rd Street could occur in the medium-term.	West County High-Capacity Transit Study	\$192,150,000		WCCTAC

October 3, 2018

WEST COUNTY STMP PROJECTS						
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)
13	23rd Street Transit Corridor Improvements	23rd Street BRT from Richmond Ferry Terminal and UC Berkeley Richmond Field Station to Richmond BART/Capitol Corridor station, then continuing to Contra Costa College, with possible extension along San Pablo Avenue to Hilltop Mall and Hercules. Improvements to pedestrian facilities that enhance access to BRT stations are also assumed as part of this project.	West County High-Capacity Transit Study	\$121,800,000		\$23,142,000 WCCTAC
14	West County BART Station Access, Parking & Capacity Improvements	a) El Cerrito Plaza Station Modernization and Capacity Enhancements: Improve access, expand capacity, enhance placemaking, and address state-of-good repair issues at the 45-year old El Cerrito Plaza BART station. Include an improved kiss n' ride area, landscaping, new stairs and elevators to the platform, new station restrooms, and improved bus intermodal area with raised crosswalks.	El Cerrito Plaza and Del Norte Stations - Modernization Concept Plan (2013)	\$49,442,000		\$9,395,000 BART
		b) El Cerrito Plaza BART Pedestrian & Bike Safety and Access Improvements: Enhancements on streets between BART Station and Carlson Blvd, including improved pedestrian lighting, widened sidewalks, improved crosswalks, signal timing adjustments, wayfinding and signage, and upgraded bicycle facilities.	BART Walk and Bicycle Gap Study (2017)	\$1,260,000		\$239,000 BART, El Cerrito
		c) Richmond BART Pedestrian & Bike Safety and Access Improvements: Enhancements on streets surrounding BART Station to improve station access and safety, including pedestrian lighting, widened sidewalks, improved crosswalks, signal timing adjustments, wayfinding and signage, and upgraded bicycle facilities.	BART Walk and Bicycle Gap Study	\$3,465,000		\$658,000 BART, Richmond
		d) Richmond Crossover Project: Additional Crossover to allow quicker turnbacks, to utilize fleet more effectively, reduce conflicts in yard, and allow increased service frequency.	BART Sustainable Communities Operations Analysis (2013)	\$34,759,000		\$6,604,000 BART
15	Del Norte Area TOD Public Infrastructure Improvements	Planning, engineering, environmental studies, and construction of the public transportation-related improvements related to Transit Oriented Development (TOD) in the area around the El Cerrito Del Norte BART station. Funding will provide improvements including, but not limited to: new parking facilities; bicycle, pedestrian, and bus transit access improvements; signage; lighting; improvements to station access or station waiting areas; ADA improvements; improvements to adjacent streets, street crossings, or signals; and/or Ohlone Greenway improvements.	2005 Update of the STMP	\$37,761,000	\$7,100,000	\$7,175,000 El Cerrito
Transit and Station-Related Project Category - Total Cost Estimate				\$618,090,000	\$8,100,000	\$117,439,000
Local Street and Intersection Improvements						
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	Realignment of skewed 5-legged intersection as part of a bridge removal project that will enhance pedestrian, bicycle and future BRT access. The project will also include street re-configuration, re-striping and possibly signal modification at this intersection.	Countywide Transportation Plan	\$15,120,000	\$9,500,000	\$1,814,000 San Pablo
Local Street and Intersection Project Category - Total Cost Estimate				\$15,120,000	\$9,500,000	\$1,814,000

WEST COUNTY STMP PROJECTS						
ID	Project	Project Description	Document Reference	Total Project Cost Estimate	Other Identified Funding	Eligible STMP Funding Allocation ¹ Sponsor(s)
Freeway and Interchange Improvements						
Reconstruct the existing I-80/San Pablo Dam Road interchange (including modifications to the El Portal Drive and McBryde Avenue ramps) and provide improved pedestrian and bicycle facilities. The project will be completed in two phases. The first phase (under construction) will relocate the El Portal Drive on-ramp to WB I-80 to the north, extend the auxiliary lane along WB I-80 between San Pablo Dam Road off-ramp and El Portal Drive on-ramp, and reconstruct the Riverside Avenue pedestrian overcrossing. The second phase includes the construction of a new connector road on the west side of I-80 to connect SPDR to McBryde Avenue with a new bridge over Wildcat Creek, reconstructing the on- and off-ramps to SPDR, replacing the existing SPDR overcrossing with a 6-lane structure, and realigning Anador Street. Phase 2 is included in this STMP update.						
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	Improve traffic operations and multimodal access at the I-80/Central Avenue interchange and along Central Avenue between Rydin Road and San Pablo Avenue. The project will be completed in two phases. The first phase will redirect left turns from WB Central Avenue onto WB I-80 to the adjacent I-580 EB on-ramp at Rydin Road during weekend peak hours; and will install traffic signals at the I-580 ramps. Construction of first phase will be completed in 2018. The second phase will increase the spacing between the signalized intersections east of I-80 by connecting Pierce Street and San Mateo Street, converting Pierce Street access at Central Avenue to "right-in, right-out," and relocating the traffic signal at Pierce Street/Central Avenue to the San Mateo Street/Central Avenue intersection. The second phase is included in this STMP update.	Countywide Transportation Plan, 2005 Update of the STMP	\$84,788,000	\$9,200,000	\$16,110,000.00 San Pablo, CCTA
18	I-80/Central Avenue Interchange Improvements (Phase 2)	The project may include the following improvements: -Improve merge onto the I-80 mainline from the EB Pinole Valley Road on-ramp to address vehicles accelerating uphill after stopping at ramp meter. -Widen Pinole Valley Road ramp-terminal intersections at I-80 to provide a dedicated right turn lane to the EB and WB I-80 on-ramps. -Pinole Valley Road/I-80 intersection crossing enhancements.	Countywide Transportation Plan, 2005 Update of the STMP	\$15,225,000	\$13,873,000	\$2,588,000 El Cerrito, Richmond, CCTA
19	I-80/Pinole Valley Road Interchange Improvements		Countywide Transportation Plan, West County Transit Enhancement and Wayfinding Plan	\$10,959,000		\$1,534,000 Pinole, CCTA
Freeway and Interchange Project Category - Total Cost Estimate				\$110,972,000	\$23,073,000	\$20,232,000
Administrative Projects						
20	Future Nexus Study Updates	Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP Fee.		\$500,000		\$500,000 WCCTAC
Total Project List Cost Estimate				\$855,002,000	\$40,673,000	\$161,781,000
Notes: 1. Column summarizes the portion of the capital costs that would be allocated to the STMP. 2. Complete Streets projects typically involve improvements to transit, pedestrian and bicycling infrastructure with the goal of increased usage of those modes, thus reducing vehicle volumes on Routes of Regional Significance. 3. Timing of BART extension implementation may extend beyond 2040; however, the STMP could fund early planning and design tasks.						

Appendix B – 2019 Update of the STMP Project List Cost Estimate Summary

STMP Projects and Estimated Costs

ID	Project	Description	Reported Cost	Year of cost estimate	Escalation Factor ¹	Estimated Cost, 2018\$
Complete Streets Projects						
1	San Pablo Avenue Complete Streets Projects	a.) Construct bike and pedestrian improvements along San Pablo Avenue from Rodeo to Crockett.	\$8,200,000	2017	1.05	\$8,610,000
		b.) Construct bicycle and pedestrian improvements along San Pablo Avenue between La Puerta Road and Hilltop Drive.	\$3,000,000	2017	1.05	\$3,150,000
		c.) Construct bike, pedestrian and transit improvements along San Pablo Avenue from Rivers Street in San Pablo to Lowell Avenue in Richmond.	\$13,100,000	2017	1.05	\$13,755,000
		d.) Implement Complete Streets improvements along San Pablo Avenue including directional cycle track or buffered bike lane and other bicycle, pedestrian and transit improvements in El Cerrito.	\$7,800,000	2017	1.05	\$8,190,000
		e.) San Pablo Avenue Class I Boardwalk between John Muir Parkway and Sycamore Avenue.	\$296,400	2011	1.34	\$398,000
		f.) Complete bicycle/pedestrian connection on San Pablo Avenue over Santa Fe Railroad tracks.	\$16,000,000	2017	1.05	\$16,800,000
2	Appian Way Complete Streets Project	Provide continuous sidewalks, bike lanes, and improved bus stops along Appian Way from San Pablo Dam Road in unincorporated El Sobrante to about 900 lineal feet north of the city limit within the City of Pinole.	\$22,200,000	2017	1.05	\$23,310,000
3	San Pablo Dam Road Improvements in Downtown El Sobrante	Provide complete street improvements on San Pablo Dam Road between El Portal Drive and Castro Ranch Road.	\$6,900,000	2005	1.51	\$10,422,000

Other Bicycle and Pedestrian-Focused Improvements

4	Bay Trail Gap Closure	Improve transit access by closing three key Bay Trail gaps: along Goodrick Avenue in Richmond, between Bayfront Park and Pinole Creek in Pinole, and between Atlas Road and Cypress Avenue in unincorporated Contra Costa County.	\$11,135,000	2016	1.10	\$12,276,000
5	Ohlone Greenway Improvements	Implement crossing, wayfinding, signing, lighting, safety, access and security, and landscaping improvements along Ohlone Greenway.	\$2,900,000	2017	1.05	\$3,045,000
6	I-580/Harbour Way Interchange Pedestrian & Bicycle Access Improvements	Improve pedestrian and bicycle crossings at the I-580/Harbour Way interchange ramps.	\$386,500	2011	1.34	\$519,000
7	I-580/Marina Bay Parkway	Improve pedestrian and bicycle crossings at the I-580/Marina Bay Parkway interchange ramps	\$815,300	2011	1.34	\$1,095,000
8	Richmond Ferry to Bridge Bicycle Network Improvements	a.) Point Richmond area: from the new trail at Tewksbury & Castro to existing Bay Trail at S. Garrard & Richmond Ave.	\$1,150,000	2018	1.00	\$1,150,000
		b.) Point Richmond to Richmond Greenway: including S. Garrard Blvd and W. Ohio Ave.	\$2,950,000	2018	1.00	\$2,950,000
		c.) W. Cutting Blvd, Cutting Blvd, and Hoffman Blvd.	\$3,550,000	2018	1.00	\$3,550,000
		d.) Harbour Way South: Hoffman Blvd to Ferry Terminal.	\$1,100,000	2018	1.00	\$1,100,000

Transit and Station-Related Improvements

9	I-80 Express Bus	Capital improvements associated with implementing Express Bus Service on I-80 from Hercules south to Berkeley, Emeryville, Oakland, and expansion to San Francisco, with intermediate stops at the Richmond Parkway Transit Center and a potential I-80/Macdonald Avenue Express Bus/BRT transit center.	\$104,003,000	2017	1.05	\$109,203,000
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10	Hercules Regional Intermodal Transportation Center	Current phase of Hercules RITC is to complete construction of the new train stop for Capitol Corridor service, including parking, station platform, signage and plazas, rail improvements, bicycle and pedestrian access improvements (e.g. Bay Trail connections), etc. Future capital improvements could include preparation for ferry service.	\$51,000,000	2017	1.05	\$53,550,000
11	BART Extension	BART extension from the Richmond BART Station. Only the planning, conceptual engineering and program level environmental clearance phases of the project are included.	\$14,000,000	2017	1.05	\$14,700,000
12	San Pablo Avenue Transit Corridor Improvements	Bus Rapid Transit (BRT) on San Pablo Avenue approximating the existing 72R Rapid Bus route from downtown Oakland to the Richmond Parkway Transit Center and extending Rapid Bus from the Richmond Parkway Transit Center to the Hercules Transit Center.	\$183,000,000	2017	1.05	\$192,150,000
13	23rd Street Transit Corridor Improvements	23rd Street BRT from Richmond Ferry Terminal and UC Berkeley Richmond Field Station to Richmond BART/Capitol Corridor station, then continuing to Contra Costa College.	\$116,000,000	2017	1.05	\$121,800,000
14	West County BART Station Access, Parking & Capacity Improvements	a.) El Cerrito Plaza Station Modernization and Capacity Enhancements.	\$42,710,000	2015	1.16	\$49,442,000
		b.) El Cerrito Plaza BART Pedestrian & Bike Safety and Access Improvements.	\$1,200,000	2017	1.05	\$1,260,000
		c.) Richmond BART Pedestrian & Bike Safety and Access Improvements.	\$3,300,000	2017	1.05	\$3,465,000
		d.) Richmond Crossover Project.	\$27,000,000	2012	1.29	\$34,759,000

15	Del Norte Area TOD Public Infrastructure Improvements	Planning, engineering, environmental studies, and construction of the public transportation-related improvements related to Transit Oriented Development (TOD) in the area around the El Cerrito Del Norte BART station.	\$25,000,000	2005	1.51	\$37,761,000
Local Street and Intersection Improvements						
16	San Pablo Avenue Intersection Realignment at 23rd Street and Road 20	Realignment of skewed 5-legged intersection as part of a bridge removal project that will enhance pedestrian, bicycle and future BRT access.	\$14,400,000	2017	1.05	\$15,120,000
Freeway and Interchange Improvements						
17	I-80/San Pablo Dam Road Interchange Improvements (Phase 2)	Reconstruct the existing I-80/San Pablo Dam Road interchange (including modifications to the El Portal Drive and McBryde Avenue ramps) and provide improved pedestrian and bicycle facilities.	\$80,750,000	2017	1.05	\$84,788,000
18	I-80/Central Avenue Interchange Improvements (Phase 2)	Improve traffic operations at the I-80/Central Avenue interchange and along Central Avenue between Rydin Road and San Pablo Avenue. The project will be completed in two phases.	\$14,500,000	2017	1.05	\$15,225,000
19	I-80/Pinole Valley Road Interchange Improvements	Improve merge onto the I-80 mainline from the EB Pinole Valley Road on-ramp to address vehicles accelerating uphill after stopping at ramp meter, in addition to ramp-terminal intersection improvements.	\$10,437,000	2017	1.05	\$10,959,000
Administrative Projects						
20	Future Nexus Study Updates	Two comprehensive nexus studies and fee updates, over the 22-year planning horizon of the 2019 STMP Fee.	\$500,000	2018	1.00	\$500,00
Total Estimated Cost			\$789,283,200			\$855,002,000

Notes:

¹ Most projects have cost estimates prepared in 2011 or more recently. For those projects, the escalation factor was calculated based on the Annual Infrastructure Construction Cost Inflation Estimates (AICCIE) reported by OneSanfrancisco (onesanfrancisco.org). Two projects (projects 3 and 15) have cost estimates dating to 2005; for those projects, an index of 1.37 as specified by WCCTAC's STMP model ordinance was used to escalate the costs to 2016 dollars, and then the inflation rates for years 2016 and 2017 (reported by onesanfrancisco.org) were used to escalate the cost to 2018 dollars.

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**WEST CONTRA COSTA
TRANSPORTATION ADVISORY
COMMITTEE**

**SUBREGIONAL
TRANSPORTATION
MITIGATION PROGRAM
(STMP) FEE
ADMINISTRATIVE
GUIDELINES**

**APPROVED BY WCCTAC EXECUTIVE
DIRECTOR _____, 2019**

REVIEWED BY WCCTAC TAC 2/14/2019

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A. INTRODUCTION

The purpose of these Administrative Guidelines is to assist WCCTAC and Agency staff with implementation of the STMP Fee. These Guidelines provide additional detail not included in the Master Cooperative Agreement (“Coop Agreement”), and the Coop Agreement is an integral part of these Guidelines. “Agency” or “Agencies” is used in these Guidelines as the term is used in the Master Cooperative Agreement to indicate the cities and the County that are members of WCCTAC and responsible for collecting the STMP Fee and for sponsoring certain capital projects funded by the STMP Fee. The term Agencies excludes AC Transit and the Bay Area Rapid Transit District that are also members of WCCTAC because these agencies have no role in collecting the STMP Fee. Future modifications to these Guidelines will be reviewed by the WCCTAC Technical Advisory Committee (TAC) before approval by the WCCTAC Executive Director.

B. DEVELOPMENT PROJECTS

Agencies shall apply the STMP Fee to building permits associated with all Development Projects as defined in this section, unless exempt under Section D.9 of the Coop Agreement.

1. New Construction

Includes construction of new building space for either residential or non-residential use(s), including the addition of building space to existing developed property.

2. Intensification of Use

Includes the intensification of use of all or part of an existing building, whether vacant or not. An intensification of use occurs when a Development Project would pay a higher fee under the proposed use compared to the existing permitted use based on the current STMP Fee schedule. Accessory dwelling units added within the existing habitable living area footprint are not considered an intensification of use and no STMP Fee would be applied.

In the case of the re-use of a vacant building, the building’s current use shall be the use when the building was occupied if the vacancy had occurred within three years prior to the date of the building permit application. If the vacancy had occurred greater than three years prior to the date of the building permit application, then the STMP Fee shall be applied as if the project was New Construction. The building permit applicant bears the burden of demonstrating that the building was in use within this time period through submittal of documents acceptable to the Agency such as executed lease agreements or lease payment records.

C. LAND USE CATEGORIES

The Agency, as part of their typical process of reviewing a proposed Development Project, shall determine the land use categories that are applicable and shall calculate the STMP fee. This applies to both private and public Development Projects. The following sections offer guidance to the Agency as they make those determinations.

1. Residential Land Uses

- i. Single Family Residential: Dwelling units that are one single family detached unit on a parcel, and excluding Senior Housing.
- ii. Multi-Family Residential: Dwelling units that are apartments, condominiums, townhomes, multiplexes, mobile homes in mobile home parks, or detached accessory units or conversion of attached non-habitable space, except Senior Housing. Accessory dwelling units within the footprint of an existing dwelling unit's habitable space are not required to pay the STMP Fee.
- iii. Senior Housing: All senior age-restricted dwelling units regardless of type of housing.

2. Non-residential Land Uses

- i. Hotel: Temporary lodging establishments including hotels, motels, resorts and bed and breakfast establishments.
- ii. Office: Office facilities where the primary use is not direct service to customers, including branch and head offices, multi-tenant buildings, and business parks.
- iii. Retail/Service: Neighborhood, community, and thoroughfare commercial districts, including retail and personal service businesses, restaurants, and medical offices.
- iv. Industrial: Light and heavy industrial uses, including manufacturing, processing, fabrication, and distribution.
- v. Storage Facility: Facilities used for the purposes of renting or leasing individual storage space.

3. Other Land Uses

- i. Other: The Other land use category is intended for Development Projects with land uses that do not fit within the standard residential or non-residential categories defined above where number of dwelling units or building square footage are the usual measures of trip generation. It is anticipated that most Development Projects will fit within the standard STMP categories, but it is understood that some Projects will contain land uses with trip generation characteristics that are not adequately captured by the standard STMP categories. Examples of such land uses could include gas stations, drive-through facilities, private schools, and theaters or other entertainment venues, among others. The Agency will determine whether a particular Development Project involves land uses that should be treated within the Other category; conferral with WCCTAC staff is highly

recommended if there are questions or discussion items. Application of the Other category will require the estimation of the number of AM peak hour trips that will be generated by the proposed land use.

D. FEE CALCULATION

1. New Construction

$$\text{STMP Fee} = \frac{\text{STMP Fee per Dwelling Unit or per Square Foot Based on Applicable Land Use Category}}{\text{Applicable Land Use Category}} \times \text{New Dwelling Units or New Square Feet}$$

For Development Projects with multiple land use categories, the STMP Fee equals the sum of STMP Fees applied to each land use category.

2. Intensification of Use

First calculate the STMP Fee for the proposed new use, using the formula provided in the section above on New Construction. Then calculate what the STMP Fee would be for the existing permitted use (that is, the existing square footage multiplied by the STMP Fee per square foot for the existing permitted land use category). Subtract the existing permitted use fee from the proposed new use fee. If the difference is greater than zero, that difference represents the STMP Fee due as a result of the intensification of use. If the difference is less than zero, then no STMP Fee is due, nor will there be any STMP Fee refund or credit.

3. Other Land Use Category

$$\text{STMP Fee} = \frac{\text{STMP Fee per AM Peak Hour Trip}}{\text{Peak Hour Trip}} \times \frac{\text{Number of New AM Peak Hour Trips Estimated for Proposed Use}}{\text{Estimated for Proposed Use}}$$

As described above, the Agency will determine the applicability of the Other category, as part of its typical process of evaluating the transportation and other impacts of a proposed Development Project. Transportation impact analysis requires the processes and methods outlined in the *Technical Procedures* adopted by the Contra Costa Transportation Authority.

Part of a transportation impact analysis involves estimating the trip generation of the proposed Development Project. This typically involves reference to the most current edition of *Trip Generation* published by the Institute of Transportation Engineers (ITE), but may also involve conducting trip generation surveys at other sites that share the Development Project's characteristics, as further described in the ITE manual and in the *Technical Procedures*. For reference purposes, see the

Appendix for the trip generation rates used in the STMP nexus study for each land use category.

E. CREDITS AND REIMBURSEMENTS

Refer to the approved Master Cooperative Agreement, Section D. Fees, paragraph 10. Credits and Reimbursements.

F. APPEALS FOR FEE EXEMPTIONS AND WAIVERS

No exemption or waiver of the STMP Fee for a development project is allowed except as permitted by this section.

1. If the Agency exempts or waives all other local impact fees, then the STMP fee may also be exempted or waived; the Agency must report this action to WCCTAC.
2. Otherwise, to be granted a STMP fee exemption or waiver, the Agency or the development project applicant must:
 - Pay the STMP Fee pursuant to these Administrative Guidelines under protest pending the resolution of the appeal.
 - Appeal the STMP Fee no later than the date of application for the building permit for the Development Project.
 - Bear the burden of establishing satisfactory factual proof of the basis for the appeal based on the opinion of a registered traffic engineer.
 - Submit all information in support of the appeal necessary for WCCTAC's consideration of the appeal. The Agency or applicant may submit any documentation it thinks WCCTAC should consider as part of the appeal. Additional issues raised once the appeal is submitted will not be considered by WCCTAC. WCCTAC may require, at the expense of the Project Applicant, review of the submitted materials by a third party with appropriate technical knowledge.
 - Pay the cost of processing the appeal, as determined by WCCTAC.
 - The appeal will be considered by the WCCTAC Board within 180 days. The appellant may, at the sole discretion of WCCTAC, have the opportunity to present oral testimony, in addition to the written documents submitted in support of the appeal.
 - This STMP fee exemption or waiver must receive approval from the WCCTAC Board.

G. ANNUAL FEE ADJUSTMENT

WCCTAC will provide Agencies with a revised STMP Fee schedule, based on the annual fee adjustment provided for in Section D.8 of the Coop Agreement, in a timely manner each year so that Agencies can begin collecting the updated fees by July 1.

H. CONCEPTUAL PROCESS FOR STMP FUNDING

WCCTAC is responsible for implementing the STMP. Periodically, WCCTAC will issue a call for projects to invite Agencies to submit requests for funding for STMP-eligible projects. Under normal circumstances, a call for projects will occur every 1-3 years, at WCCTAC's discretion and depending on fund availability.

Evaluation of the projects submitted will be undertaken by WCCTAC staff at the direction of the WCCTAC Board, with input from the WCCTAC TAC. The Board will make the final decisions about which projects will receive STMP funds and in what amounts. Factors to be considered in evaluating projects may include (but not be limited to) characteristics such as project readiness, ability to use funds quickly, amount of funds requested compared to amount available, reasonable distribution of funds across all project categories, and reasonable distribution of funds across all Agencies.

APPENDIX A. A.M. PEAK HOUR TRIP GENERATION RATES**A.M. Peak Hour Trip Generation Rates for STMP Land Use Categories**

Land Use Category	ITE Land Use Code	Unit	A.M. Peak Hour Vehicle Trip Generation Rate
Single-Family Residential	210	Dwelling Unit	0.74
Multi-Family Residential	221	Dwelling Unit	0.36
Senior Housing	252	Dwelling Unit	0.20
Hotel	310	Room	0.47
Retail/Service	820	1,000 Square Feet	0.94
Office	710	1,000 Square Feet	1.16
Industrial	110	1,000 Square Feet	0.70
Storage Facility	151	1,000 Square Feet	0.10

Source: Institute of Transportation Engineer, *Trip Generation* (10th Edition). Note that no trip adjustments have been applied to these trip generation rates; adjustments might be appropriate depending on the characteristics of the Development Project being evaluated.

APPENDIX B: STMP FEE SUBMITTAL FORM**West County Subregional Transportation Mitigation Program (STMP) Developer Fees
JURISDICTION'S QUARTERLY TRANSMITTAL REPORT FORM**

Jurisdictions are required to submit this completed form to WCCTAC no later than 30 days following the close of each calendar quarter; whether or not there are fees to submit, continuing through the life of the Master Cooperative Agreement.

Check Appropriate Box:

All sections of the report must be completed.

Attach check, payable to WCCTAC, to this report.

Submit check and completed transmittal report to:

WCCTAC
6333 Potrero Ave., Suite 100
El Cerrito, CA 94530

Fiscal Year: ☐ ☐ ☐ ☐

Reporting Period:

Fee Submittal Due Date:

Jurisdiction's Name:

Contact Name:


Contact Email:

☐ **No development to report this period. OR**

Notes:

Insert below the # of Units or # of Sq. Ft. to calculate the amt. of fee collected.
List each project or project component separately. Add rows as needed.

Type of Fee	Project Address	Development Name	STMP Fee per Unit	STMP Fee per Square ft.	Total # Units or Sq. Ft.	STMP \$ Collected
Single Family			\$ 5,439			\$ -
Multi Family			\$ 2,679			\$ -
Senior Housing			\$ 1,469			\$ -
Hotel (per room)			\$ 3,481			\$ -
Retail / Service				\$ 6.59		\$ -
Office				\$ 8.72		\$ -
Industrial				\$ 5.56		\$ -
Storage Facility				\$ 0.76		\$ -
Other (per AM pk hr trip)			\$ 7,350			\$ -
TOTAL FEES COLLECTED:						\$ -

This should be the amount of your check to WCCTAC. 

During the reporting period, has your agency granted:

- ☐ **Yes** ☐ **No** STMP Fee Credits to any development?
☐ **Yes** ☐ **No** STMP Fee Waivers/Exemptions to any development?

If yes to either of the above, please respond to the questions on the next page.

If STMP Credits were granted, for each development complete the questions below:

- What is the name and address of the development project receiving the credit?
- What was the dollar value of the credit?
- Which of the 20 STMP Projects was the credit used for?
- What elements of the STMP project were completed with the credited funds?

If Waivers/Exemptions of STMP Fees were granted, for each development, complete the questions below:

- Were all other local fees waived/exempted for the development project? ☐ **Yes** ☐ **No**
- Briefly explain why the development project's STMP fee was waived/exempted?

Respond to Credit and Waiver/Exemption Questions here:



City of Hercules

111 Civic Drive
Hercules, CA 94547

Meeting Minutes

City Council

Mayor Dan Romero
Vice Mayor Roland Esquivias
Council Member Chris Kelley
Council Member Gerard Boulanger
Council Member Dion Bailey

David Biggs, City Manager
Patrick Tang, City Attorney
Lori Martin, City Clerk

Tuesday, February 12, 2019

Council Chambers

CLOSED SESSION - 6:30 PM **REGULAR SESSION - 7:00 PM**

I. SPECIAL MEETING - CLOSED SESSION – 6:30 P.M. CALL TO ORDER - ROLL CALL

Mayor Romero called the meeting to order at 6:00 p.m.

Present: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

II. PUBLIC COMMUNICATION - CLOSED SESSION ITEMS

Public Speaker: Pil Orbison.

III. CONVENE INTO CLOSED SESSION

City Attorney Tang announced the item to be discussed in closed session.

Mayor Romero recessed the meeting at 6:04 p.m.

1. [19-459](#) Pursuant to Government Code Section 54957(b)(1) PUBLIC EMPLOYMENT - Title: City Manager Contract

IV. REGULAR MEETING – 7:00 P.M. CALL TO ORDER - ROLL CALL

Mayor Romero called the meeting to order at 7:00 p.m.

Present: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

V. REPORT ON ACTION TAKEN IN CLOSED SESSION

Mayor Romero reported that there were no final or reportable actions taken in closed session.

VI. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Bailey.

VII. MOMENT OF SILENCE

Mayor Romero called for a moment of silence for the victims of the January 28, 2019 bombing attack at the Lady of Mount Carmel on the island of Jolo at the southern end of the Phillipines killing at least 20 church worshipers including 5 soldiers and injuring dozens more.

VIII. INTRODUCTIONS/PRESENTATIONS/COMMISSION REPORTS

None.

IX. AGENDA ADDITIONS/DELETIONS

City Manager Biggs stated there were no additions or deletions to the agenda, however noted that copies of the presentation material for Item XIII.1 were handed out prior to the meeting and available for the public at the side table.

X. PUBLIC COMMUNICATIONS

Public Speaker: Lynne Noone.

XI. PUBLIC HEARINGS

1. [19-455](#) **Willow Glen Apartments - Tax Equity and Fiscal Responsibility Act Hearing**

Recommendations:

1. Open, Conduct, and Close a public hearing, in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA), in consideration of the issuance of tax-exempt bond financing by the California Public Finance Authority to provide financing for the acquisition and rehabilitation of an 84-unit multifamily rental housing project located at 1231 Willow Ave, known as Willow Glen Apartments; and

2. Adopt the attached resolution authorizing the City to enter into the Joint Exercise of Powers Agreement to join the California Public Finance Authority ("CalPFA") as an additional member, and approving the issuance of bonds by the CalPFA in an amount not to exceed \$28,000,000, to provide financing to The Reliant Group, Inc. for the acquisition and rehabilitation of the Willow Glen Apartments.

City Manager Biggs introduced the item and gave a staff report and introduced Jason Snyder with Reliant Group.

Mr. Snyder provided additional information.

Mayor Romero opened the public hearing at 7:14 p.m.

Members of the City Council asked questions and provided comments.

Mayor Romero called for public speakers. No comments were offered from the public. Mayor Romero closed the public hearing at 7:29 p.m.

City Manager Biggs introduced Mr. Scott Carper with GPM Municipal Advisors assigned to staff CalPFA. Mr. Carper provided additional information in regards to the Joint Powers Authority.

MOTION: A motion was made by Council Member Kelley, seconded by Vice Mayor Esquivias, to adopt Resolution 19-008. The motion carried by the following vote:

Aye: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

XII. CONSENT CALENDAR

MOTION: A motion was made by Council Member Boulanger, seconded by Council Member Bailey, to adopt the Consent Calendar. The motion carried by the following vote:

Aye: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

1. [19-454](#) **Meeting Minutes**
Recommendation: Approve the Regular Meeting Minutes of January 22, 2019.

Approved.
2. [19-458](#) **Fill Vacancy on the Contra Costa County Library Commission and Re-appoint Commissioner Harris to the Finance Commission**
Recommendation: Accept resignation of Brian Campbell-Miller from his seat on the Contra Costa County Library Commission and appoint Evangelia Ward-Jackson. Re-appoint Commissioner Harris to the Finance Commission.

Approved.

XIII. DISCUSSION AND/OR ACTION ITEMS

1. [19-456](#) **Workshop on Hercules Transportation Impact Fee Nexus Study**
Recommendation: Review draft report, receive report from staff and consultant, and provide direction to staff after discussing the outlined Nexus Program.

City Manager Biggs introduced the item and Planning Director Smyth provided a staff report. Planning Director Smyth introduced Erin Vaca and John Long with DKS and both provided additional information.

City Council asked questions and provided comments and provided direction to staff.

2. [19-453](#)

Review of City's Appeal Policy Related to Planning Decisions

Recommendation: Confirm the three policy directions related to Council appeals process and consider directing staff to prepare a Zoning Ordinance Amendment if desired.

City Attorney Tang introduced the item and provided a staff report. City Council asked questions and provided comments and gave direction to staff.

3. [19-457](#)

CalPERS Contract Amendment

Recommendation: Waive reading and adopt Ordinance authorizing an amendment to the contract between the City of Hercules and the Board of Administration of the California Public Employees' Retirement System to include provisions pursuant to Government Code 20516 "Cost Sharing" for Local Miscellaneous Members, Local Police Officers Association and eligible Non-Represented Employees of the City of Hercules in accordance with the previously approved Memorandum of Understanding with the Teamsters Local 315 and the Hercules Police Officers Association and through approval of Pay and Benefit Plans for Executive Level Employees, Mid-Management Employees and Non-Represented employees of the City of Hercules.

City Clerk Martin introduced the item and provided a staff report.

MOTION: A motion was made by Council Member Bailey, seconded by Vice Mayor Esquivias, to waive the reading and adopt Ordinance 517. The motion carried by the following vote:

Aye: 5 - Mayor D. Romero, Vice Mayor R. Esquivias, Council Member C. Kelley, Council Member G. Boulanger, and Council Member D. Bailey

XIV. PUBLIC COMMUNICATIONS

Public Speaker: Pil Orbison.

XV. CITY COUNCIL/CITY MANAGER/CITY ATTORNEY ANNOUNCEMENTS, COMMITTEE, SUB-COMMITTEE AND INTERGOVERNMENTAL COMMITTEE REPORTS AND FUTURE AGENDA ITEMS

City staff and Council Members reported on attendance at events and community and regional meetings.

XVI. ADJOURNMENT

Mayor Romero adjourned the meeting at 9:17 p.m. in memory of Antonio Briones who passed away on January 4, 2019.

Dan Romero, Mayor

Attest:

Lori Martin, MMC
Administrative Services Director/City Clerk



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: Lori Martin, Administrative Services Director/City Clerk

SUBJECT: Finance Commission Appointments

RECOMMENDED ACTION:

Consider making two (2) appointments to the Finance Commission to fill the remainder of two (2) year terms ending December 31, 2020.

FISCAL IMPACT OF RECOMMENDATION:

There is no fiscal impact associated with this item.

DISCUSSION:

The Finance Commission has 2 seats with term expiration dates of December 31, 2018. The City conducted an extended recruitment for applicants to fill the new terms which resulted in one (1) application for re-appointment and four (4) applications submitted by Hercules residents.

At a regular City Council meeting held on February 12, 2019, Hercules City Council approved the re-appointment of Commissioner Zania Harris to a new term ending December 31, 2020.

New applications were received from Diana Galieva, Dillard Davis, Edward Ulle and Myrna Godinez.

City Council conducted interviews of the applicants at a special meeting held on February 26, 2019 at 6:00 p.m. The City Clerk will conduct a poll voting amongst the Council Members to determine the two highest votes. City Council will appoint the candidates with the 2 highest votes.

ATTACHMENTS:

None.



STAFF REPORT TO THE CITY COUNCIL

DATE: Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Edwin Gato, Finance Director

SUBJECT: FY 2018-19 Mid-Year Budget Review and Miscellaneous Mid-Year
Budget Appropriations and Adjustments and Authorizing the Creation of
a Management Analyst position

RECOMMENDED ACTION:

Receive a report on the FY 2018-19 mid-year budget review and adopt a resolution approving various mid-year budget appropriations and adjustments and authorizing the creation of a Management Analyst position.

FINANCE COMMISSION AND RECOMMENDATION:

The mid-year review was presented to the Finance Commission on February 25, 2019. Any Commission comments will be provided to the City Council at the meeting.

FISCAL IMPACT OF RECOMMENDATION:

The proposed budget amendments to the FY 2018-19 Budget increase General Fund revenue by \$265,000 to account for updated year-end revenue projections, for a total General Fund revenue of \$15.3 million. Operating expenditures are recommended to be increased by \$119,000 to \$15.3 million to account for emergency facility repairs and a proposed management analyst position, with total expenditures of \$19.1 million. This includes the one-time draw of the General Fund cash balance for the decision packages, increase in fiscal neutrality reserve, and Pension/Other Post-Employment Benefits (OPEB) reserve funding, all of which were approved as part of the FY 18-19 Budget. The General Fund reserve is projected to be 25% of the annual operating expenditures by the end of the 2019 fiscal year, which is in-line with the Government Finance Officers Association (GFOA) recommended reserve.

BACKGROUND:

This report updates the Fiscal Year 2018-19 financial projections for the General Fund and proposes current year budget amendments for various City funds to reflect and respond to the City's current financial condition. Also, this report provides the City Council with updates on the financial status of the City's funds by comparing budget projections for revenues and expenditures to actual receipts and expenses as of December 31, 2018. In addition, an update on the implementation of Decision Packages & Budget Referrals is provided (Attachment 2).

The discussion below is presented in the following sections:

- I. General Fund Revenues
- II. General Fund Expenditures
- III. General Fund Annual Activity
- IV. Pension/OPEB Funding Status
- V. Non-General Fund Programs

DISCUSSION:

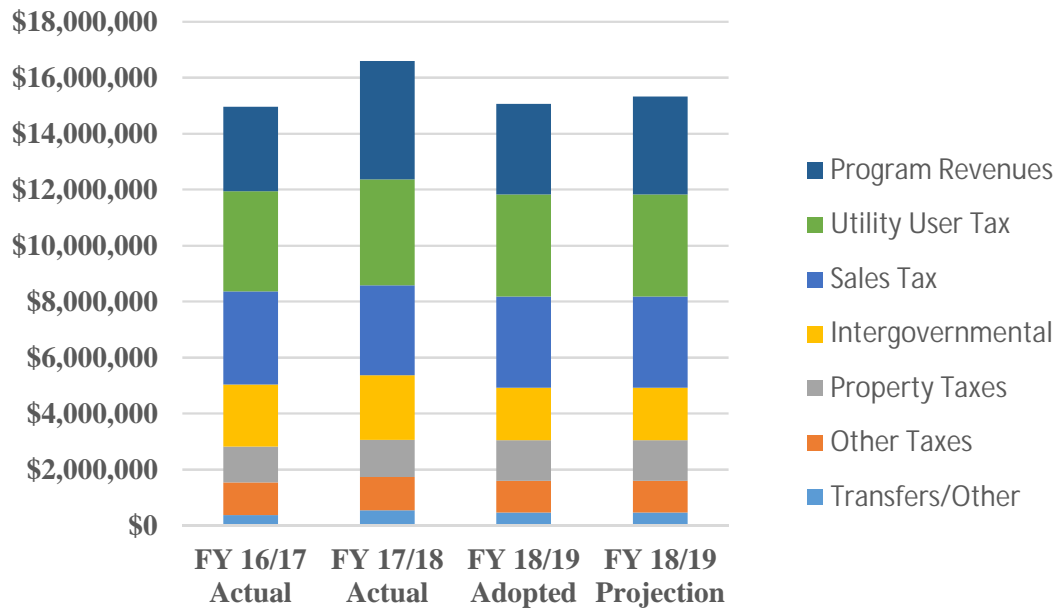
The City Council adopted the FY 2018-19 budget on June 26, 2018. Since adoption, the budget has been selectively amended for specific programs, primarily for capital project activity. At this time, staff recommends approving slight changes and amendments to the FY 2018-19 General Fund budget based upon year-to-date activity and updated revenue projections.

I. General Fund Revenues

As of December 31, 2018, the General Fund revenues were \$6.4 million or 43% of the FY 2018-19 budget. Revenues from business licenses, franchise fees, vehicles license fees and other taxes are received either bi-annually or towards the end of the fiscal year, which accounts for why revenues are below 50% at mid-year. As shown in the following graph and as detailed in Attachment 3, General Fund revenues in FY 2018-19 are actually projected to slightly increase by \$265,000 and reach \$15.3 million in total by the end of the fiscal year. The projected revenue increases are the result of the Redevelopment Agency's reimbursement for administrative costs, which is for a multi-year period and which will be treated as one-time revenue, pending State approval of the payment.

For information purposes, Community Development requires a deposit for reviewing and approving plans. These deposits will be treated as a liability until the final costs are incurred. Therefore, the cash collected will not initially be recognized as revenue and is not reflected in the revenue receipts to date.

General Fund Revenues

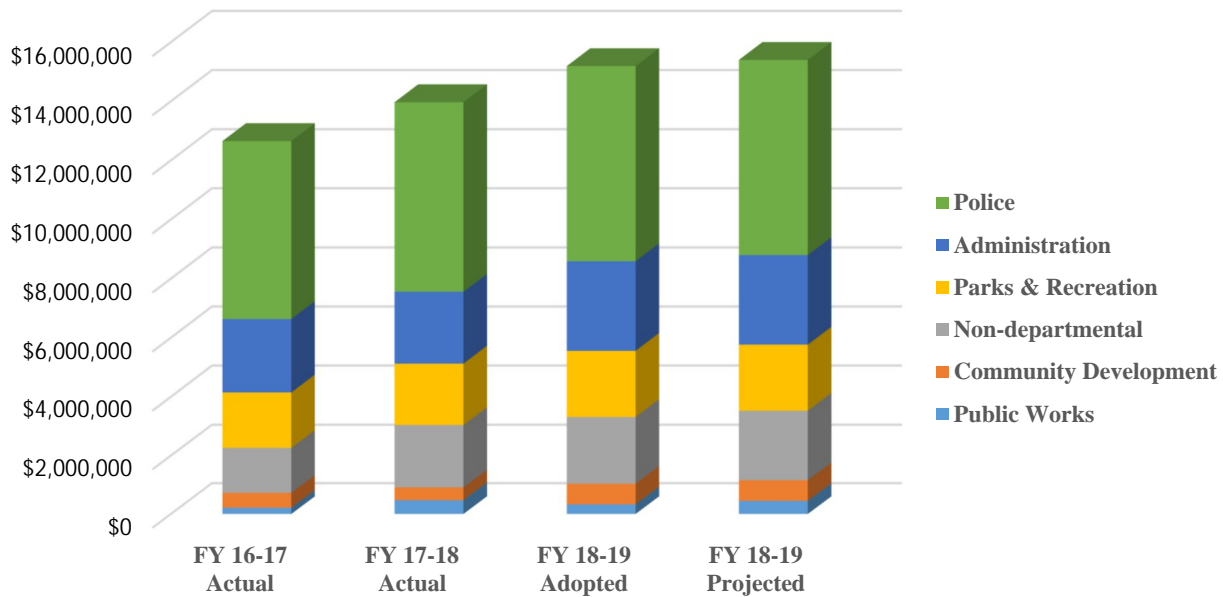


The General Fund major revenue categories are summarized on Attachment 3. The City derives a significant portion of its General Fund revenues from economically sensitive sources such as property taxes, sales taxes (1% Bradley-Burns), utility users’ taxes and vehicle license fee. If one or more of these key revenue sources deviate significantly from projections, funding for future programs and services could be affected.

II. General Fund Expenditures

A summary and year-to-date status of General Fund expenditures are presented in Attachment 5 and as shown in the following graph. Operating expenses in total, both by category and by department, are all on target or just below approximately 50% of the annual budget through the six-month December fiscal period.

General Fund Operating Expenditure Summary (Excluding One-Time Items)



Operating expenditure budget amendments are proposed for the General Fund's portion of the proposed management analyst position and to provide additional funding to the Facilities Maintenance Fund as follows:

- Public Works/City Manager's Office - \$6,750 (3-months)
Adding a new position/classification: Management Analyst (Exhibit 2 to Resolution)

We are recommending that the City Council approve a new position as part of the mid-year adjustments. We have worked to secure some additional resources to assist us as the City heads into what will be a peak of activity taking us through the next two to three years. For development related activity, which is funded by fee revenue, we have secured another contract Planner. As part of this mid-year budget, I am recommending the addition of a full-time Management Analyst position to support us in a variety of areas, mostly in public works related areas. As the City downsized during the worst of times, we lost positions of this nature. With increasing work load driven by development projects, capital projects, Decision Packages & Budget Referrals, and increasing State and Regional agency mandates and reporting obligations, we need assistance to sustain our delivery of projects and to be timely and responsive to mandates.

Working from a previous job specification for a Redevelopment Analyst, we have prepared a job description for a Management Analyst. The Management Analyst position, if approved would be a non-exempt professional level position represented by the Teamsters. The salary range would be in the Full-Time Group at Range 147 which is currently \$62,896.02 to \$80,273.29. The estimated annual cost, fully loaded assuming family level benefits would

be \$108,000, at the entry level step. The amount of funding recommended for appropriation is for one-quarter of the year and the annual cost would be included in the FY 2019/20 budget.

Funding for the position would come from the following sources:

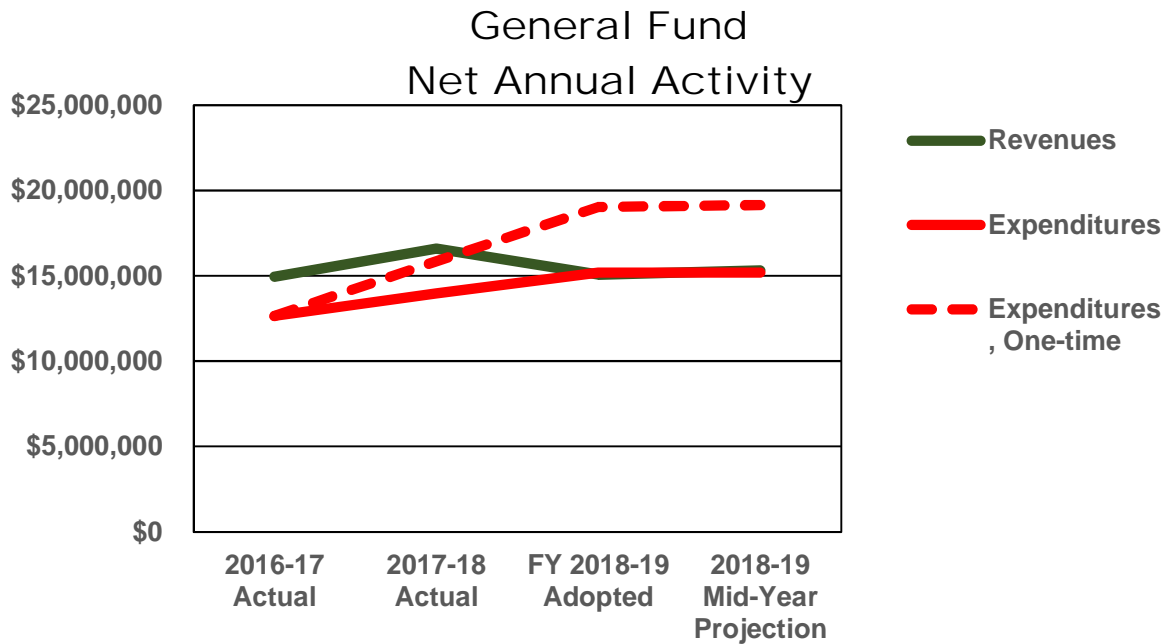
Fund	Percentage Allocated	2018/19 Cost
General Fund	25%	\$6,750
Sewer	30%	\$8,100
Streets	25%	\$6,750
Solid Waste	10%	\$2,700
Facilities	10%	\$2,700

The Management Analyst would work to support the City Manager and Public Works Director/City Engineer primarily. In addition, the Management Analyst is expected to free-up time for the Assistant Engineer which will allow that position to focus on more project and program implementation in a lead capacity. The resolution which addresses the mid-year adjustments also includes the approval of the Management Analyst class specification.

- Facilities Maintenance - \$92,000
 - Janitorial services for City Hall, Library and Senior Center - \$25,000. This is to contract for services while the Maintenance Worker I normally assigned to this work is on light duty.
 - Operating budget for electricity is proposed to increase primarily due to Co-Gen at the Community Center going out of service, but also due to PG&E rate increases, need to repair the solar panels, and lower than normal consumption last year due to the pool re-plastering over a 3 month period - \$35,000.
 - Unanticipated roof repairs - \$10,000. This work re-sealed the seams in the steel roofing in City Hall to fix a leak and was completed earlier this year.
 - Unanticipated HVAC repairs - \$22,000. This is to replace one of the two air handlers, which is part of the HVAC system that serve the Council Chambers. They are 30+ years old and one handler is being forced to double its output until the replacement can be made.

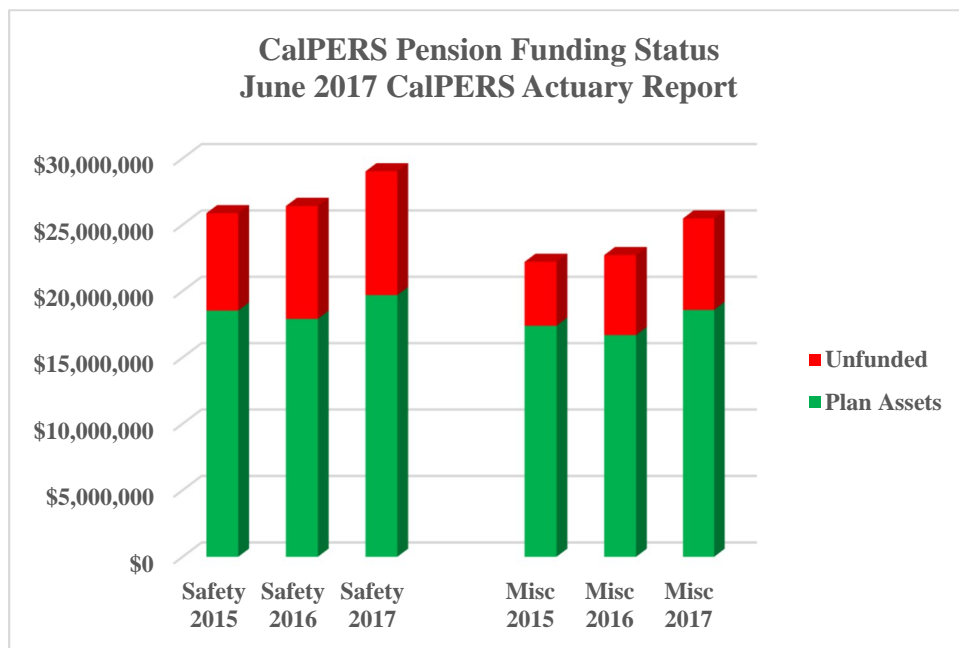
III. General Fund Annual Activity

The proposed FY 2018-19 budget amendments, as shown in Exhibit 1, will increase General Fund revenue by approximately \$265,000 to \$15.3 million, and will increase operating expenditures by \$98,000, to \$15.3 million in operating expenditures, and to \$19.1 million in total expenditures including annual contribution to Pension/OPEB trust funds, increase fiscal neutrality reserve, and one-time draw of cash balance to fund decision packages. The following graph depicts General Fund revenue and expenditure trends, including updated FY 2018-19 revenue and expenditure projections. As illustrated below, the FY 18-19 operating budget is balanced.



IV. Pension/OPEB Funding Status

The General Fund expenditure budget also includes one-time annual contributions to the Pension and OPEB, Section 115 and OPEB trust funds, in the amounts of \$200,000 and \$1,000,000 respectively. Based upon the most recent actuary reports, both the City's CalPERS pension and OPEB plans have accumulated unfunded liabilities, and face increasing annual payment requirements.



June 2017	Safety	Miscellaneous	Total
Accrued Liability	\$ 29,025,468	\$ 25,472,717	\$ 54,498,185
Plan Assets	19,702,271	18,581,448	38,283,719
Unfunded	9,323,197	6,891,269	16,214,466
Fund Ratio %	68%	73%	70%

Because CalPERS adopted a 7-year payment phase-in for recent changes in actuarial assumptions, including a reduction of the pension plan's investment earnings assumption from 7.5% to 7.0%, as well as changes made to the amortization period over which actuarial gains and losses are amortized from 30 years to 20 years, CalPERS is expecting increasing payments towards City's unfunded liabilities each year.

The City's commitment to put-aside additional funds as available each year towards Pension/OPEB trust funds can begin to mitigate its growing payment obligations. Without mitigation, Pension/OPEB payment obligation are at risk of "crowding out" the allocation of General Tax dollars to current services and programs.

V. Non-General Fund Programs

These funds are driven by grants or other specific funding sources and are used for specific purposes, such as transportation, gas tax, Measure C "Street Fund," etc. Such funding sources are restricted in nature, which requires revenues and expenditures to be tracked differently from the City's primary operating fund, the General Fund. As described and illustrated above, the Management Analyst position will be funded by multiple-funding sources, including General Fund, Sewer, Measure "C" Streets, Solid Waste and Facilities funds. There is sufficient revenues to absorb this mid-year adjustment.

BUDGET APPROPRIATIONS

Staff is recommending that the Council adopt the FY18-19 budget amendments, and authorize the creation of a Management Analyst position as set forth in Exhibits 1 and 2 to the Resolution.

ATTACHMENTS:

1. Budget Resolution
 - Exhibit 1 - Proposed Budget Amendment
 - Exhibit 2 – Management Analyst
2. Decision Package Status Update
3. General Fund Summary
4. General Fund Reserves
5. General Fund Expenditure Detail

Description: FY 2018-19 mid-year budget review and forecast and appropriation requests

Funding Source: General Fund, Sewer, Measure “C” Streets, Solid Waste and Facilities funds

Budget Recap:

Total Estimated cost:	\$119,000	New Revenue:	\$265,000
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$27,000
Council Policy Change:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

RESOLUTION NO. 19-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES APPROVING
FY 2018-19 BUDGET APPROPRIATIONS AND ADJUSTMENTS, AND AUTHORIZING
THE CREATION OF A MANAGEMENT ANALYST POSITION**

WHEREAS, the City Council adopted the FY 2018-19 Budget on June 26, 2018 representing the financial plan for conducting the affairs of the City of Hercules; and

WHEREAS, the following recommended appropriations and adjustments have been evaluated and reviewed by the City Manager and Finance Director; and

WHEREAS, the detailed budget amendment proposal is presented in Exhibit 1 in the accompanying staff report; and

WHEREAS, staff is requesting approval for FY 2018-19 budget appropriations and adjustments that will increase total revenues by \$265,000 and expenditures by \$119,000; and

WHEREAS, from time to time it is necessary and desirable to add positions to better serve the City; and

WHEREAS, the City Manager has recommended the creation of a Management Analyst position.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules as follows:

1. The Council hereby approves FY 2018-19 Budget appropriations and adjustments as set forth in Exhibit 1.
2. The Council hereby approves the creation of a Management Analyst position and the job description/classification as set forth in Exhibit 2.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the twenty-sixth day of February, 2019, by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, Mayor

ATTEST:

Lori Martin
Administrative Services Director/City Clerk

City of Hercules
FY 18-19 Mid-Year Budget Review
Proposed Budget Amendments

GENERAL FUND	Revenues/ Transfers In	Expenditures/ Transfers Out	Add(Draw) on Reserves
<u>Program Revenues</u>			
Redevelopment Property Tax Trust Fund (RPTTF) Administration	265,000		
<u>Expenditures</u>			
City Manager and Public Works To increase expenditure budget for 25% of an additional Management Analyst Position (Additional appropriation through June 30, 2019 - 3 months)		6,750	
Transfer out to Facilities Maintenance Fund to fund various maintenance issues, such as janitorial services, unanticipated increase in electricity cost and roof repairs, and HVAC system repairs		92,000	
Total, General Fund	265,000	98,750	166,250
<u>Other Funds</u>			
<u>Facilities Maintenance Fund #470</u>			
To increase expenditure budget for 10% an additional Management Analyst Position (Additional appropriation through June 30, 2019 - 3 months)		2,700	(2,700)
<u>Sewer Enterprise Fund #420</u>			
To increase expenditure budget for 30% of an additional Management Analyst Position (Additional appropriation through June 30, 2019 - 3 months)		8,100	(8,100)
<u>Measure "C" Street Fund #170</u>			
To increase expenditure budget for 25% of an additional Management Analyst Position (Additional appropriation through June 30, 2019 - 3 months)		6,750	(6,750)
<u>Solid Waste Fund</u>			
To increase expenditure budget for 10% an additional Management Analyst Position (Additional appropriation through June 30, 2019 - 3 months)		2,700	(2,700)
Total, Other Funds	-	20,250	(20,250)
Total, All Funds	265,000	119,000	146,000

MANAGEMENT ANALYST

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed within the job.

DEFINITION

Management Analyst is an entry level classification, with duties in support of the general administration of the City and to provide responsible professional, administrative and technical assistance in the development and implementation of City programs; to provide highly responsible analytical staff assistance including to conduct specific and comprehensive analyses of a wide range of municipal policies involving organization, procedures, finance, and services; to manage various projects; and to assist in office management functions.

SUPERVISION RECEIVED AND EXERCISED

Management Analyst is not a supervisory position. Reports to and supervised by the City Manager or his/her designee including Department Heads.

DISTINGUISHING CHARACTERISTICS

An entry level general professional classification. Incumbents perform a variety of assignments related to the general administration of the City and fulfillment of the City's strategic plan and budget goals. Management Analyst receives specific, well-defined assignments that support others in the City. As experience is gained, assignment may become broader and project oriented. The work is reviewed while in progress and upon completion.

EXAMPLE OF RESPONSIBILITIES AND DUTIES – *Not meant to be an exhaustive list of all duties and responsibilities.*

- Provide responsible professional and technical assistance in the development, administration and implementation of City programs.
- Using information processing, analytical and communication skills, Management Analyst performs a range of duties including writing correspondence, reports, and special studies.
- Collecting, interpreting and analyzing data using a variety of methods.
-
- Monitor and coordinate the daily operation of assigned program areas.
- Manage, direct and coordinate special projects and program as assigned, including special events, capital projects, solid waste, and storm water.
- Assist in the preparation and monitoring of the budget and capital improvement program; make budget recommendations relative to assigned program areas of responsibility; and administers budgets including reviewing and processing invoices and payments.
- Prepare grant proposals; monitor active grants to ensure that stipulations and regulations regarding the use of funds are met; and maintain appropriate records.
- Prepares Requests for Proposals/Qualifications, evaluates proposals, and prepares Professional Services Agreements for consultant and other services.
- Assist with capital projects as assigned.
-

Full Time Grade 47

- Performs related duties as assigned.

ESSENTIAL FUNCTIONS – *Essential and other important responsibilities and duties may include, but are not limited to, the following:*

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Ability to:

- Make oral presentations to management staff, commissions, City Council and the community.
- Learn and apply the policies, procedures, rules and regulations of the City, applicable to this classification.
- Analyze pending legislation that may impact the City.
- Meet expressed deadlines and targeted project dates.
- Apply knowledge in the daily performance of assigned duties.
- Perform routine and complex administrative work with speed and accuracy. Able to deliver work product efficiently according to expectations and within available resource budgets.
- Communicate effectively orally and in writing.
- Make field site visits and inspections, including the traverse of uneven terrain.
- Manage and oversee contracts delivery and performance.
- Keep accurate records and files.
- Build and maintain cooperative relationships with City staff, and outside public/private entities.
Work within budget and prepare specific budgets for projects
- Perform basic report writing formats.
- Operate office equipment including computers and supporting word processing and spreadsheet applications.
- Prepare clear and concise memorandums.
- Understand and follow oral and written instructions.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with those contacted in the course of work.
- Preserve confidentiality of sensitive material routinely encountered as part of work assignments.

Equipment, Methods and Guidelines:

- Applies guidelines for prudent business practices and policy and procedures of the City.
- Uses City vehicles, telephones, computers and equipment for business use.
Must be highly proficient in the Microsoft Office suite (Excel, Word and PowerPoint) and Outlook.

QUALIFICATIONS

Knowledge of

- Local public agency mission, organization and function.
- Principles and practices of public administration.
- Methods and techniques of statistical and fiscal analysis and report writing.

Full Time Grade 47

- Principles and practices of good customer service, project management, effective interpersonal communications, and safety practices.

EXPERIENCE AND EDUCATION/TRAINING GUIDELINES

Any combination of experience and education/training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education/Training:

Bachelor's degree from an accredited college or university with major coursework in city planning, urban studies, engineering, real estate, finance, business, public administration, or in related fields. Current related job skills and projects will be weighted and considered beneficial.

Experience:

One year of progressively responsible professional experience in local, state or special district government agency administration is preferred

WORKING CONDITIONS

Work is conducted primarily in an office setting, but may include visits to existing and potential businesses and to proposed development sites. It may also involve frequent attendance at meetings, including some which are conducted on weekends or during the evening. The work may also involve irregular hours and some out-of-town travel.

Environmental Conditions:

Office environment; exposure to computer screens.

Physical Conditions:

Emphasize speech, hearing, vision and stamina associated with attendance at evening meetings following a normal work day. Essential and marginal functions may require maintaining physical condition necessary for walking, standing, lifting (5-30 lbs), sitting for prolonged periods of time, or performing repetitive data entry functions. J

General Requirements

- A valid California Driver's License and satisfactory driving record are conditions of initial and continued employment.
- Requires the mental and/or physical ability to: work in a standard office environment; drive a vehicle; read fine print, such as blueprints and maps; operate a computer; converse by telephone, in person and to large groups and be clearly understood; and stamina to work additional hours as required by duty.
- A generally flexible and proactive productive work ethic. Must be able to work with all department managers, staff and the public.

Note: Accommodations may be made for some of the essential functions / requirements listed for qualified individuals who require and request such accommodation, due to a qualified disability.

Decision Package Status Update

FY 2018/19

Quarterly Update

February 18, 2018

Decision Package/ Budget Referral	Amount Appropriated	Status
Prior Year		
Designation for Reusable Bags (remaining)	19,000	Additional bags have been purchased in FY 2018/19.
DP 16-1 Records Management	50,000	An update of the Records Retention Schedule was approved by the City Council on 4/24/2018. Records destruction pending per that new schedule before determining the scope of the new records management system.
DP 17-9 Former HMU Customer Light Exchange	150,930	Completed.
18-8 Community Center Gym Floor Covers [One-Time]	14,000	This funding was applied to the emergency replacement of basketball hoops.
18-10 Implement Citywide Cash Receipt System & Navaline "Click2Gov" [One-Time]	50,000	Combined with 18-12 below. The training component has been implemented. A new check scanner system has been implemented and other enhancements are being reevaluated as a result.
18-12 Naviline Financial System Enhancement [One-Time]	0	See 18-10 above.
ADP 17-1 Hazard Mitigation Plan Update	40,000	Underway as of 1 st quarter 2019.
BR 17-7 Basketball Court (remaining balance for construction)	18,000	Project is substantially complete with opening to be set for March.
BR 17-8 Restroom Facility in Duck Pond Park (remaining balance for construction)	121,000	Project is substantially complete with opening to be set for March.
18-6 Comprehensive Class & Comp Study [One-Time]	60,000	Draft study being reviewed. Completion targeted for 1 st Quarter 2019.
18-13 Update Traffic Impact Fee Nexus Study/Circulation Element Update Impl [One-Time]	37,750	City Council workshop held in February and potential adoption of new fees in March 2019.
ADP 18-6 Purchase & Install New Aerator Fountains in Refugio Lake (to be funded from Citywide LLAD)	50,000	To be implemented with 18-7 below.
18-7 Dredge Refugio Lake (to be funded from Citywide LLAD)	200,000	Design and permitting underway.
Decision Packages		
19-1 Police Department Over Hire	65,000	On-going.
19-2 Golf Club Fund (including BR#19-18 Contribution)	11,000	\$1K check sent to HHS Robotics Club in Sept. Portion of \$10K applied to replacement Basketball Hoops.
19-3 Employee Labor Agreements [On-going \$221,000; One-Time \$281,000]	502,000	New Pay Plans & Teamster MOU approved 10/23/2018; POA MOU approved 11/13/2018.
19-4 Comprehensive Class and Comp Study Implementation (Classification Component)	60,000	Class & Comp draft study received and under review. Likely consideration of implementing actions in 1 st quarter 2019.

19-5 Library Extra Hours Funding	27,917	Extra hours implemented.
19-7 Paint Senior Center Exterior	20,000	Completed.
19-8 Re-establish Traffic Enforcement Program	5,000	Officer assigned.
19-9 Re-establish Detective Sergeant Position	11,000	Sergeant assigned.
19-10 Samara Terrace Improvements	19,000	New flooring installed; other improvements pending.
19-11 Chairs & Table Replacement Community Center	25,000	Cahir replacement completed; tables to be ordered.
19-12 Hannah Ranch Kidz Center Improvements	75,000	First step of work completed; second step underway; final phase to be completed after school is out for the summer.
19-13 Permanent Stage in Gym	30,000	Substantially complete.
19-14 Pool Variable Frequency [25,000 One-time Capital Cost; 50,000 Annual Expense Reduction]	25,000	Completed.
19-15 Update of Personnel Rules	30,000	Special Counsel development of draft personnel rules underway.
19-16 Radio Upgrades & Programming	22,440	Radio upgrades by East Bay Regional Communications Authority radio upgrades to be done in Pinole, San Pablo, and Hercules concurrently. Likely 1 st quarter 2019.
19-17 Cable Broadcast Capital Equipment	39,000	Completed, cable broadcasting to resume February, 2019.
19-18 Council Chambers Equipment Replacement	6,000	Completed.
19-19 Earthquake Insurance Additional Facilities	32,000	Facilities added to policy and coverage in effect.
19-20 First Responder Vehicle AED's	30,000	Purchase and installation targeted for 1 st quarter 2019.
Alternate Decision Packages		
ADP 19-1 Pension IRS Section 115 Trust Annual Contribution as a % of Payroll [On-Going]	57,074	Contribution made.
General Fund Balance Decision Packages		
GFDP 19-1 Capital Project Designation	100,000	Designation made.
GFDP 19-2 Reserve For Restricted Planning Funds (Increase)	70,100	Designation increased.
GFDP 19-3 OPEB Trust Contribution	200,000	Contribution made.
GFDP 19-4 Pension IRS Section 115 Trust	1,000,000	Contribution made.
GFDP 19-5 Addition to Fiscal Neutrality Reserve	269,594	Transfer made.
Budget Referrals		
BR 19-2 Modernization of the Teen Center	25,000	Options being evaluated.
BR 19-3 Increase Minimum Wage for Employees	15,000	To be considered as part of class & comp.
BR 19-4 Police Dept. Addition of Sworn Officers	130,000	Hiring for additional position underway.
BR 19-13 Increase Fiscal Neutrality Fund From 2 to 3 Months	1,228,223	Transfer made.
BR 19-14 Resurface Refugio Park Tennis Courts	140,000	To be undertaken in Spring 2019.
BR 19-15 Chairs for the Library	7,500	Completed.
BR 19-16 Enhance Pedestrian Access Walkway	25,000	Scheduled for 4 th quarter 2019.

BR 19-17 Traffic Calming Improvements	50,000	Conceptual design of Hercules Avenue traffic calming approved by City Council on October 23, 2018, final design underway. Design for Sycamore/San Pablo and Sycamore/Civic underway.
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2018-19 Mid-Year Budget Update

General Fund - Budget Summary

			FY 16/17	FY 17/18	FY 18/19	FY 18-19 Activities thru 12/31/2018		FY 18/19		
			Actuals	Actuals	Adopted	6-Months Actuals	% Used	Mid-Year Update	Change	
Beginning Available Balance					\$ 4,660,327			\$ 4,660,327		
Revenues										
Taxes										
Utility User Tax	3		3,576,052	3,783,731	3,631,881	1,439,358	40%	3,631,881	-	
Sales Tax	2		3,324,807	3,206,095	3,277,775	1,484,413	45%	3,277,775	-	
Property Taxes	1		1,278,659	1,324,553	1,441,258	761,734	53%	1,441,258	-	
Franchise Fees	4		878,574	862,946	815,047	249,366	31%	815,047	-	
Business Licenses	7		131,240	187,710	194,125	30,557	16%	194,125	-	
Transfer Tax	5		136,467	123,134	120,572	63,777	53%	120,572	-	
Transient Occupancy Tax	6		8,128	9,651	9,180	4,211	46%	9,180	-	
Intergovernmental	16		2,227,808	2,314,222	1,866,203	72,841	4%	1,866,203	-	
Fines & Forefeitures	18		47,824	48,579	35,000	18,883	54%	35,000	-	
Program Revenues									-	
Community Development	10		609,261	1,058,212	294,450	163,724	56%	294,450	-	
Parks and Recreation	11		1,693,195	1,740,774	1,652,527	866,735	52%	1,652,527	-	
Police	12		403,221	424,703	452,500	302,610	67%	452,500	-	
Public Works	13		4,390	40,463	21,000	1,522	7%	21,000	-	
Other	14		26,068	556,503	14,518	271,865	1873%	279,518	265,000	
Use of Money & Property	9		237,325	405,093	332,010	122,070	37%	332,010	-	
Miscellaneous	19		276,501	404,587	805,880	406,650	50%	805,880	-	
Transfers In	15		100,000	100,000	100,000	100,000	100%	100,000	-	
			<u>14,959,520</u>	<u>16,590,956</u>	<u>15,063,926</u>	<u>6,360,316</u>	<u>42%</u>	<u>15,328,926</u>	<u>265,000</u>	
Expenditures										
Police	20		6,021,830	6,414,593	6,603,729	3,299,628	50%	6,603,729	-	
Public Works	21		213,999	473,545	331,277	150,191	45%	338,027	6,750	
Community Development	22		512,151	438,620	707,924	296,501	42%	707,924	-	
Parks and Recreation	23		1,883,159	2,076,523	2,236,790	1,075,166	48%	2,236,790	-	
City Council	24		189,397	211,301	340,316	168,281	49%	340,316	-	
City Manager	25		260,011	269,758	367,953	168,974	46%	367,953	-	
Legal	26		398,516	400,574	350,000	183,474	52%	350,000	-	
Administrative Services	27		477,252	671,372	691,337	340,512	49%	691,337	-	
Finance	28		1,160,532	879,733	1,282,013	438,858	34%	1,282,013	-	
Workers Comp/General Liability	29		667,710	699,134	866,510	740,212	85%	866,510	-	
Non-Department	30		870,251	1,363,516	1,341,361	503,906	38%	1,341,361	-	
Transfers Out	31		-	71,387	71,387	-	0%	163,387	92,000	
			<u>12,654,808</u>	<u>13,970,056</u>	<u>15,190,597</u>	<u>7,365,703</u>	<u>48%</u>	<u>15,289,347</u>	<u>98,750</u>	
Net Annual Activity										
Baseline Operations			<u>\$ 2,304,712</u>	<u>\$ 2,620,900</u>	<u>(126,671)</u>			<u>\$ 39,579</u>	<u>\$ 166,250</u>	
Increase Fiscal neutrality reserve	32				(1,497,817)			(1,497,817)		
OPEB Trust Contribution	33				(200,000)			(200,000)		
Pension Contribution (Section 115 Trust)	34				(1,000,000)			(1,000,000)		
Other One-time Decision Packages	35				(1,142,114)			(1,142,114)		
Ending Available Balance					\$ 693,725			\$ 859,975		129



2018-19 Mid-Year Budget Update General Fund - Fund Balance Reserves

	FY 2016-17		FY 2017-18		FY 2018-19			
		%		%		%	Mid-Year	%
	Actual	Exp	Actual	Exp	Adopted	Exp	Projected	Exp
<u>Available Cash Balance</u>								
Beginning fund balance, as reported in CAFR	\$ 39,390,220		\$ 41,694,932		\$ 44,315,832		\$ 44,315,832	
Annual operating results	2,304,712		2,620,900		(126,671)		39,579	
Non-spendable (Due from Private Purpose Trust Fund)	(28,357,185)		(27,787,637)		(27,787,637)		(27,787,637)	
Increase contribution to Pension Section 115 Trust	(65)		(496,822)		(696,822)		(696,822)	
Increase contribution to OPEB					(1,000,000)		(1,000,000)	
Exclude Current Year Assets other than cash	(6,662,880)		(5,586,937)		(5,586,937)		(5,586,937)	
Reserve for Economic Uncertainty in 25% target	(2,176,150)		(2,299,833)		(3,797,650)		(3,797,650)	
Reserve for Earthquake Insurance Deductible	(500,000)		(500,000)		(500,000)		(500,000)	
Reserve for Capital Projects	(350,000)		(350,000)		(350,000)		(350,000)	
Reserve for Planning	(550,371)		(629,074)		(629,074)		(629,074)	
Reserve for Building	-		(21,800)		(21,800)		(21,800)	
Reserve for Reusable Bags (remaining)	(19,000)		(19,000)		(19,000)		(19,000)	
Reserve for State Grant	(200,000)				-		-	
Reserve for PEG Fees	-		(70,000)		(70,000)		(70,000)	
Designations for Prior Year Decision Packages Carryover	(609,930)		(1,797,178)		(1,797,178)		(1,797,178)	
Designations for Current Year Decision Packages					(1,142,114)		(1,142,114)	
Other reserve changes (encumbrances, prepaid)	(26,475)		(97,224)		(97,224)		(97,224)	
Ending available cash balance	\$ 2,242,876		\$ 4,660,327		\$ 693,725		\$ 859,975	
<u>Economic Uncertainty Reserve at 25% Target</u>								
Operating expenditures	\$ 12,654,808		\$ 13,970,056		\$ 15,190,597		\$ 15,289,347	
25% reserve target	3,163,702	25%	3,492,514	25%	3,797,650	25%	3,822,337	25%
Reserve for Economic Uncertainty	2,176,150	17%	2,299,833	16%	3,797,650	25%	3,797,650	25%



2018-19 Mid-Year Budget Update

General Fund - Operating Expenditure Detail (Excluding One-Time Expenditures)

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Adopted	FY 18-19 Mid-Year
<u>Expenditures by Category</u>				
Salaries & Wages	\$ 7,331,079	\$ 7,731,772	\$ 8,271,488	\$ 8,278,238
Contractual Services	2,696,439	3,363,200	3,851,939	3,851,939
Capital Outlay	-	510,595	66,440	66,440
Cost Allocation	1,510,593	1,509,508	2,033,446	2,033,446
Other Operating Expenditures	1,116,697	783,594	895,897	895,897
Transfers	-	71,387	71,387	163,387
Total Expenditures	12,654,808	13,970,056	15,190,597	15,289,347
<u>Expenditures by Department</u>				
Police Department	\$ 6,021,830	\$ 6,414,593	\$ 6,603,729	\$ 6,603,729
Public Works	213,999	473,545	331,277	338,027
Community Development	512,151	438,620	707,924	707,924
Parks and Recreation	1,883,159	2,076,523	2,236,790	2,236,790
Administration	3,153,418	3,131,872	3,898,129	3,898,129
Non-Department/Transfers	870,251	1,434,903	1,412,748	1,504,748
	\$ 12,654,808	\$ 13,970,056	\$ 15,190,597	\$ 15,289,347
<u>Expenditures by Category by Department</u>				
Police Department				
Salaries & Wages	\$ 4,712,519	\$ 4,844,983	\$ 5,048,220	\$ 5,048,220
Contractual Services	127,013	147,765	106,503	106,503
Capital Outlay	-	-	-	-
Cost Allocation	1,041,978	1,056,735	1,232,606	1,232,606
Other Operating Expenditures	140,319	365,110	216,400	216,400
Transfers	-	-	-	-
One-time Items	-	-	-	-
	6,021,829	6,414,593	6,603,729	6,603,729
Public Works				
Salaries & Wages	16,173	18,196	70,534	77,284
Contractual Services	170,658	172,201	195,338	195,338
Capital Outlay	-	250,000	-	-
Cost Allocation	12,735	13,116	45,140	45,140
Other Operating Expenditures	14,433	20,032	20,265	20,265
Transfers	-	-	-	-
One-time Items	-	-	-	-
	213,999	473,545	331,277	338,027
Community Development				
Salaries & Wages	278,536	223,262	325,012	325,012
Contractual Services	180,918	185,325	287,325	287,325
Capital Outlay	-	-	-	-
Cost Allocation	40,499	16,270	79,587	79,587
Other Operating Expenditures	12,199	13,763	16,000	16,000
Transfers	-	-	-	-
One-time Items	-	-	-	-
	512,152	438,620	707,924	707,924
Parks & Recreation				
Salaries & Wages	1,276,821	1,457,795	1,460,373	1,460,373
Contractual Services	375,298	387,075	465,457	465,457
Capital Outlay	-	-	-	-
Cost Allocation	131,005	134,927	183,979	183,979
Other Operating Expenditures	100,035	96,726	126,981	126,981
Transfers	-	-	-	-
One-time Items	-	-	-	-
	1,883,159	2,076,523	2,236,790	2,236,790



2018-19 Mid-Year Budget Update

General Fund - Operating Expenditure Detail (Excluding One-Time Expenditures)

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Adopted	FY 18-19 Mid-Year
Administration				
Salaries & Wages	1,047,030	1,187,536	1,367,349	1,367,349
Contractual Services	972,381	1,261,687	1,522,395	1,522,395
Capital Outlay	-	114,352	-	-
Cost Allocation	284,376	288,460	492,134	492,134
Other Operating Expenditures	849,631	279,837	516,251	516,251
Transfers	-	-	-	-
One-time Items	-	-	-	-
	<u>3,153,418</u>	<u>3,131,872</u>	<u>3,898,129</u>	<u>3,898,129</u>
Non-Department				
Salaries & Wages	-	-	-	-
Contractual Services	870,171	1,209,147	1,274,921	1,274,921
Capital Outlay	-	146,243	66,440	66,440
Cost Allocation	-	-	-	-
Other Operating Expenditures	80	8,126	-	-
Transfers	-	71,387	71,387	163,387
One-time Items	-	-	-	-
	<u>870,251</u>	<u>1,434,903</u>	<u>1,412,748</u>	<u>1,504,748</u>
Total All Departments	<u>\$ 12,654,808</u>	<u>\$ 13,970,056</u>	<u>\$ 15,190,597</u>	<u>\$ 15,289,347</u>



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Patrick Tang, City Attorney
Holly Smyth, Planning Director

SUBJECT: Discussion of Noticing Requirements

RECOMMENDED ACTION: Receive Report, Discuss, and Provide Direction, if any.

FISCAL IMPACT OF RECOMMENDATION: None as a result of this item.

DISCUSSION: On September 11, 2018, the City Council requested a future discussion item to review Planning and Zoning Noticing Requirements. This item came up in the context of notice for a project approval which met the 300 foot noticing requirement for a land use decision, though properties which may have had a view of the proposed development given their overlook of the site were not noticed because they were more than 300 feet from the project area.

The City's Municipal Code, which now incorporates the Zoning Code, establishes the noticing requirements which the City utilizes:

Sec. 13-44.200 Application Processing and Hearing Notice.

Upon submittal of a complete application(s), the application(s) shall be reviewed and processed consistent with the provisions of the California Government Code Section [65090](#) et seq.

When a provision of the Zoning Ordinance requires or results in a public hearing, notice shall be given in all of the following ways:

1. Written notice of the hearing shall be mailed or delivered to the owner or his agent and the applicant not less than 10 days prior to the public hearing.
2. Written notice of the hearing shall be mailed or delivered to each local agency expected to provide public facilities or services to the project and whose ability to provide facilities or services may be significantly affected not less than 10 days prior to the public hearing.

3. Written notice of the hearing shall be mailed or delivered to all property owners within 300 feet of the property subject to the hearing not less than 10 days prior to the public hearing. The list of owners within 300 feet along with adequate mailing labels to notice the required public hearings shall be prepared by the applicant and shall accompany the application using for this purpose the last known name and address of owners as shown in the current tax assessor's records.

If the number of property owners to be notified exceeds 1,000, the City may in lieu of mailing notices provide notice by placing a display advertisement of at least one-eighth page in length in at least 1 newspaper of general circulation within the City and post notice of the hearing not less than 10 days prior to the public hearing in at least 3 public places within the boundary of the City including 1 area directly affected by the proceeding.

The public notice shall include the date, time, and place of public hearing, the name of hearing body, a general explanation of the matter to be considered, and a general description in text or diagram of the location of the property subject to the hearing. The notice should also include a statement that any interested person is invited to appear to address or object to the application in question and a statement of appeal procedures and time limits. [Ord. 515 § 2, 2018; ZO § 44.200.]

There is an exception to the 300 foot noticing requirement for new cell towers, which due to their height and visual impact, require 1,500 foot noticing per section 10-16.111(n)(4) of the Hercules Municipal Code.

California Government Code Section 65091 (c), referenced in the City's Municipal Code/Zoning Code, states that, "[i]n addition to the notice required by this section, a local agency may give notice of the hearing in any other manner it deems necessary or desirable." The City Attorney has opined that this provides the Planning Director limited discretion to expand the noticing requirements given unique circumstances. The decision to use this discretion to provide expanded noticing must not impact the due process rights of an applicant and should be well articulated at the time the decision is made to exercise this discretion.

This background information is provided to facilitate the general discussion requested by the City Council.

ATTACHMENTS:

None.



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: Holly Smyth, Planning Director

SUBJECT: Update on the Queen Anne House

RECOMMENDED ACTION: Receive Report, Discuss, and Provide Direction, if any.

FISCAL IMPACT OF RECOMMENDATION: None as a result of this item.

DISCUSSION: The City Council recently asked for an update on the status of the sale and move of the Queen Anne House stored on the Corporation Yard site. At the November 9, 2016, City Council meeting, the Council agreed to enter into an agreement to accept a proposal from Rockhead and Quarry out of Berkeley to purchase the historic home in order for it to be relocated to another site outside the City.

Since that time, the environmental review required to allow this historic home to be removed from the Hercules historic inventory and the National Register has been completed which cleared the way for the possible relocation. This process was completed in 2018.

The proposed purchasers advise that they have had difficulty in securing an appropriate relocation site for the home. They are currently focused on the acquisition of a site in Pinole after a prior possible site in the Napa area fell through.

ATTACHMENTS:

None



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 26, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager

SUBJECT: Update on the Clock Tower

RECOMMENDED ACTION: Receive Report, Discuss, and Provide Direction, if any.

FISCAL IMPACT OF RECOMMENDATION: None as a result of this item.

DISCUSSION: The City Council recently asked for an update on the clock tower located on City property on Sycamore between the Highway 80 overpass and the entrance to the Creekside shopping Center. This feature was constructed on City property by the original developer of the Creekside shopping center. In a prior iteration, the tower featured signs for businesses in the shopping center. Over time, those were removed and the tower just featured a clock, which has not worked for many years.

As part of a recent proposal for the installation of a digital display sign on the same property, that developer had also proposed to restore the tower and clock to working order. That proposal did not proceed.

At this point, there are no active plans to address the Clock Tower.

ATTACHMENTS:

None

Financial Impact

Description:

Funding Source:

Budget Recap:

Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change:	Yes <input type="checkbox"/> No <input type="checkbox"/>		