

SUPPLEMENTAL INFORMATION

AGENDA ITEM XI-2

2019 Hercules Transportation Impact Fee Update

Title(s) of Item or Document

- Attachment 1 -Resolution revised in Section 10 as highlighted
- Exhibit A.1 -Nexus Study revised to clarify Table 4 and add Table 9
- Exhibit A.2 -Nexus Study Appendix revised Project #2 and #11 Graphics and added supporting cost estimate for Project #20
- Attachment 2-Exhibit A- Ordinance Exhibit A revised Section 10-18.603(c) as highlighted

March 12, 2019

SECTION 7 – CEQA.

The adoption of the 2019 Hercules Transportation Impact Fee Nexus Study, approval of the Transportation Facilities impact fee, and amendment to the Master Fee Schedule do not constitute a “project” as that term is defined by or used in the California Environmental Quality Act (Cal. Pub. Res. Code section 21000 et seq.; “CEQA”) or the CEQA Guidelines (Cal. Code of Regulations Title 14, Division 6, Chapter 3). Accordingly, the City Council finds that the provisions of CEQA and the CEQA Guidelines are not applicable thereto. Also, the City Council finds that the City will not expend funds from the Transportation Facilities impact fee on any specific development prior to completion of environmental review for such specific development, so the adoption of this Resolution is not a “project” under CEQA.

In the event that the action is found to constitute a “project,” the City Council hereby finds that the action is exempt from CEQA because CEQA does not apply to the establishment, modification, or approval of rates, tolls, fares or other charges for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting financial reserve needs and requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas. The City Council finds that its action falls within one or more of those exemptions.

Finally, the City Council also finds that, pursuant to CEQA Guidelines section 15061(b)(3), it can be seen with certainty that there is no possibility that adoption of this Resolution may have a significant effect on the environment, so this action is not subject to CEQA or the CEQA Guidelines.

SECTION 8 – Severability.

If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, such decisions shall not affect the validity of the remaining portions of this Resolution. The Council hereby declares that it would have adopted the Resolution, and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be deleted.

SECTION 9 – Effective Date of 2019 Transportation Facilities Impact Fee

This Transportation Facilities Impact fee (which effectively replaces the current Traffic Facilities impact fee) shall be in effect on July 1, 2019 contingent upon the companion Ordinance # _____ being adopted and in effect 60 days following adoption consistent with California Government Code section 66017(a).

SECTION 10 – Imposition and Payment of Fees Upon Permit Issuance

All development impact fees shall be imposed upon the issuance of any development permit and shall be paid at the earliest time allowed by California Government Code 66007 City ordinance, resolution or policy, subject only to such later payment as may be required by applicable law.

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A "Development permit" means any permit or approval from the City including, but not limited to, subdivision map, final planned development, building permit or other permit for construction or reconstruction.

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SECTION 11 – Annual Index Adjustment

Effective July 1, 2020 and on each subsequent anniversary date of such date, the amount of each of the Transportation Facilities Impact Fees, set forth 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 twelve month period ending with the February index of the same calendar year. The percentage change will be calculated by staff and presented to City Council with the annual update to the Master Fee Schedule.

SECTION 12 – Incorporation of Recitals.

The recitals in this Resolution are true and correct and are incorporated into this Resolution by reference.

THE FOREGOING RESOLUTION was duly and regularly adopted at first read at a regular meeting of the Hercules City Council on the ____ day of _____, 2019, and was passed and adopted at a meeting of the Hercules City Council on the ____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, Mayor

Lori Martin, Administrative Services Director &
City Clerk

Table 4. Summary of Estimated Development Growth

Land Use Category	Units	2010 Units	Remaining Growth Capacity ²	2040 Units	DUE ³ per Unit	2040 DUEs	Growth DUEs
Single-Family	DU ¹	6,631	178	6,809	1.00	6,809	178
Multi-Family	DU	1,432	3,074	4,506	0.57	2,549	1739
Retail	SF ⁴	178,500	624,000	802,500	0.00135	1,080	840
Office	SF	864,875	305,000	1,169,875	0.00117	1,370	357
Industrial	SF	570,600	375,000	945,600	0.00109	1,031	409
Total:						12,838	3,522

(1) Dwelling Unit

(2) Adjusted to account for units built or permitted since 2010

(3) Dwelling Unit Equivalent

(4) Square feet

Percent Growth DUEs

=3,522/12,838

=0.274

2.3.2 Level of Service Analysis

For the Circulation Element update, intersection Level of Service (LOS) analyses were conducted for existing conditions and the General Plan horizon year (2040). Traffic count data was collected in December 2016 to support the existing conditions analysis. This analysis found that only one of the study intersections corresponding to a fee program project location had an existing LOS deficiency (San Pablo Avenue and Linus Pauling Drive during the AM peak hour).

Future year LOS analysis used CCTA travel model outputs to develop intersection turning movement and LOS forecasts. Projects were identified and modeled to ensure that all study intersections met the City's LOS standards for the 2040 horizon year.

2.3.3 General Plan Policies and Standards

The Circulation Element contains several policies which resulted in projects to be funded by the transportation impact fee program. These are summarized below.

Policy 1.C.1 Gaps in Existing Bicycle/Pedestrian Network. The City will continue to identify opportunities for connecting gaps or enhancing connectivity on both sides of the road in the existing pedestrian and bicycle network where appropriate and will prioritize the improvements. Funding for such improvements may be allocated as part of the Capital Improvement Program (CIP), with possible funding sources including impact fees, grant funding, gas tax, or other sources.

Policy 1.G.2 Accessibility of Existing Circulation Facilities. The City as part of its ongoing capital improvement program or through funding secured by grants or similar programs will work to retrofit existing circulation facilities to ensure they meet ADA requirements.

Policy 1.C. 4a Bicycle/Pedestrian Linkage to Schools, Parks, and Trails. The City will work to ensure the provision of safe and convenient pedestrian and bicycle facilities to schools and parks.

Clarified
by
putting
into
square
feet
instead
of
1,000
foot
units

Table 8. Nexus-Based Fee Rates

Cost of Improvements Allocated to Growth			\$25,312,405
Current Fund Balance*			\$202,220
Unfunded Allocated Costs			\$25,110,185
Growth in Dwelling Unit Equivalents (DUEs)			3522
Cost per DUE			\$7,128.96
Land Use	Units	DUE per Unit	Fee per Unit ¹
Single-Family	Dwelling Unit	1.00	\$7,129
Multi-Family		0.57	\$4,033
Retail	Square Feet	0.00135	\$9.59
Office		0.00117	\$8.35
Industrial		0.00109	\$7.77

1) Fee per Unit = (Cost per DUE) x (DUE per Unit)

Table 9. Framework for Estimating DUE Rates for Unique Land Use Types

Land Use Types	PM Peak Hour Trip Rate per Unit	Default Rates ¹		VMT per Unit	DUE per Unit ²
		Trip Length (miles)	Percent New trips		
Formula:	A	B	C	D=A*B*(C/100)	E=D/4.95
Recreational	Rates and units from latest ITE Trip Generation Edition	3	75		
Institutional		4.3	80		

¹ Rates used by Roseville, Placer County, and other jurisdictions

² Ratio of special land use to single family VMT per unit

Added from staff report



Seven lane configuration along
Sycamore Ave from Willow Ave
to San Pablo Avenue

Project Description:

Reconfigure northbound Sycamore Ave cross-section at San Pablo Avenue to extend left turn lane to Willow Avenue and add bike sharrow pavement markings.

DKS

2. Reconfigure Sycamore Avenue Cross Section from Willow to San Pablo Avenue

Updated
Location
area



Project Description:
Complete Bay Trail through Hercules (Waterfront Area).

1900 ft of excavation/asphalt concrete; add lighting

DKS

11. Bay Trail gap closure and lighting

20. Parking for Regional Intermodal Transit Center (RITC)



#	CONTRACT ITEMS	UNIT	QUANTITY	PRICE	AMOUNT
1	Parking Structure for RITC				
	Cost per Parking Structure space	Space	286	60,000.00	17,160,000
	TOTAL FOR ITEM 1				17,160,000
2	Parking Revenue Bond Proceeds (after operating costs)	Years	30		
				8,660,000.00	(\$8,660,000)
	TOTAL FOR ITEM 2				(\$8,660,000)
3					
					0
	TOTAL FOR ITEM 3 PAVEMENT				0
4	MISCELLANEOUS				
	TOTAL FOR ITEM 4 MISCELLANEOUS				
5	MINOR ITEMS				
	TOTAL FOR ITEM 5 MINOR ITEMS				
6	STRUCTURES				
	TOTAL FOR ITEM 6 STRUCTURES				0
SUBTOTAL					\$8,500,000
CONTINGENCY (\$0
GRAND TOTAL					\$8,500,000
TOTAL BUDGET					\$8,500,000

Estimate By: City of Hercules

improvements in proportion to the use of the improvements by that type of development.

(b) Type of Development Subject to the Fee. The categories of land uses for which the fee will be charged are listed below, based on each uses Dwelling Unit Equivalents (accounting for trip lengths) in the Nexus Study. The fee is based on the estimated level of traffic generated by each type of development.

- (1) Single-family residential per unit;
- (2) Multifamily residential per unit;
- (3) Office per square foot;
- (4) Retail per square foot;
- (5) Industrial per square foot;
- (6) Hotel per room;
- (6)(7) Fast Food / Drive thru per square foot;
- (7)(8) Fuel Station pumps
- (8)(9) Other uses not specifically set forth, consistent with the 2019 Hercules Transportation Impact Fee Nexus Study.

(c) When and How Applicable. The fee is applicable imposed upon issuance of a development to a building permit, certificate of occupancy or change of use. A development permit means any permit or approval from the City, including but not limited to subdivision maps, final planned development permit, building permit, or other permit for construction or reconstruction. The fee applies as follows:

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(1) The fee for residential construction is for each dwelling unit. There is no fee for unit replacement or remodeling or for an addition to an existing unit not resulting in a new accessory dwelling second unit.

(2) The fee per square foot for retail, office and similar construction is imposed on a per square foot basis for all new floor area including additions where floor area is increased, and on a per room basis for hotel construction. There is no fee for remodeling or restoration where floor area is improved or replaced but not increased.

(3) A fee may be due for a change in land use category. The fee is based upon the incremental difference between the current applicable fee for the prior use and the current fee for the proposed new use.

(d) Improvements. The fee shall be based on the cost of the improvements