REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Correspondence		10/23/07	4-2

RECOMMENDATION
This item is for information only.

SUMMARY
Attached is correspondence signed by the Chair or deemed to be of interest to the Board.

Daniel S. Little, AICP, Executive Director

DSL/jac

Attachments:
- Letter from CALCOG regarding user based financing
- Letters (2) from RTPA regarding pending legislation about the State-Local Partnership Program
- Letter from Fix 5 Partnership to Red Bluff - Tehama County Chamber of Commerce
- Letter from RTPA to Shasta Builders Exchange

CALIFORNIA ASSOCIATION OF COUNCILS OF GOVERNMENTS

"Diversity and Unity"

September 7, 2007

Susan Binder
National Transportation Financing Commission
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

RE: Support for Federal authorization for States and their political subdivisions to establish user based financing for transportation capacity expansion particularly for freight movement.

Dear Ms. Binder,

California's metropolitan planning organizations appreciate the attention that the Commission is bringing to our significantly underfinanced transportation system. We especially want to focus additional attention on the growth in volume of vehicle trips for both the movement of people and freight which has greatly exceeded the capacity of the current transportation system. Moreover, current financing tools are inadequate to both manage the maintenance operations and rehabilitation needs of the current system and also accommodate increased demand.

The transportation agencies in California urge the Commission to include in its recommendations the establishment of broad federal enabling authority for states and their political subdivisions to be able to expand their transportation system through user based financing including but not limited to:

- New toll roads, bridges, and lanes on the Interstate System
- Imposition of broadly based container or other port fees

We also urge inclusion of broad authority for public private partnerships whereby revenue from these new fees together with fare box revenue from transit projects may be utilized to attract private investment to be combined with federal state and local public funds to finance new projects.

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1127 – 11TH Street, Suite 925 Sacramento, CA 95814 (916) 557-1170 TEL (916) 447-2350 FAX
E-MAIL: mail@calcog.org WEBSITE: www.calcog.org

This authority is especially warranted and needed in states like California where state fuel taxes have been supplemented with local voter approved sales taxes.

We hope the Commission will include these proposals in its recommendations.

Sincerely,

Rusty Selix, Executive Director
California Association of Council of Governments

Jon Clark, Executive Director
Butte County Association of Governments

Barbara Goodwin, Executive Director
Council of Fresno County Governments

Terri King, Executive Director
Kings County Association of Governments

Jesse Brown, Executive Director
Merced County Association of Governments

Mike McKeever, Executive Director
Sacramento Area Council of Governments

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Gary L. Gallegos

Gary Gallegos, Executive Director
San Diego Association of Governments

Andrew T. Chesley

Andrew Chesley, Executive Director
San Joaquin Council of Governments

Ronald L DeCarli

Ron De Carli, Executive Director
San Luis Obispo Council of Governments

Jim Kemp

Jim Kemp, Executive Director
Santa Barbara County Association of Governments

Dan Little

Dan Little, Executive Director
Shasta County Regional Transportation Planning Agency

Mark Pisano

Mark Pisano, Executive Director
Southern California Association of Governments

Vincent Harris

Vince Harris, Executive Director
Stanislaus Council of Governments

CC: Jack Wells, Chief Economist
U.S. Department of Transportation

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Shasta County
Regional Transportation Planning Agency

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Daniel S. Little, Executive Director

September 4, 2007

Assemblyman Lloyd Levine
State Capitol, Room 5136
P.O. Box 942849
Sacramento, CA 94249-0040

SUBJECT: AB 1351 – TRANSPORTATION: STATE-LOCAL PARTNERSHIPS

Dear Assemblyman Levine:

This letter is to express our support for including multi-jurisdictional traffic impact fees as eligible local funds and suggest that eligible projects be limited to state highway system mainline improvements.

SB 1351 (as amended on July 12, 2007) limits eligible local funds to "revenues from any locally imposed sales tax for transportation." However, multi-jurisdictional traffic impact fees fulfill the same regional purpose as a tax measure and serve as an important and necessary first step in becoming a self-help county.

The Shasta County RTPA has joined with nine other jurisdictions in Shasta and Tehama counties to form the "Fix 5 Partnership". The Partnership was formed in part to develop and adopt a regional traffic impact fee (TIF) program dedicated exclusively to improving mainline Interstate 5. The TIF is designed to raise almost $180 million toward improvements to Interstate 5. This is substantially more funding for I-5 than could be raised by a local sales tax measure. By designating revenue generated through multi-jurisdictional TIFs as eligible local funds toward State-Local Partnership Program, AB 1351 will strengthen the Fix 5 Partnership and its resolve at an especially critical point in time.

Multi-jurisdictional traffic impact fee programs are limited in California, so making these programs eligible would not change or otherwise "water down" AB 1351.

The Shasta County RTPA suggests that funds available through the State-Local Partnership Program should be dedicated only to improvements on the mainline state highway system. The Corridor Mobility Improvement Account funding process demonstrated that <u>funding needs far exceed funding availability. It makes sense to limit</u>

eligible projects. By limiting eligible projects to the mainline state highway system, it increases the chance that our core transportation system will receive funding.

Please contact Dan Little, Executive Director of the RTPA, if you have any questions.

Sincerely,

Norma R Comnick

Norma Comnick, Chair
Shasta County Regional Transportation
Planning Agency (MPO)
1855 Placer Street
Redding, CA 96001
530-245-5654

Copies to:
Senator Sam Aanestad
Assemblyman Doug LaMalfa
Senator Alan Lowenthal, Chairman, Senate Transportation and Housing Committee
Assemblyman Chair Pedro Nava, Chairman, Assembly Transportation Committee
Senator Tom Torlakson, Chair, Senate Appropriations Committee
Assemblyman Mark Leno, Chair, Assembly Appropriations Committee
Brian Crane, District Director, Caltrans District 2
Gary Antone, Executive Director, Tehama County RTPA
Larry Lees, CAO, Shasta County
Bill Goodwin, CAO, Tehama County
Scott Morgan, City Manager, City of Anderson
Steve Kimbrough, City Manager, City of Corning
Martin Nichols, City Manager, City of Red Bluff
Kurt Starman, City Manager, City of Redding
Carol Martin, City Manager, City of Shasta Lake

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Daniel S. Little, Executive Director

September 4, 2007

Senator Ellen Corbett
State Capitol, Room 3092
Sacramento, CA 94249-0040

SUBJECT: SB 748 – TRANSPORTATION: STATE-LOCAL PARTNERSHIPS

Dear Senator Corbett:

This letter is to express our support for including "uniform developer fees" as eligible matching funds and suggest that eligible projects be limited to state highway system mainline improvements.

The Shasta County RTPA has joined with nine other jurisdictions in Shasta and Tehama counties to form the "Fix 5 Partnership". The Partnership was formed in part to develop and adopt a regional traffic impact fee (TIF) program dedicated exclusively to improving mainline Interstate 5. The TIF is designed to raise almost $180 million toward improvements to Interstate 5. While not a local sales-tax measure (as required by AB 1351, Levine), revenue generated from this groundbreaking program will fulfill the same regional purpose as a tax measure and serve as an important and necessary first step in becoming a self-help county. By designating revenue generated through uniform developer fees or TIFs as eligible local match dollars toward SLPP funding, SB 748 will strengthen the Fix 5 Partnership and its resolve at an especially critical point in time.

The Shasta County RTPA suggests that funds available through the State-Local Partnership Program should be dedicated only to improvements on the mainline state highway system. The Corridor Mobility Improvement Account funding process demonstrated that <u>funding needs far exceed funding availability. It makes sense to limit eligible projects</u>. By limiting eligible projects to the mainline state highway system, it increases the chance that our core transportation system will receive funding.

Please contact Dan Little, Executive Director of the RTPA, if you have any questions.

Sincerely,

Norma H Comnick

Norma Comnick, Chair
Shasta County Regional Transportation
Planning Agency (MPO)
1855 Placer Street
Redding, CA 96001
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Copies to:
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Steve Kimbrough, City Manager, City of Corning
Martin Nichols, City Manager, City of Red Bluff
Kurt Starman, City Manager, City of Redding
Carol Martin, City Manager, City of Shasta Lake

fix 5 partnership

July 18, 2007

Att: Mr. Harn and Mr. Moule

Dear Red Bluff – Tehama County Chamber of Comerece:

On behalf of the Fix 5 Core Working Group we want to thank you for your efforts and expressing your concerns regarding the Fix 5 Partnership in writing. You raise a number of issues in your letter (copy attached) that may be shared by others and the below information should help clarify some misconceptions about this project. We have addressed your eleven points of concern in the same format as your letter for ease of understanding and to avoid confusion.

1. The implication of this statement is that implementation of a traffic impact fee will be a disincentive to development. While the issue of fee "burden" will be the subject of detailed study in Phase 2 of the Fix 5 report. A general observation regarding this issue can be made based on current information; for a $247,000 home (median 2005 home price in Tehama County per City-Data.com) a proposed Phase 1 fee of in the range of $1,000 to $2,000 per Equivalent Dwelling Unit (EDU) would represent less than one percent of the total purchase price. Would the fee in this case be enough to cause a significant number of potential homebuyers or businesses to choose to locate elsewhere?

2. An Environmental Impact Report (EIR) may or may not identify mitigation for impacts to mainline State highways/Interstate freeways. Subsequent project approvals by the Lead Agency (usually a city or county) may or may not require actual implementation of mitigation measures identified in an EIR. A traffic impact fee is intended to serve as "mitigation" for impacts to mainline State/Interstate facilities which avoids the need for such mitigation to be required by an EIR. Furthermore, a developer would realize a cost savings from a reduction in work activities in the preparation of the required traffic studies that support an EIR. A traffic impact fee also provides an equitable method to mitigate the traffic impacts of development projects, regardless of size or type of environmental document required.

3. The traffic projections on I-5 within Tehama County being used by the Fix 5 Partnership reflect a range of annual traffic growth rates between 2.6 and 3.1 percent. It is unclear where the "15% a year" value noted in your letter was obtained.

4. The "17.2" and 13.5" percent values cited in your letter are a result of the Origin and Destination Study conducted by a Caltrans consultant in the fall of 2006. The 12-hour count of "large vehicles" equates to 4,912 and 2,658 vehicles respectively. The 4,912 "large vehicles" traffic count was conducted at the Finnel Avenue over-crossing on I-5 just north of the City of Corning.

Traffic counts conducted at the South Avenue and Liberal Avenue interchanges in 2006 indicate that over a twelve-hour (day time) period a combined total of 1,055 five-plus axle, trucks exited I-5 southbound and 1,062, five-plus axle trucks entered I-5 northbound. When compared to the 12-hour value of 4,912 "large vehicles" identified in the Origin and Destination Study the resultant indicates that the volume of five-plus axle "large vehicles" utilizing interchanges north of these two locations is approximately half of the value of large vehicles on mainline I-5 just north of Corning (1,055+1,062/4,912 = 43%). Therefore, your statement "on any given day, the trucks using these truck stops may only represent 50% of the actual trucks on I-5" appears to be correct.

5. We have no objection to your statement. The cars and trucks associated with new residential and commercial development will be using I-5, not the developments themselves.

6. We do not have information that would support or deny your statement. However the statement seems to imply that there is no impact to roads or other infrastructure when people relocate within the State of California, which is not correct. Impacts on water, sewer, roads and other facilities occur as a result of the growth and development of all communities regardless of the "source" of the residents or businesses. Furthermore, the population of the State is projected to increase 30 % by 2020, bringing the State's total population to 44 million, which will create additional impacts above those residents or businesses choosing to relocate within the area.

7. There are indeed more cars and trucks using "our freeway systems"; a condition that supports the efforts of the Fix 5 Partnership in developing solutions to address traffic growth on I-5. The statement in your letter that "developments, per se, don't create traffic on roadways – people in cars and trucks do" may be more correctly stated as "people in cars and trucks that use developments – whether residential or commercial – add traffic on roadways." As to whether car and truck owners should be required to pay additional fees "during purchase and at registration time", that is a topic that requires discussion and recommendation by the State Legislature. However, it is important to note that the California Mitigation Fee Act (Government Code §§ 66000-66025) already authorizes local governments to impose fees on new development to address their associated impacts to the community.

8. Statement offers authors opinion. No comment offered.

9. This statement is encouraging assuming the intent is to include development's impact on State and Interstate facilities within Tehama County. The Fix 5 Partnership is committed to working with interested community groups such as the Red Bluff – Tehama County Chamber of Commerce to develop an equitable traffic impact fee program.

10. It is true that Federal and State government collects considerable resources through existing tax programs. Unfortunately, funding for transportation improvements comes primarily from taxes on motor vehicle fuel, which is a small portion of total revenues. Current Federal and State programs provide a substantial amount of funding for local transportation improvements in rural areas. Federal and State sources account for the majority of funding available for local transportation projects. The passage of Senate Bill 45 in 1998, provided some relief by designating seventy-five percent of the State Transportation Improvement Program fund allocation, administered by the California

Transportation Commission (CTC) through State established expenditure guidelines, as the regional/local agency share along with decision-making authority for ongoing project needs. In addition, State law directs that traffic impact fees may only be collected from new development based on the new impacts (or needs) associated with new development. The level of the fees must be consistent with the level of impact created; new developments cannot be assessed fees to address existing deficiencies. Therefore, the Fix 5 Partnership is not proposing to levy fees on existing development to address impacts/needs, only for impacts created by new development.

11. This statement in your letter is encouraging. The Fix 5 Partnership is committed to working with all interested community groups and members of the public to develop an equitable traffic impact fee program.

In addition, other benefits derived from this project are:

- The proposed fee is considerably lower than the maximum potential ("nexus based") fee that would be allowable under the Mitigation Fee Act. The partnership is committed to establishing the lowest fee possible that will still allow implementation of necessary improvements.
- Current State and Federal funding policies place a high priority on partnerships. Without the local funding generated by the Fix 5 Partnership, Tehama County projects will not compete well against other projects in the State where local funding programs have been established.
- Creation of a local funding program specific to mainline I-5 will allow a greater portion of State Transportation Improvement Program, Regional Improvement Program funds to be available for future interchange and local road projects.
- Without the local funding Fix 5 provides, any improvements to I-5 will not happen until well after there significant congestion. This will adversely impact the local economy as well as the quality of life for local residents.

The Fix 5 Partnership welcomes and encourages dialogue with interested parties. A solution to growing congestion on I-5 can only be accomplished when all stakeholders are involved; federal, state and local governments; businesses; developers; community organizations, and; the general public; and work together.

The Fix 5 Partnership will allow us to leverage existing state and federal funds, implement transportation improvements when needed and help to avoid the negative economic impacts caused by congestion. In addition, early action to finance I-5 improvements will result in a reduced burden to future development and public agencies in the long haul.

Sincerely,

Dan Little, Chief Executive Officer Shasta County RTPA	Gary Antone, Executive Director Tehama County TC	Tim Huckabay, Deputy Dist. Director Caltrans, District 2

Cc: Tehama County Transportation Commission
Chief Administrator, Bill Goodwin
City Manager, Martin Nichols
City Manager, Steve Kimbrough

Enclosure: June 22, 2007 Red Bluff-Tehama County Chamber of Commerce letter

www.fixfive.org

Red Bluff – Tehama County

CHAMBER OF COMMERCE

Web Page: www.redbluffchamberofcommerce.com E-mail: rbchamber@tco.net

June 22, 2007

To: Fix 5 Partnership TAC Members and Interested Parties

The "Fix 5 Partnership" has been discussed by the Board of Directors of the Red Bluff-Tehama County Chamber of Commerce. As a result of our discussion, some issues and questions were raised that will require more local input and a philosophical statement from our elected officials. Our discussions took place without a nexus study available to us.

1. Fees or Taxing the potential local growth and new development's for interstate highway improvement appears to be a de-facto "no growth" policy.

2. Any project requiring an EIR already has mitigation measures for the developer regarding its impact on roadways, including interstate highways.

3. Some of the documentation from Cal-Trans appears to be flawed, for example growth on I-5 in our project area has been over 15% a year. Tehama County's growth over the last 15 years has averaged less that one and one-half percent a year and is projected to remain at one and one-half percent or less.

4. Cal-Trans data of large truck use of 17.2 percent at the south end of the project study and 13.5 at the north end of the project is far less than the number of trucks using the North and South truck stops. On any given day, the trucks using these truck stops may only represent 50% of the actual trucks on I-5.

5. At no time will a lot or a house be moving north or south on I-5 and creating a problem; it will be the cars and trucks!

6. Growth studies of large-sized active adult communities (Del Webb, etal) show that over 80% of home purchases were made by people who already live in California.

7. At some point in time, everyone is going to view the solution, to the potential problems in our project area as well as the existing problems throughout the state, with the cause of the problem being that there are more cars and trucks using our freeway systems than these systems were originally designed for. Developments, per se, don't create traffic on roadways-people in cars and trucks do! Car and truck owners (during purchase and at registration time) should be required to pay road fees!

8. Local Cambers of Commerce dislike new taxes of any kind placed on businesses. You can call it a fee, but if it walks like a duck, looks like a duck, and talks like a duck, "it's a duck," tax or fee, it's all the same to us.

9. The Red Bluff-Tehama County Chamber of Commerce is, however, willing to work with the County to develop reasonable Development Impact Fees to pay for the real impacts developments create to our county's infrastructure and staff time.

10. The Federal and State taxing authorities already take billions of dollars through existing taxes. The amount they return to local authorities has been reduced each year for many years and now local growth is expected to pay for potential problems prior to their existence-we don't think so!

11. Concerning Development Impact Fees, as previously stated, we will work for a fee structure that protects existing taxpayers in Tehama County and will work equally diligently to create a new paradigm for making I-5 safer and less congested, rather than just, fee/tax, the real estate of the future people who may move to Tehama County.

If you have any comments or questions, please contact us.

Jay Harn
Jay Harn, President
Red Bluff Tehama County
Chamber of Commerce
527-2151

Bill Moule
Bill Moule, Chair
Chamber Local Government
Services Committee
529-0260

Shasta County
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Daniel S. Little, Executive Officer

October 3, 2007 RSP 020025

Keith Hunting, Chairman
Shasta Builders Exchange
2990 Innsbruck Drive
Redding, CA 96003

Subject: Fix 5 Partnership

Dear Mr. Hunting:

We received your letter to local elected officials regarding Shasta Builders' Exchange (SBE) opposition to the Fix 5 Partnership (Partnership) traffic impact fee. Despite SBE's position, we are encouraged by the willingness of the Board and Director Kent Dagg to engage Partnership staff on this critical issue.

It is apparent that SBE acknowledges the long-term need to widen Interstate 5 to six lanes, the lack of proper state and federal funding to get the job done, and the negative economic and growth implications if we ignore the issue. Not surprisingly, the only area of disagreement is, "Who pays?"

Your letter incorrectly states that the cost to improve Interstate 5 will be borne by new development only and this is the premise of your opposition. This statement is false and misleading to our policy-makers. We are compelled to respond.

Within the two-county area, the project will cost a total of $546 million. As proposed, $366 million will come through leveraging existing state and federal revenues. This means that existing taxpayers - residents, businesses, visitors and the trucking industry - will pay 67% of the project costs. New development will pay $180 million (33%) which is far less than the legally allowed share under the Mitigation Fee Act and the California Environmental Quality Act.

The Partnership's proposed funding plan seeks a balanced approach between existing transportation revenues and future needs attributable to growth. Our policy-makers hear both sides of the argument: On one hand, existing residents argue that they have already paid for Interstate 5. If not for new development, further improvements would not be needed. Why should existing residents pay new developments' legal fair share? On the other hand, the development community argues that we all benefit from growth so we should all pay. We understand both arguments and this is why the Partnership has looked for middle-ground. Middle-ground, however, implies compromise and few are willing to bend when it comes to paying taxes or fees.

This is a large-scale, multi-jurisdictional problem. There is no painless solution. We all want to enjoy the benefits of a free-flowing Interstate that encourages growth, but we want it all with a no-cost solution. Gas tax? Sales tax? Traffic mitigation fees? Propose one and someone will suggest the other. The Partnership has considered a mix of revenue sources that best matches the cost burden to those who will benefit from the improvements.

The Partnership views the financing of Interstate 5 the same as financing a sewer trunk line or a water main. They are the vital arteries to a larger system needed to ensure continued growth. There is a perception, however, that because Interstate 5 is maintained by the state, new development is somehow immune from paying fees even though the same types of fees are routinely paid when growth outpaces sewer, water, or local road capacity. We have long enjoyed Interstate 5's economic benefits, convenience and efficiency; it is now time to develop a fair and equitable funding plan to maintain this community asset before it becomes a liability.

In the sixties, we were fortunate enough to get state and federal agencies to build this "cash cow" through our town. Our local economy and people continue to reap the rewards. Once we milk it dry, however, it will be hard to find a sympathetic ear in Sacramento or Washington, D.C. when we demand more of the same to support local growth. The only way to get their attention is through partnerships and demonstration of a willingness to help ourselves through payment of a fair share.

It's in all of our interest to keep Interstate 5 flowing. This can only be achieved by working together.

Thank you again for your participation in the Partnership.

Very truly yours,

Daniel S. Little, AICP, Executive Director
Shasta County Regional Transportation
Planning Agency (MPO)

DSL/jac

cc: Kent Dagg, Shasta Builders Exchange