REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Fix 5 Partnership: Consultant Agreement & Interim Fee Program		2/27/07	8

RECOMMENDATION

It is recommended that the Agency:

1. Authorize Chair to execute the attached contract agreement with MuniFinancial in the amount of $585,000 to carry out the 'Interstate 5 Fee Program Study'; and
2. Authorize Executive Officer to draw upon the 10% contingency ($58,500) included in the overall budget, for the purpose of carrying out unanticipated work tasks,
3. Direct staff to develop an interim traffic impact fee program for consideration by each governing board of the Fix 5 Partnership.

SUMMARY

The Fix 5 Partnership (Partnership) is a multi-jurisdictional effort to comprehensively address congestion and funding issues on the Interstate 5 (I-5) corridor between the cities of Shasta Lake and Corning. MuniFinancial's proposal to carry out the Partnership was top-ranked among three proposals received. MuniFinancial was interviewed and contract details fine-tuned after Partnership feedback. It is recommended that the Agency authorize the attached work plan and contract for $585,000. It is further requested that the Executive Director be authorized to utilize budgeted contingency funds (up to $58,500) as necessary to carry out unanticipated work tasks.

Staff, as directed by the Fix 5 Partnership Executive Committee, further recommends that the Agency prepare the interim fee program for consideration by each governing board of the Partnership.

DISCUSSION

Background

The RTPA previously approved the Fix 5 Partnership to develop a study of I-5 improvement needs and funding opportunities. A $585,000 state grant, administered by the RTPA, will fund the effort. The Fix 5 Partnership includes Caltrans, the five cities, two counties, and two RTPAs along the I-5 Corridor between the cities of Shasta Lake and Corning. The purpose of the Partnership is to streamline development reviews in the corridor through a multi-jurisdictional, comprehensive approach while better leveraging state and federal funds.

The Fix 5 Partnership was first discussed with the Agency July 26, 2005. On February 28, 2006, the Agency authorized staff to pursue the grant which was approved last June. Shasta County RTPA staff made presentations to our three city councils and the Board of Supervisors in March and April. On August 2, 2006, the first 'Executive Committee' meeting was held to discuss key issues and define the project scope for use in the RFP. The Executive Committee consists of the Partnership's five city managers and two CAO's, or their designees. The Tehama County RTPA -- which serves with us as co-lead agency for the Partnership -- is undergoing concurrent and parallel efforts in their region. Additional background information regarding the Partnership, including the Executive Committee minutes, is available at http://www.fixfive.org

Consultant Services

In response to a Request for Proposals dated October 26, 2006, three proposals were received from qualified consulting firms to carry out the Partnership study. MuniFinancial of Oakland scored substantially higher in all evaluation categories and by all evaluators. Cost was considered independent of respective proposals; however, there where no appreciable differences.

It is recommended that the Agency authorize the Executive Officer to execute the attached work plan and contract agreement with MuniFinancial in the amount of $585,000. This includes a contingency of 10% ($58,500) that would allow the Executive Officer to authorize unanticipated work as needed. Legal counsel has reviewed and approved the contract as to form.

Interim Fee Program

The Fix 5 Partnership Executive Committee had a detailed discussion regarding the advantages and disadvantages of developing an interim traffic impact fee (TIF) program within the next three months while the fully detailed, long-term TIF is crafted over the next twenty months, or longer. The interim TIF will meet all legal requirements, but will be conservative in scope and based strictly on available information. As such, it is envisioned that the interim TIF would be roughly half the amount of the long-term TIF. An interim TIF of $1,000 to $2,000 per household equivalent has been contemplated for discussion purposes. Most likely, it would apply only in the valley and foothill areas. The TIF could be reduced if we have success in using the Partnership to leverage additional state and federal funds, such as those from Proposition 1B.

The interim fee benefits are the same as those driving the long-term goals of the Fix 5 Partnership, only they would be realized sooner. Once in effect, an I-5 TIF would:

- **Provide local agencies and developers a more efficient and equitable means to address I-5 impacts under the California Environmental Quality Act (CEQA).**

  Currently, this is done on a project-by-project basis. The brunt of the responsibility rests on the high-profile projects which must conduct individual studies, grapple with Caltrans over fair-share mitigation, and deal with the challenge of creating a legally defensible CEQA document. Environmental Impact Reports are in the pipeline for several projects throughout the corridor with more than 20,000 homes and two million square feet of commercial area proposed (see attached map). The interim TIF provides a way to address I-5 impacts to the satisfaction of the development community, the lead agency, neighboring jurisdictions, Caltrans, and the public.

- **Establish a predictable and level "playing field" for new development across all jurisdictions.**

  Presently, lead agencies address I-5 impacts from development proposals differently, if at all, across the seven jurisdictions. A regional fee program would more closely represent the impacts attributable to such development. Should approval of a TIF be deferred, a higher 'fair-share' burden would be placed on future development, as the same transportation costs would be spread over fewer projects. Or, if Interstate 5 level-of-service deteriorated to sub-par before a TIF can be implemented, the legal ability to require a TIF on new development would become limited. Many large urban areas have already experienced these issues.

- **Deliver an immediate revenue stream critical to leveraging state and federal funding. State and federal legislators and agencies have routinely favored projects that can demonstrate broad regional support based on a comprehensive plan to fund and maintain mobility gains.**

  Even without a TIF in place, the Fix 5 Partnership is already getting attention in Sacramento. A few examples: We have met at the request of the Caltrans director to discuss the benefits of the Partnership; we have used the promise of the Partnership to receive Caltrans recommendations for $45 million in Proposition 1B CMIA funds; we have used the Partnership as a demonstration of cooperation resulting in a generous Blueprint Grant; and, we are currently lobbying the state legislature to allow the Partnership to participate in the $1 billion State Local Partnership Program. Many leveraging opportunities are also the horizon. Federally, there is the potential for earmarks. There is also the FHWA "Corridors of the Future Program" where I-5 is one of 14 corridors selected nationwide to be eligible for demonstration funds. On the state side, there are discretionary funds through the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP).

- **Aid in exposing and sorting out issues in preparation for the long-term TIF program.**

  If successfully adopted with broad local agency consensus, the interim TIF would be a major step forward and help smooth the path to achieve long-term Partnership goals. This is particularly true if there are significant personnel or elected official changes over the course of developing the long-term TIF program.

The following disadvantages regarding the interim TIF were also identified and discussed by the Executive Committee:

- **The interim TIF will add administrative cost, primarily through the scheduling of added public meetings to adopt the interim program.**

  The added costs were determined relatively minor in relation to the anticipated benefits. The costs are covered by the Fix 5 Partnership grant.

- **The interim TIF may derail the long-term Partnership goals and realization of the Partnership benefits.**

  Support for the interim TIF over the past eighteen months, since the Partnership was first discussed, has been unanimous among the local officials and elected bodies. Nonetheless, the proposed work plan includes extensive and open communication with the public, agency staff, and -- most importantly -- the city councils and county boards. If at any point during development of the interim fee, there is a sense of dissention that cannot be readily overcome; we could abandon the interim fee plan (at least for that RTPA region). Any such dissention is better to flush out early rather than twenty months into the process.

Based on the above considerations, and direction from the Executive Committee, it is recommended that the RTPA direct staff begin development of the interim fee program.

Development of the interim TIF will entail another meeting of the Executive Committee and an initial round of presentations to each city council and county board. We would communicate the purpose, methodology, and ultimate goal of the program along with some preliminary TIF information. We would then request to proceed based on local agency feedback and direction. A second round of presentations - also to each governing board - will be held to present the interim fee program for adoption. Going forward, Partnership updates will be provided at every RTPA meeting.

ALTERNATIVES

With respect to the contract agreement with MuniFinancial, the Agency may approve the attached contract with changes or refer the matter back to staff for additional consideration as specified.

With respect to the interim fee program, the Agency may direct staff to forego its development and proceed with the long-term study. This is not recommended as the benefits specified above would be delayed, and there is general consensus among the Fix 5 partners to proceed.

OTHER AGENCY INVOLVEMENT

Proposals were evaluated by a committee of Fix 5 partners representing Caltrans District 2, the Shasta County RTPA, Tehama County Transportation Commission, Shasta County, Tehama County, and the cities of Anderson, Red Bluff, and Corning.

Members of the Partnership have and will continue to be actively involved in this project. Subtasks in the attached work plan are undertaken within regionally representative work groups. At appropriate project milestones - marked by key deliverables and/or decision points - Technical Advisory Committee, Executive Committee, city council and county board meetings are held to validate progress and provide direction going forward.

FINANCING

Funding for this project comes through a $585,000 State Planning & Research (SPR) grant. No SCRTPA match is required for this work element; however, staff time required for completing FY 2006/07 tasks in the amount of $25,000 will come from federal planning funds. Local agency staff time may also be reimbursed by the RTPA through the Overall Work Program.

Daniel S. Little, AICP, Executive Officer

DTW/jac

Attachments: Contract Agreement with MuniFinancial
Pipeline Development Proposals
Forecasted Congestion Map

PERSONAL SERVICES AGREEMENT BETWEEN SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY AND MUNIFINANCIAL

This agreement is entered into between the Shasta County Regional Transportation Planning Agency ("SCRTPA"), and MuniFinancial ("Consultant") for the purpose of developing a regional traffic impact fee program for mainline Interstate 5.

1. RESPONSIBILITIES OF CONSULTANT.

A. Deliverables as described in attached Scope of Work

B. As required by Government Code section 7550, each document or report prepared by Consultant for or under the direction of the SCRTPA pursuant to this agreement shall contain the numbers and dollar amount of the agreement and all subcontracts under the agreement relating to the preparation of the document or written report. If multiple documents or written reports are the subject of the agreement or subcontracts, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written reports. Consultant shall label the bottom of the last page of the document or report as follows: department name, agreement number, and dollar amount. If more than one document or report is produced under this agreement, Consultant shall add: "This report is one of one produced under this agreement."

2. RESPONSIBILITIES OF SCRTPA.

A. The SCRTPA shall compensate Consultant as set forth in section [3] of this agreement and shall monitor Consultant's performance.

B. The SCRTPA shall 1) designate a project manager authorized to act on RTPA and the Fix 5 Partnership's behalf, 2) provide staff support needed to conduct public outreach meetings, and 3) provide access to existing maps, drawings, specifications, traffic data, and/or any other documents or resources needed by the Consultant in executing its responsibilities.

3. COMPENSATION.

Total compensation for services outlined in the attached scope of work shall not exceed $xxx,xxx. A contingency of $xxx,xxx is, however, available for expansion of existing tasks or the addition of new tasks upon receipt of written authorization from the SCRTPA's Executive Director or designated Project Manager.

4. BILLING AND PAYMENT.

Consultant shall submit to SCRTPA within 30 days after completion of the services described in section 1, an itemized statement or invoice of services rendered. SCRTPA shall make payment within 30 days of receipt of Consultant's correct and approved statement.

5. **TERM OF AGREEMENT.**

This agreement shall commence on the date of signing and shall terminate February 28, 2009.

6. **TERMINATION OF AGREEMENT.**

A. If Consultant materially fails to perform duties to the satisfaction of the SCRTPA, or if Consultant fails to fulfill in a timely and professional manner obligations under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then the SCRTPA shall have the right to terminate this agreement for cause effective immediately upon the SCRTPA giving written notice thereof to Consultant. If termination for cause is given by the SCRTPA to Consultant and it is later determined that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.

B. The SCRTPA may terminate this agreement without cause on 30 days' written notice to Consultant. The SCRTPA shall pay consultant for all work satisfactorily completed as of the date of notice.

C. The SCRTPA may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.

D. The SCRTPA's right to terminate this agreement may be exercised by the Executive Officer.

E. Should this agreement be terminated, Consultant shall promptly provide to the SCRTPA any and all finished and unfinished reports, data, studies, photographs, charts and other documents prepared by Consultant pursuant to this agreement.

F. If this agreement is terminated under paragraph A above, Consultant shall only be paid for services completed and provided prior to notice of termination. In the event of termination under paragraph B or C above, Consultant shall be paid an amount which bears the same ratio to the total compensation authorized by the agreement as the services actually performed bear to the total services of Consultant covered by this agreement, less payments of compensation previously made. In no event, however, shall the SCRTPA pay Consultant an amount which exceeds a pro rata portion of the agreement total based on the portion of the agreement term that has elapsed on the effective date of the termination.

7. **ENTIRE AGREEMENT; AMENDMENTS.**

A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no others.

B. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. However, minor amendments which do not result in a substantial or functional change to the original intent of the agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and Executive Officer.

8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate or sublet any interest herein without the prior written consent of the SCRTPA. The waiver by the SCRTPA of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

9. EMPLOYMENT STATUS OF CONSULTANT.

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow the SCRTPA to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject matter of this agreement; provided, however, that the services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such services. The sole interest of the SCRTPA is to insure that services shall be rendered and performed in a competent, efficient and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the federal government which would be withheld from compensation if Consultant were a SCRTPA employee. The SCRTPA shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under the SCRTPA's workers' compensation insurance plan nor shall Consultant be eligible for any other SCRTPA benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this Agreement.

10. INDEMNIFICATION.

Consultant shall defend, hold harmless and indemnify the SCRTPA, its elected officials, officers, employees, agents and volunteers against all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees of the SCRTPA Counsel and counsel retained by the SCRTPA, expert fees, litigation costs, and investigation costs), damages, judgments or decrees by reason of any person's or persons' injury, including death, or property (including property of the SCRTPA) being damaged by the negligent acts, willful acts, or errors or omissions of the Consultant or any of Consultant's subcontractors, any person employed under Consultant, or under any subcontractor, or in any capacity during the progress of the work, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of the SCRTPA. Consultant shall also defend and indemnify the SCRTPA for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify and hold harmless the SCRTPA with respect to Consultant's "independent contractor" status that would establish a liability on the SCRTPA for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment.

For professional services provided under this agreement, Consultant shall indemnify, defend, and hold harmless the SCRTPA, its elected officials, officers, employees, agents, and volunteers from and against any and all claims, demands, actions, losses, liabilities, damage, and costs, including reasonable attorneys' fees, arising out of or resulting from the negligent performance of the professional services provided under this agreement.

11. INSURANCE COVERAGE.

A. Consultant and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other insurance necessary to protect the SCRTPA and the public with limits of liability of not less than $1 million combined single limit bodily injury and property damage; such insurance shall be primary as to any other insurance maintained by the SCRTPA.

B. Consultant and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor(s) employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Consultant or subcontractor. Consultant hereby certifies that Consultant is aware of the provisions of section 3700 of the Labor Code which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Consultant will comply with such provisions before commencing the performance of the work of this agreement.

C. Consultant shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than $1 million.

D. Consultant shall require subcontractors to furnish satisfactory proof to the SCRTPA that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Consultant pursuant to this agreement.

E With regard to all insurance coverage required by this agreement:

(1) Any deductible or self-insured retention exceeding $25,000 for Consultant or subcontractor shall be disclosed to and be subject to approval by the SCRTPA prior to the effective date of this agreement.

(2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of the agreement and continue coverage for a period of three years after the expiration of the agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Consultant or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide coverage for claims received and reported three years after the expiration date of the agreement.

(3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names the *Shasta County Regional Transportation Planning Agency, its elected officials, officers, employees, agents and volunteers as an additional insured* and provides that coverage *shall not be reduced or canceled without 30 days written prior notice certain to the SCRTPA.* The Additional Insured coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations and CG 20 37 for completed operations.

(4) Each insurance policy (except for workers' compensation and professional liability policies), or endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each suit insured against whom a claim is made or suit is brought."

(5) Consultant shall provide the SCRTPA with an endorsement or amendment to Consultant's policy of insurance as evidence of insurance protection before the effective date of this agreement.

(6) The insurance required herein shall be in effect at all times during the term of the agreement. In the event any insurance coverage expires at any time

during the term of the agreement, Consultant shall provide, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of the agreement or for a period of not less than one year. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of the agreement, the SCRTPA may, in addition to any other remedies it may have, terminate the agreement upon the occurrence of such event and pay in full all contractual invoices for work completed prior to expiration of insurance.

(7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Consultant shall provide the SCRTPA a certificate of insurance reflecting those limits.

12. <u>NOTICE OF CLAIM/APPLICABLE LAW/VENUE</u>.

A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect the SCRTPA, Consultant shall give prompt and timely notice thereof to the SCRTPA. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or ten days following the date of service of process of a lawsuit.

B. Any dispute between the parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

13. <u>COMPLIANCE WITH LAWS; NON-DISCRIMINATION</u>.

A. Consultant will observe and comply with all applicable federal, state and local laws, ordinances and codes which relate to the services to be provided pursuant to this agreement.

B. Consultant will not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV and AIDS) physical or mental disability or use of family care leave.

C. Consultant represents that Consultant is in compliance with and agrees that Consultant will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. section 12101, *et seq.*), the Fair Employment and Housing Act (Govern-ment Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.

14. ACCESS TO RECORDS/RETENTION.

SCRTPA, county, federal and state officials shall have access to any books, documents, papers and records of Consultant which are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or the SCRTPA. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after the SCRTPA makes final payment hereunder.

15. CONSULTANT'S COMPLANCE WITH CHILD, FAMILY AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

Consultant's failure to comply with state and federal child, family and spousal support reporting requirements regarding Consultant's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family and spousal support obligations shall constitute a default under this Agreement. Consultant's failure to cure such default within 90 days of notice by the SCRTPA shall be grounds for termination of this agreement.

16. LICENSES AND PERMITS.

Consultant shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Shasta and all other appropriate governmental agencies, including any certification and credentials required by the SCRTPA. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this Agreement by the SCRTPA.

17. PERFORMANCE STANDARDS.

Consultant shall perform the services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's services.

18. CONFLICTS OF INTEREST.

Consultant and Consultant's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property or source of income which could be financially affected by or otherwise conflict in any manner or degree with the performance of services required under this agreement.

19. NOTICES.

A. Any notice required to be given pursuant to the terms and provisions of this agreement shall be in writing and shall be sent first-class mail to the following addresses:

If to SCRTPA: Shasta County Regional Transportation Planning Agency
1855 Placer Street
Redding, CA 96001

If to Consultant: MuniFinancial
1700 Broadway, Sixth Floor
Oakland, CA 94612

B. Notice shall be deemed to be effective two days after mailing.

20. SCOPE AND OWNERSHIP OF WORK.

All research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the SCRTPA and be delivered to the SCRTPA upon completion of its authorized use pursuant to the agreement. The SCRTPA may use such work products for any purpose whatsoever. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the SCRTPA without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Consultant shall retain all of its rights in its own proprietary information, including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by the Consultant prior to, or acquired by the Consultant during the performance of this agreement and the Consultant shall not be restricted in any way with respect thereto.

21. SEVERABILITY.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

IN WITNESS WHEREOF, the SCRTPA and Consultant have executed this agreement on the day and year set forth below.

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY

Date: ____________________

____
DANIEL S. LITTLE, AICP
Executive Officer

MUNIFINANCIAL

By: ___________________________________
Frank Tripepi – President

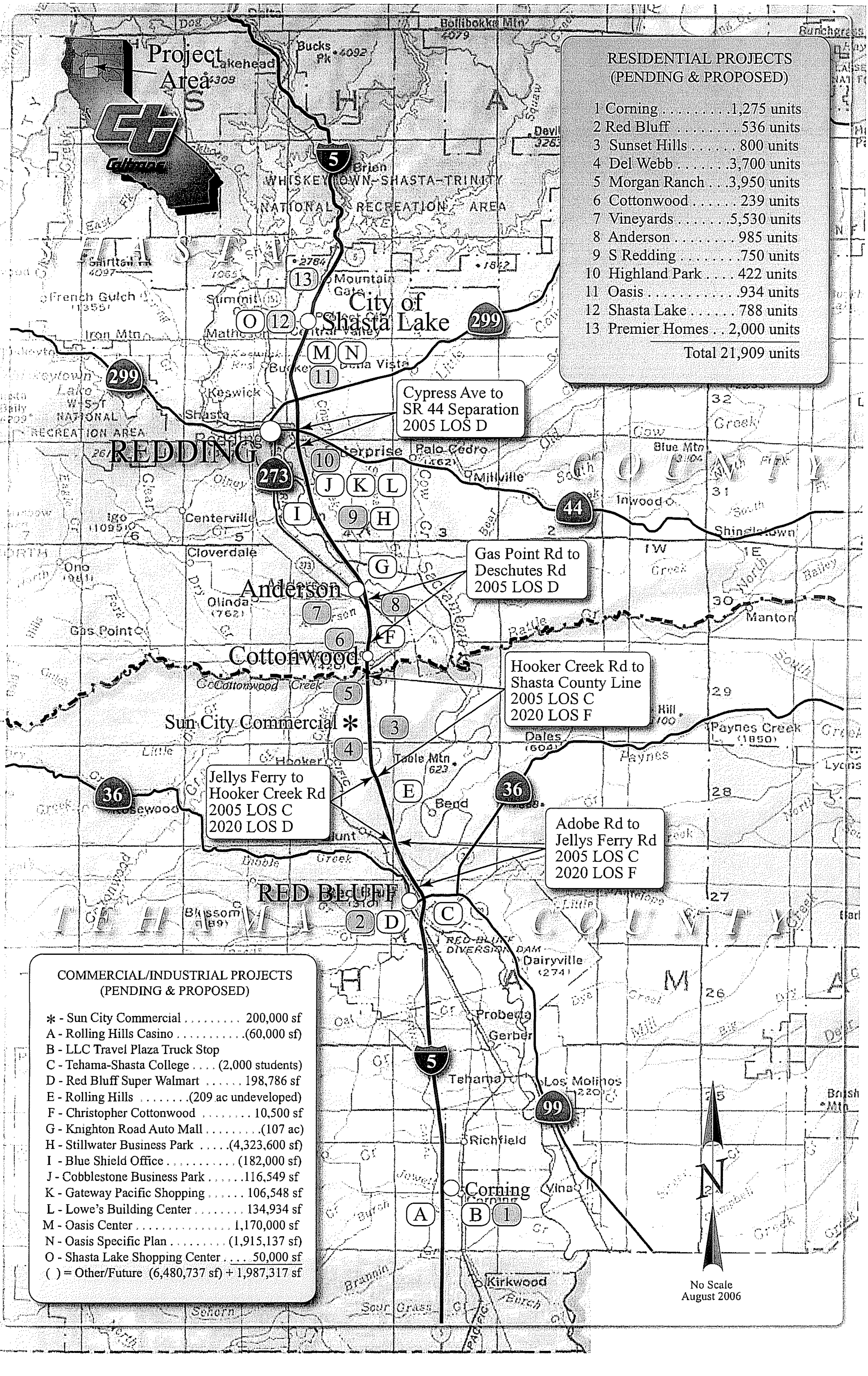
By: ___________________________________
Paul Whitelaw – Senior Vice President

Tax I.D.#: 33-0302345

Approved as to form:

ELIZABETH JOHNSON
SCRTPA Counsel

By:______________________________



Project Area
RESIDENTIAL PROJECTS
(PENDING & PROPOSED)
1 Corning . . . . .1,275 units
2 Red Bluff . . . . 536 units
3 Sunset Hills . . . . . . 800 units
4 Del Webb . . . . . . .3,700 units
5 Morgan Ranch . . .3,950 units
6 Cottonwood . . . . . . 239 units
7 Vineyards . . . . . . .5,530 units
8 Anderson . . . . 985 units
9 S Redding . . . . 750 units
10 Highland Park . . . . 422 units
11 Oasis . . . . .934 units
12 Shasta Lake . . . . . . 788 units
13 Premier Homes . . 2,000 units
Total 21,909 units
City of Shasta Lake
REDDING
Anderson
Cottonwood
Sun City Commercial
RED BLUFF
Corning
Cypress Ave to
SR 44 Separation
2005 LOS D
Gas Point Rd to
Deschutes Rd
2005 LOS D
Hooker Creek Rd to
Shasta County Line
2005 LOS C
2020 LOS F
Jellys Ferry to
Hooker Creek Rd
2005 LOS C
2020 LOS D
Adobe Rd to
Jellys Ferry Rd
2005 LOS C
2020 LOS F
COMMERCIAL/INDUSTRIAL PROJECTS
(PENDING & PROPOSED)
* - Sun City Commercial . . . . 200,000 sf
A - Rolling Hills Casino . . . .(60,000 sf)
B - LLC Travel Plaza Truck Stop
C - Tehama-Shasta College . . . . (2,000 students)
D - Red Bluff Super Walmart . . . . . . 198,786 sf
E - Rolling Hills . . . .(209 ac undeveloped)
F - Christopher Cottonwood . . . . 10,500 sf
G - Knighton Road Auto Mall . . . .(107 ac)
H - Stillwater Business Park . . . . .(4,323,600 sf)
I - Blue Shield Office . . . . (182,000 sf)
J - Cobblestone Business Park . . . . . .116,549 sf
K - Gateway Pacific Shopping . . . . . . 106,548 sf
L - Lowe's Building Center . . . . 134,934 sf
M - Oasis Center . . . . 1,170,000 sf
N - Oasis Specific Plan . . . . (1,915,137 sf)
O - Shasta Lake Shopping Center . . . . 50,000 sf
( ) = Other/Future (6,480,737 sf) + 1,987,317 sf
No Scale
August 2006

SHASTA COUNTY MODEL
2030 Initial Traffic Forecast UNADJUSTED
PM Peak Hour (Line Width Scaled to Forecast Volume)

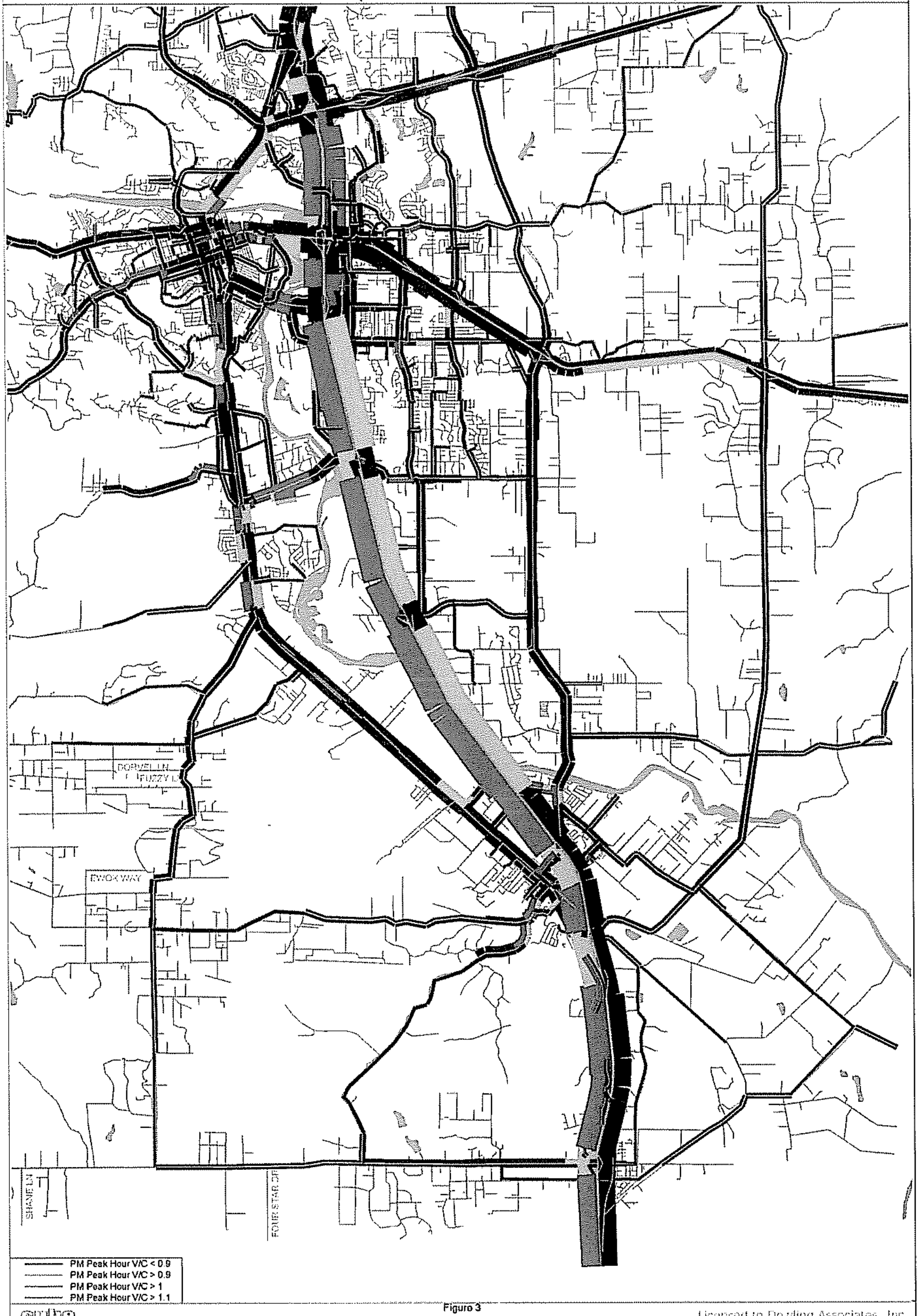


Figure 3

SHASTA COUNTY MODEL

2030 Initial Traffic Forecast UNADJUSTED

PM Peak Hour (Line Width Scaled to Forecast Volume)

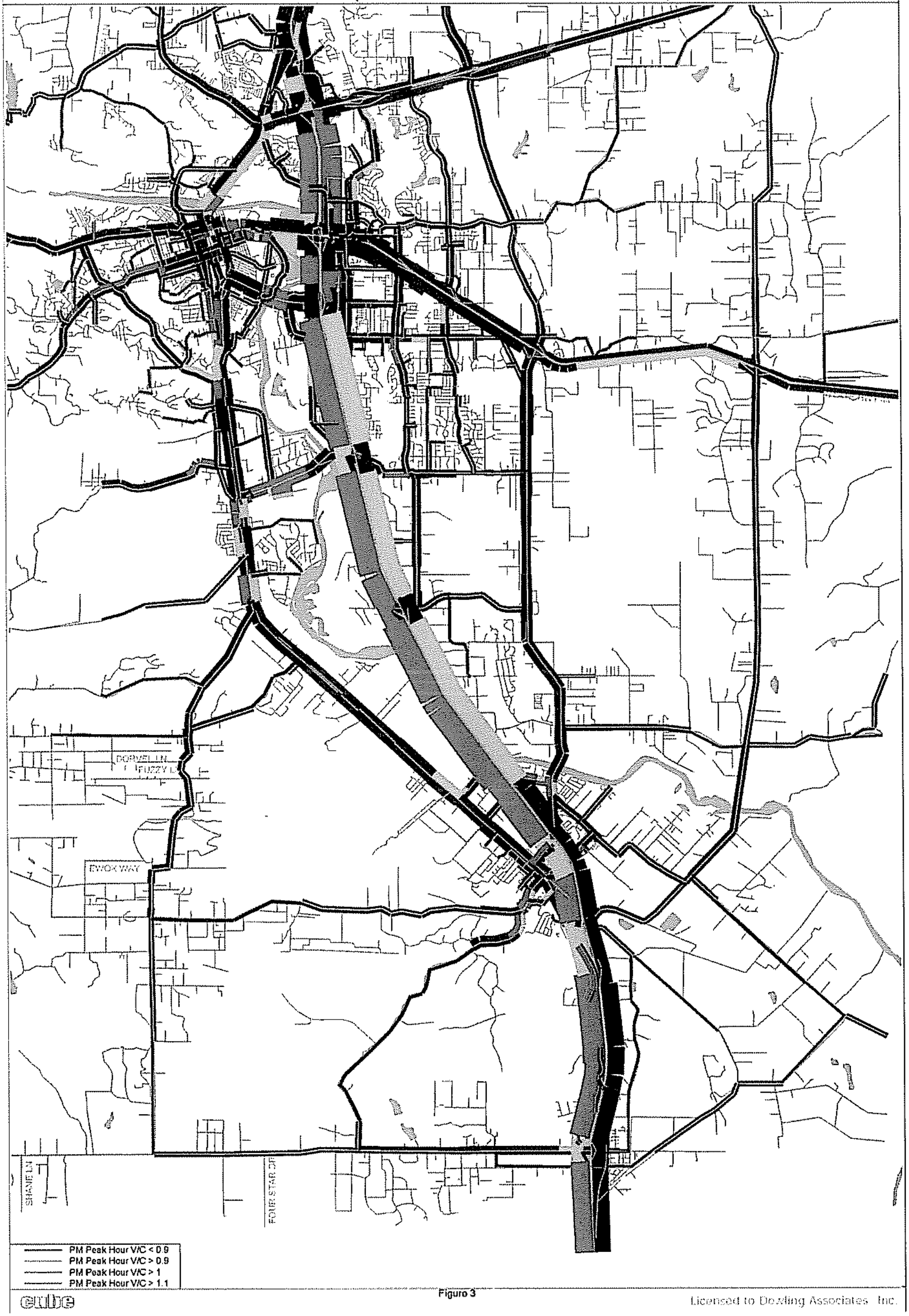


Figure 3

Scope of Work

In this section we describe our proposed scope of work in detail by task We explain how we will accomplish each task and identify associated meetings and deliverables. Following the task plan is a schedule of tasks, meetings, and deliverables.

Task 1 Prepare and Present Interim Impact Fee Program

Task 1.1 Develop Plan and Schedule for Interim I-5 Traffic Impact Fee

Objective: To generate funding from near-term development projects while a comprehensive fee program is developed and adopted.

Description: We will use the updated Shasta County travel demand model to develop year 2030 daily traffic forecasts for Interstate 5 (I-5) within the Shasta County portion of the study area The model will be used "off-the-shelf" for this task; no adjustments will be made to the model's roadway network or land use. The forecasts will be developed using the difference method which determines the incremental increase in the year 2030 travel demand model over the base year travel demand model and adds this increase to existing traffic counts.

We will calculate mainline freeway level of service (LOS) on all segments of I-5 within the Shasta County portion of the study area for existing and year 2030 conditions. The LOS calculations will be based on volume-to-capacity thresholds that will be submitted to Caltrans for approval. The LOS calculations will be based on available average daily traffic volumes for the existing condition and the forecasts developed as described above for year 2030 conditions

We will document all locations where there are existing deficiencies in I-5 operations throughout the 61-mile study corridor. In addition, we will identify all I-5 segments that will operate below LOS D under year 2030 conditions throughout the study corridor. For each segment operating below LOS D, we will determine the number of additional mainline travel lanes needed to improve the segment to LOS D or better.

Fehr & Peers will identify the growth in inter-regional traffic on I-5 based on the external gateway trip table of the updated Shasta County travel demand model. We will determine the existing amount of inter-regional traffic on I-5 based on the origin-destination study conducted by Caltrans in 2006. Based on this information we will document the portion of future traffic growth attributable to inter-regional traffic.

Fehr & Peers will document the results of this task in a technical memorandum for use by MuniFinancial in developing the Interim I-5 Traffic Impact Fee program.

Meetings: One meeting to kick off the project.

Deliverables: Work plan and implementation schedule for interim fee program.

TASK 1.2 PRESENT INTERIM FEE PROGRAM TO EXECUTIVE COMMITTEE

Objective: To get input from Executive Committee regarding the interim fee program.

Description: We will present the draft interim fee program report to the Executive Committee to receive comments and determine the feasibility of moving the program forward to adoption by local city councils and boards of supervisors.

Meetings: Included in Task 2.1.

Deliverables: Executive Committee meeting agenda.

TASK 1.3 PREPARE INTERIM FEE FINAL PLAN AND ORDINANCES/ RESOLUTIONS

Objective: To provide final documents regarding the interim fee program to local agencies for their consideration and adoption.

Description: We will integrate comments from the Executive Committee into a final report for presentation to local agencies. The report will assist in both the adoption of an interim area-wide fee program as well as integration into development agreements for specific projects.

Meetings: Included in Task 2.4.

Deliverables: Interim fee program final report (20 copies) including sample ordinance and resolution.

TASK 2 FIX 5 PARTNERSHIP MEETINGS

TASK 2.1 FACILITATE FIX 5 EXECUTIVE COMMITTEE MEETINGS

Objective: To ensure that the project benefits from the input of, and that final deliverables are acceptable to, the Executive Committee.

Description: The Muni Team will facilitate up to five meetings of the Executive Committee to present updates at major project milestones, and, more importantly, to support decision making and consensus building efforts among Committee members with expert facilitators. MIG will provide facilitation services at each meeting and other Muni Team members will present technical data on an as-needed basis.

Meetings: Five Executive Committee meetings.

Deliverables: Agendas and presentation materials for each meeting.

TASK 2.2 FACILITATE FIX 5 TECHNICAL ADVISORY COMMITTEE MEETINGS

Objective: To ensure that the project benefits from the input of, and that final deliverables are acceptable to, the Technical Advisory Committee.

Description: The Technical Advisory Committee (TAC) will be a key resource and "sounding board" on data collection efforts and methodology, findings, and coordination with other local planning efforts. The Muni Team will attend TAC meetings to provide technical information needed to support TAC deliberations

Meetings: Ten TAC meetings.

Deliverables: Agendas, presentation materials, and minutes for each meeting.

TASK 2.3 PRESENT INTERIM FEE TO LOCAL AGENCIES

Objective: To provide clarity and gain support from local agencies and elected officials for the interim fee, and to present the interim fee program for adoption.

Description: Muni Team project leaders will attend two public meetings with each of the nine public agencies. The first meeting will occur at the onset of the interim fee development in order to communicate the purpose and methodology of the program as well as respond to any questions or concerns. The second meeting will be to present the interim fee program to each agency and recommend adoption.

Meetings: Up to seventeen public meetings. First round of meetings to include one RTPA board, two county boards, and five city councils. Second round of presentations to include the two RTPA Boards, two county boards, and five city councils

Deliverables: Presentation materials.

TASK 2.4 PRESENT FINAL REPORT AND RECOMMENDATIONS

Objective: To ensure that the leadership of local agencies benefit from an effective briefing on the final report to support their decision making process.

Description: Muni Team project leaders will partner with local agency staff to jointly present the final project report and recommendations to city, county, and agency boards across a total of eighteen meetings, one for initial presentation of the report and one for adoption. The Muni Team will develop one accompanying slideshow presentation for use at all of the meetings.

Meetings: Eighteen public meetings (two RTPA boards, two County Boards, and five city councils).

Deliverables: Stakeholder invitations and public notices for each meeting.

TASK 3 PUBLIC OUTREACH AND INFORMATION

TASK 3.1 CONDUCT STAKEHOLDER INTERVIEWS

Objective: To provide direct input regarding the program from key decision makers and community opinion leaders.

Description: The Muni Team will conduct up to ten interviews, primarily by phone. Initial interviews will likely be conducted with policymakers to probe their interests, issues and obstacles related to the interim impact fee program (see Task 1.), but also to obtain recommendations for interviews with other stakeholders such as key opinion leaders, members of the development community, and other community leaders. A portion of interviews will be conducted later in the project to seek input on draft results.

Meetings: Ten interviews.

Deliverables: Memorandum summarizing key findings

TASK 3.2 DEVELOP AND SHARE EDUCATIONAL PROGRAM MATERIALS

Objective: To educate stakeholders regarding anticipated I-5 corridor congestion and alternative funding approaches for improvements.

Description: **Task 3.2.1: Develop Educational Program Materials**

The Muni Team will provide a range of materials to be used during meetings and available for policymakers, stakeholders and communities of interest:

- FAQ for posting on the website; updated at milestones
- 1 brochure about Interim TIF for stakeholders containing photo images provided by the client (1,000 copies, designed and printed)
- 1 round of postcard invitations to public workshops that also send people to the website (design only, does not include printing or postage)
- 2 geographically based overview brochures about service levels and solutions (to be printed and posted on the website)
- 2 different fact sheets, oriented to different stakeholder groups
- Presentation Boards (12 total for TAC, public workshops, presentations to community/business groups, and/or leadership summit)
- A 30-slide PowerPoint show updated throughout the process (for public workshops, summit; client to provide images)
- Final "executive summary" brochure (1,000 copies, designed and printed)
- Redesign of website (up to 18 hours of design time).

For those materials requiring printing and mailing, we are assuming that the RTPA will arrange for printing, posting and mailing.

Task 3.2.2: Provide Media Relations

The Muni Team will produce a media kit to be reproduced and printed by the RTPA as needed.

Task 3.2.3: Conduct Outreach To Local Stakeholders

The Muni Team will conduct presentations to local organizations that have an interest in the Interstate 5 Fee Program at a regularly scheduled board meeting or other agreed upon time to build on results from the other outreach efforts and further refine the educational approach, issues, and obstacles. The purpose of the presentations is to (a) gauge understanding and beliefs about I-5 service levels, (b) educate participants about I-5 service levels, growth projections (and about potential solutions, and (c) to record their feedback. The Muni Team will conduct up to six of these presentations and will provide a summary of key findings. RTPA staff, with input from the Executive Committee, TAC, and stakeholder interviewees (Task 3.1), will identify potential local organizations. We will rely on RTPA staff to schedule meeting times.

Task 3.2.4: Conduct Leadership Summit

The Muni Team will facilitate one leadership summit meeting with policymakers and participants the roundtable discussions to (a) provide a project update with the latest technical data, (b) review the input generated from all public outreach activities, (c) introduce and generate input regarding a range of funding strategy options/packages and (d) determine next steps. Additionally, the Muni Team recommends inviting a panel of executive staff and policy makers from California counties that have experienced similar issues (rural-to-urban transformations, increasing congestion that is caused by a combination of interregional and local traffic and questions of how to pay for needed improvements). These could include, for example, Kern, El Dorado and Riverside Counties. The Muni Team will work with RTPA staff to develop the summit agenda, provide electronic voting "clicker" technology at the summit for up to 150 attendees, and document meeting outcomes with a summary report. Shasta RTPA staff will coordinate meeting facilities and conduct outreach to policy makers and previous outreach participants.

Meetings: Six roundtable groups and one leadership summit.

Deliverables: Educational program materials and media press kit.

TASK 3.3 CONDUCT PROJECT AWARENESS AND OPINION ASSESSMENTS

Objective: To assess general public opinion regarding I-5 congestion and funding alternatives, and to provide an opportunity for general public education.

Description: Given that the Fix Five Partnership is considering a regional impact fee prior to a sales tax measure we advise that the project include a single awareness/opinion assessment. There are no specific improvement projects to vote on that would be funded by a sales tax, and the project does not have sufficient resources for mass communication efforts to affect opinion

The Muni Team will conduct one awareness/opinion assessment via telephone. The assessment will measure the general public's baseline understandings and opinions about I-5 service levels and the causes of congestion. We will also evaluate support for alternative funding sources for improvements including impact fees and sales taxes. The assessment will include an educational component, e.g. "If you knew that...would you be more or less likely to support...?" The results will provide valuable data for developing refined options for regional funding strategy packages, which will be presented and discussed at the leadership summit.

Meetings: None

Deliverables: None (survey results to be integrated into Task 3.4 deliverable).

TASK 3.4 CONDUCT PUBLIC WORKSHOPS

Objective: To provide an opportunity to general public input to the study.

Description: The Muni Team will facilitate four public workshops, two in Shasta County and two in Tehama County, which will be designed to (a) educate the general public about I-5 service level and growth projections, (b) educate about potential funding solution packages, and (c) facilitate their input in an interactive and meaningful way. The Muni Team will provide all workshop presentation materials and handouts. RTPA staff will coordinate meeting facilities and conduct outreach to the general public.

Meetings: Four public workshops.

Deliverables: Memorandum summarizing results of roundtable focus groups, leadership summit, and public workshops.

TASK 4 SITUATION ANALYSIS

The Muni Team will create integrated travel demand forecasting and traffic operations tools to facilitate Tasks 1, 4, 5, 6, and 9. These tools are not discreetly identified in the work element contained in the RFP; therefore, their development is described below.

TRAVEL DEMAND FORECASTING MODEL

We will utilize the updated Shasta County Travel Demand Model as the forecasting tool for the fee study. We will extend the updated model to include the Tehama County portion of the study corridor. This effort will rely upon existing data sources such as the recent Tehama County General Plan Update and the Red Bluff Travel Demand Model

The roadway network will be extended to include I-5 from the county-line to south of Corning and each interchange; local roadways will not be included. Base year and year 2030 land use for Tehama County will be obtained from the County based on their recent General Plan update. A course Traffic Analysis Zone (TAZ) structure will be defined that is detailed enough to reflect I-5 interchange traffic levels.

To enhance program defensibility and provide a high level of confidence in the traffic forecasts and benefit district assessment, we will perform a validation of the extended Shasta-Tehama model's performance related to I-5 mainline travel. Base year model volumes will be compared to existing traffic counts on up to 30 locations within the study corridor. We will document the model's performance relative to the *Travel Forecasting Guidelines* published by Caltrans in 1992.

We will augment the "static" validation described above with a "dynamic" validation of the model's ability to respond appropriately to roadway network changes such as will be the subject of the fee study. To accomplish this, we will test the model's response to individual changes in roadway network and link attributes and model assignment settings. The magnitude and direction of changes in forecasted traffic volumes will be evaluated to document the model's performance If necessary, we will recommend and execute refinements to the model; we have included up to 40 professional hours for this effort

We will develop year 2015, 2020, 2025, and 2030 travel demand forecasts with the expanded model The land use for each of the intermediate forecast years will be determined based on a straight-line interpolation between the base year and year 2030 land use data. These forecasts will be used in Task 6

Traffic Operations Analysis Tool

We will create a Microsoft Excel based traffic operations analysis tool that integrates with the travel demand model to enable a system-level analysis that identifies the benefits and consequences of widening I-5 and/or improving parallel facilities. The integrated tool will directly import travel demand forecasts from the model, calculate volume-to-capacity based LOS, identify bottlenecks, and determine generalized vehicle queue information. Capacity constraints will be identified along with their implications on downstream traffic flow and congestion. The overall result will be the ability to test individual infrastructure improvements to identify their system-wide implications. Further, the traffic operations results will enable a feedback loop into the travel demand model provide more realistic travel demand forecasts based on capacity constraints This will provide a very efficient analysis tool for infrastructure planning projects.

Task 4.1 Summarize Existing System Analyses and Planned Improvements

Objective: To make efficient use of existing traffic analysis information.

Description: We will compile, review, and summarize the Regional Transportation Plans, General Plans, Special Studies, and Interchange Studies identified on pages 10-12 of the RFP. A database of relevant information will be developed containing the following elements pertaining to I-5 throughout the 61-mile study segment: existing and future LOS; recommended I-5 mainline and interchange improvements; estimated improvement costs; and project-specific traffic growth proportions. The end result will be a summary of relevant information and graphics showing existing and future traffic operation deficiencies on I-5 along with identified mainline, interchange, and parallel facilities improvements. In addition, a corridor-wide map will be developed showing the location and a brief description of each improvement identified in past studies.

Meetings: See Tasks 2.1 and 2.2

Deliverables: Memorandum summarizing existing studies

Task 4.2 Conduct Fee Program Comparison and Analysis

Objective: To take advantage of lessons learned from other regional traffic impact fee programs in California

Description: Having worked on most of the regional traffic impact fee programs in the State we already have substantial data on these programs and the lessons learned We can provide a program comparison matrix of regional transportation programs through the state to Shasta RTPA staff developed as part of our work for the Los Angeles County Metropolitan Transportation Authority to initiate discussion on the items to be included in the matrix developed for this task. The matrix will identify the key components of the fee program that led to local agency support, and lessons learned from the adoption process.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Fee program comparison matrix.

TASK 4.3 CONDUCT SUMMARY I-5 INTERCHANGE APPRAISAL

Objective: To consider integration of interchange improvements in the financing plan.

Description: We will perform a qualitative evaluation of each interchange on I-5 within the study corridor. This qualitative evaluation will be based on information assembled in Task 4.1 and no new technical analysis will be performed. This task will consist of the following items: 1) organize a reference list of existing studies for each interchange; 2) denote the type of each interchange using generalized categories from the Caltrans Highway Design Manual; and 3) weight the need for improvements at each interchange based on documented expected deficiencies and information from the project team regarding need for improvement to facilitate I-5 mainline widening. We will obtain the approximate capital investment cost to improve each interchange from the project team. We will determine recommended next steps at each interchange.

The results of this task will be summarized in an I-5 Interchange Appraisal memorandum including a summary evaluation matrix.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: I-5 interchange appraisal technical memorandum.

TASK 5 ASSESS ALTERNATE ROUTES AND DEVELOP IMPROVEMENTS

TASK 5.1 APPRAISE ALTERNATIVE ROUTES

Objective: To evaluate the effectiveness of improvements to alternative routes.

Description: Fehr & Peers will perform a macro-level analysis of potential improvements apart from the I-5 mainline to determine if they would provide cost-effective system-wide benefits. The following corridors will be considered: 1) Airport Road / Old Oregon Trail, 2) SR 273 / Lake Boulevard, 3) a new Cottonwood Creek crossing, 4) Road 99W, 5) McCoy/Hooker Creek Road, 6) Rawson Road, and 7) connection between Jellys Ferry Road and Lake California Drive.

Each of the seven corridors will be reviewed under year 2030 conditions without improvement to determine the location and extent of potential improvement. The expanded Shasta County model will then be modified to reflect improvement of each corridor. The improvements to include for each corridor will be approved by the TAC prior to proceeding with the analysis. The model will then be re-run to create Year 2030 traffic forecasts with each of the corridor improvements individually (i.e., this task includes seven model runs). These forecasts will be fed into the traffic operations tool to determine the system-wide implications of improving each corridor. Benefit to I-5 mainline will be identified in terms of the amount of traffic diverted from I-5 and the resulting elimination of I-5 mainline improvement needs, if any.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: None.

TASK 5.2 DEVELOP SYSTEM IMPROVEMENT ALTERNATIVES

Objective: To consider integration of alternative routes in the financing plan.

Description: The results of this Task 5.1 will be documented in an alternative route analysis technical memorandum that describes feasible improvement strategies to address forecasted mainline I-5 deficiencies apart from widening the freeway mainline.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Alternative route analysis technical memorandum.

TASK 6 DEVELOP IMPROVEMENT PROGRAM

TASK 6.1 IDENTIFY IMPROVEMENT ALTERNATIVES

Objective: To identify improvement alternatives for that benefit I-5, including mainline, interchanges, and alternative routes.

Description: We will apply the integrated travel demand model and traffic operations tool to identify improvement alternatives that provide system-wide benefits. Improvement alternatives may include travel demand management strategies such as ramp metering which will be identified based upon overall corridor travel demand versus capacity; however, detailed operations analysis of ramp-specific metering is not included in this task. This task will be performed for year 2015, 2020, 2025, and 2030 conditions. For each future year, one or more improvement strategies will be identified to address mainline I-5 deficiencies. The improvement alternatives for each future year will consider structure widening needed to facilitate local roadway projects, which are identified by the Fix 5 Partnership and/or Task 4.1.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Memorandum summarizing improvement alternatives.

TASK 6.2 DEVELOP PROJECT EVALUATION CRITERIA

Objective: To develop a method for evaluating improvement alternatives

Description: We will develop and present recommended project evaluation criteria for use in evaluating and prioritizing improvement alternatives. The evaluation criteria will be presented to the TAC at one meeting Based on TAC input, the evaluation criteria will be revised and submitted to the TAC for review and approval Once approved by the TAC, the evaluation criteria will be presented to the Executive Committee for approval. We will perform one round of minor adjustments to the evaluation criteria based on feedback received from the Executive Criteria. The evaluation criteria will be submitted to the Executive Committee for final approval.

Meetings: See Tasks 2 1 and 2.2.

Deliverables: Memorandum describing project evaluation criteria and methodology.

TASK 6.3 PRIORITIZE IDENTIFIED IMPROVEMENTS

Objective: To determine the priority and phasing of improvements.

Description: We will develop a prioritized list of projects for years 2015, 2020, 2025, and 2030. The improvement strategies identified in Task 6.1 will be evaluated based upon the project evaluation criteria developed in Task 6.2. In addition, each improvement strategy will be evaluated using the Caltrans Life Cycle Benefit/Cost Analysis Model. We assume Caltrans will provide accident history information, as needed, to apply the benefit/cost model. The benefit/cost model will be applied using the underlying defaults related to accident cost, delay cost, etc. The prioritized list of projects will be fiscally constrained to total projected financing plan revenue (see Task 8). Therefore, the identified improvement programs for each future year will provide the best system-wide benefit for the infrastructure investment possible.

The results of the analysis will be a comprehensive list of improvements that are needed to mitigate planned growth in Shasta and Tehama Counties using a single, integrated system-wide travel demand forecasting and operations analysis tool.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: None.

TASK 6.4 PREPARE PROGRAM REPORT

Objective: To communicate results of the transportation planning analysis.

Description: The results of Tasks 6.1, 6.2, and 6.3 will be summarized in a draft report. The report will include the Capital Improvement Program (CIP) recommended for implementation and inclusion in the Interstate 5 Fee Program in years 2015, 2020, 2025, and 2030. The report will provide an overview of improvement alternatives, a summary of relationship to the financial plan, documentation of the project evaluation criteria and methodology, and present a condensed project evaluation matrix for each future year.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Projects Priorities Report.

TASK 7 DEVELOP COST ESTIMATES

TASK 7.1 COMPARE CURRENT YEAR PROJECT COSTS

Objective: To update project cost estimates to current year dollars.

Description: We will compile and present cost estimates for all CIP projects identified in Task 6 based on current year construction dollars, broken down by phases of project development and delivery (i.e. environmental review/mitigation, design, right of way, construction). This task will be based on preliminary work performed by Caltrans with Willdan refining and finalizing project cost estimates. We have budgeted 173 hours for the entire Task 7, anticipating little if any need to develop new cost estimates for projects that have not been specified.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: None

TASK 7.2 PROPOSE COST INDEXING APPROACH

Objective: To estimate project costs for the year in which construction will commence.

Description: We will adjust costs for all CIP projects identified in Task 6 based on proposed construction year, broken down by phases of project development and delivery (i.e. environmental review/mitigation, design, right of way, construction, etc). Appropriate cost index multiplication factors will be used to escalate the individual project costs to reflect the anticipated construction year. The results of this task will be integrated into the financial model in Task 8.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Project cost estimates and indexing technical memorandum

TASK 8 DEVELOP FINANCIAL PLAN

TASK 8.1 FORECAST EXISTING FUNDING SOURCES

Objective: To determine anticipated levels of funding from existing sources

Description: We will gather historical data on funding levels for transportation improvements from the Fix Five Partnership agencies to use as a basis for projections through 2030 in current dollars. Revenue sources will include local gas tax (the share budgeted to capital expansion projects only), plus State Transportation Improvement Plan (STIP) federal and state funding sources directed through the Shasta and Tehama regional transportation agencies.

For revenue inflation indexes we will rely on credible secondary research sources. If not available or applicable to the Shasta/Tehama area we will develop an index based on primary research of historical correlations with significant economic factors that affect revenue generation, projected to 2030 based on the most current projections for the area.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: None.

TASK 8.2 IDENTIFY AND ESTIMATE POTENTIAL SOURCES

Objective: To estimate the type and amount of potential funding sources.

Description: We will identify a comprehensive list of potential funding sources based on our experience with regional transportation funding programs around the State, and the list of improvements developed in Task 6. All revenue estimates will be to 2030 in current dollars. We will estimate sales tax revenue based on recent regional retail market analysis available to the Muni Team. We will estimates regional impact fee revenues based on Task 9 results.

We will also evaluate the potential for other sources revenue, particularly new development exactions, redevelopment tax increment, and current and future state transportation bond funds. Revenue projection will be based on the funding potential for specific projects, e.g. Oasis Road interchange funding from local sales tax and redevelopment tax increment. We will also evaluate the region's ability to be awarded funds from the State's recently passed "I-Bonds."

Meetings: See Tasks 2.1 and 2.2.

Deliverables: None.

TASK 8.3 ANALYZE FUNDING OPTIONS

Objective: To develop a financial plan based on reasonably anticipated funding sources.

Description: We will evaluate the advantages and disadvantages of all funding sources identified in subtasks 8.1 and 8.2. The primary criterion will be the probability that a source would be available for the planned improvements based on implementation requirements (State action, Council action, Prop. 218 election, etc.). Based on this analysis we will develop a financial model to projected revenues and improvement costs through 2030 in current dollars. We will likely show several financial scenarios depending on whether or not certain potential sources such as a sales tax are adopted. The model will have the capacity to integrate debt financing should that be a reasonably anticipated approach. We may adjust the initial phasing of projects identified in the CIP to the extent that debt financing or sufficient revenues are unavailable to ensure a fiscally constrained plan on an annual basis.

We will also use the tools of real estate economics to develop information for the public outreach (Task 3) and public agency action (Task 10). In particular, we will develop comparison of the overall infrastructure funding burden placed on new development over time and across jurisdictions and types of development projects. We will place the proposed impact fee in the context of this burden to communicate the relative impact of the fee program on economic development.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Financial plan model output (tables).

Task 9 Conduct Nexus Analysis

Task 9.1 Develop Zone of Benefit Map

Objective: To make the fee program more acceptable to local stakeholders by establishing zones of benefit

Description: We will design two alternative approaches to defining zones of benefit Boundaries will be based on the results of the stakeholder interviews and the "reasonable relationship" requirements of the law We anticipate the jurisdictional boundaries will be respected and not split between zones, though this is not a requirement of the fee program We will use the geographical relationship between the location of new development and the location of CIP projects to initially define the zone boundaries.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: Zone of benefit map for two alternatives.

Task 9.2 Determine Fair Share Costs

Objective: Determine new development's share of the total cost of planned improvements.

Description: We will determine the cost share allocations for each CIP project identified in Task 6. We will evaluate up to two independent zone-of-benefit scenarios as identified in Task 9.1. The proportion of traffic increase attributable to future land use growth in each zone will be identified using the expanded Shasta County model. A select-link procedure will be applied with the model to accomplish this task for each CIP project.

The impact fee will be calculated in a three-step process. First, total CIP costs will be allocated to each zone based on the percent of the growth in trips using each CIP project generated from within the zone. Impacts associated with the growth in external trips will not be allocated to the fee program. Second, we will divide the allocated cost to each zone by the number of trips generated by that zone to establish a cost per trip by zone. Third, we will multiply the cost per trip by zone by a schedule of trip generation rates by land use category to establish the fee schedule for each zone. Trip generation rates will include adjustments for pass-by trips and trip length. Consideration will also be given to the differential impacts of truck traffic.

Meetings: See Tasks 2.1 and 2.2

Deliverables: None

Task 9.3 Determine Non-Eligible Improvements

Objective: To determine the share of CIP costs that must be funded by non-fee sources.

Description: We will identify the portion of improvement costs not attributable to new development within the benefit zones First, we will determine the proportion of overall need attributable to existing deficiencies based on the results of Task 4 Second, we will determine the share of costs for each CIP project associated external trips that neither starts nor end in any zone based on the results of the select-link analysis discussed in Task 9.2. The proportion of need caused by inter-regional traffic growth will be identified based on the internal-external trip interactions identified in the Shasta County Model as augmented by the origin-destination study conducted by Caltrans in 2006.

Meetings: See Tasks 2.1 and 2.2

Deliverables: Nexus analysis memorandum.

Task 10 Develop Recommended Funding Strategy

Task 10.1 Develop Traffic Impact Fee Program

Objective: Prepare a final report that presents the results, assumptions, and methodologies used to support an I-5 corridor traffic impact fee program.

Description: We will bring together the memorandum and model results developed in prior tasks into a final report. The report will be sufficient to reference in an impact fee adoption resolution as the basis for the statutory findings required by the Mitigation Fee Act (*California Government Code* sections 66000 – 66025). The report will include a discussion of waivers, discounts, and exemptions, for projects such as low-income housing and transit-oriented development.

Meetings: See Tasks 2.1 and 2.2.

Deliverables: I-5 Corridor Traffic Impact Fee Program report.

Task 10.2 Present Impact Fee Program To Each Agency

Meetings: See Task 2.3.

Task 10.3 Prepare Notices, Ordinances, and Resolutions

Objective: Facilitate adoption of the fee program by providing official documents.

Description: We will provide an ordinance and resolution for each agency that may adopt the impact fee program (five cities and two counties). The ordinances will be drafted to appropriately amend each agency's municipal code. We will provide a draft to each agency's legal counsel for review and comment.

Meetings: See Task 2.3.

Deliverables: Notices, ordinances, and resolutions for each agency.

Proposed Budget: Shasta County RTPA Interstate 5 Fee Program Study

	Task 1 Interim Impact Fee	Task 2 Fix 5 Partnership Meetings	Task 3 Public Outreach	Task 4 Situation Analysis	Task 5 Assess Alternative Routes	Task 6 Project Evaluation & Prioritization	Task 7 Project Cost Estimates	Task 8 Financial Plan	Task 9 Nexus Analysis	Task 10 Funding Strategy & Fee Program	Total Hours	Billing Rate	Total Costs
MuniFinancial													
R. Spencer	32	260	82	2	2	2	2	8	24	40	454	$ 190	$ 86,260
J. Kay	8	280	88	4	4	4	4	24	24	64	504	110	55,440
S. Graham	-	-	-	-	-	-	-	64	-	-	64	135	8,640
C. Villarreal	40	-	-	-	-	-	-	-	64	80	184	90	16,560
Labor Hours & Costs	80	540	170	6	6	6	6	96	112	184	1,206		$ 166,900
Direct Expenses													9,850
Subtotal Firm													$ 176,750
Moore Iacofano Goltsman													
P. McLaughlin	-	56	22	-	-	-	-	-	-	-	78	$ 160	$ 12,480
N. Kays	-	75	170	-	-	-	-	-	-	-	245	110	26,950
A. Pendoley	-	-	16	-	-	-	-	-	-	-	16	110	1,760
J. Vollmer	-	6	48	-	-	-	-	-	-	-	54	155	8,370
Associate	-	18	145	-	-	-	-	-	-	-	163	85	13,855
Assistant	-	10	28	-	-	-	-	-	-	-	38	75	2,850
Art Director	-	-	26	-	-	-	-	-	-	-	26	135	3,510
Graphic Designer	-	-	180	-	-	-	-	-	-	-	180	105	18,900
Labor Hours & Costs	-	165	635	-	-	-	-	-	-	-	800		$ 88,675
Direct Expenses													51,900
Subtotal Firm													$ 140,575
Fehr & Peers													
A. Telford	4	8	-	8	6	8	-	-	-	-	34	$ 230	$ 7,820
R. Milam	-	8	-	8	-	8	-	-	-	-	24	225	5,400
D. Robinson	10	16	16	25	12	45	-	-	12	-	136	195	26,520
M. Manjarrez	20	16	16	80	35	100	-	-	20	-	287	150	43,050
Engineer	40	-	-	165	55	135	-	-	76	-	491	120	58,920
Support	-	-	-	145	58	90	-	-	20	-	313	105	32,865
Labor Hours & Costs	74	48	32	451	166	386	-	-	128	-	1,285		$ 174,575
Direct Expenses													14,600
Subtotal Firm													$ 189,175
Willdan													
M. August, P.E.	-	-	-	-	-	-	10	-	-	-	10	$ 160	$ 1,600
M. Nankervis, P.E.	-	-	-	-	-	-	24	-	-	-	24	145	3,480
J. Steffan, P.E.	-	-	-	-	-	-	40	-	-	-	40	130	5,200
Design Engineer	-	-	-	-	-	-	95	-	-	-	95	100	9,500
Clerical	-	-	-	-	-	-	4	-	-	-	4	55	220
Labor Hours & Costs	-	-	-	-	-	-	173	-	-	-	173		$ 20,000
Direct Expenses													-
Subtotal Firm													$ 20,000
Total Labor Hours & Costs	154	753	837	457	172	392	179	96	240	184	3,464		$ 450,150
Total Direct Expenses													76,350
Subtotal Base Fee													$ 526,500
Contingency (10%)													58,500
Grand Total													$ 585,000

Shasta RTPA
Proposed Project Schedule

Task *Meetings & Major Deliverables*	2007 Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008 Jan	Feb	Mar	Apr	May	Jun
1. Prepare and Present Interim Impact Fee Program																
Work plan & implementation schedule	⌘															
Interim fee program report			⌘ ◆													
2. Fix 5 Partnership Meetings																
Interim Fee Council / Board meetings (17)	◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆									
Executive Committee meetings (5)	◆				◆				◆		◆	◆				
TAC meetings (10)	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆					
Final Fee Council / Board meetings (18)												◆	◆◆◆	◆◆◆	◆◆◆	◆◆
3. Public Outreach and Information																
Educational Program Materials					⌘		⌘		⌘		⌘		⌘			
Stakeholder interviews (10) and memorandum	◆◆	◆◆◆						⌘		◆◆◆	◆◆◆					
Outreach presentations (6)							◆◆	◆◆◆	◆							
Leadership summit (1)									◆							
Public workshops (2) and memorandum											◆	◆ ⌘				
4. Situation Analysis																
I-5 interchange appraisal memorandum				⌘												
5. Assess Alternate Routes																
Alternative route memorandum					⌘											
6. Develop Improvement Program																
Program report								⌘								
7. Develop Cost Estimates																
Project cost memorandum									⌘							
8. Develop Financial Plan																
Finance model output											⌘					
9. Conduct Nexus Analysis																
Nexus analysis memorandum											⌘					
10. Develop Recommended Funding Strategy																
Final impact fee program report												⌘				

Key:
◆ = Meetings ⌘ = Deliverable