



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 10/15/2013  
Agenda Placement: 9F  
Set Time: 11:20 AM PUBLIC HEARING  
Estimated Report Time: 15 Minutes

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Lederer, Steven - Director of Public Works  
Public Works

**REPORT BY:** Patt Throne, Senior Engineering Aide - 259-6719

**SUBJECT:** Annual Review and Fee Adjustment of the Traffic Mitigation Fee Program for the Airport Industrial Area

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### **RECOMMENDATION**

Director of Public Works requests the following actions with respect to the Airport Industrial Area Traffic Mitigation Fee program:

1. Open a Public Hearing for discussion of:
  - a. Annual report on the Traffic Mitigation Fee program; and
  - b. Recommendation to maintain Traffic Mitigation Fee at current \$3,551 per afternoon peak hour vehicle trip level.
2. Close the Public Hearing and adopt the resolution making Government Code Section 66006 findings with respect to the mitigation program for the Fiscal Year 2013-2014.

### **EXECUTIVE SUMMARY**

The Airport Industrial Area Specific Plan (AIASP) was adopted by the Board of Supervisors on July 29, 1986, to provide for the orderly development of the area around Napa County Airport. The Road Improvement Program and Development Fee Schedule was adopted by Resolution in December 1990 to fund the Specific Plan area's share of road improvements to accommodate the additional traffic generated by new development.

California Government Code Section 66001 requires local government agencies to make certain findings regarding the collection and expenditure of the development fees every five years. Since the previous update, the County retained a consultant to review the analysis which had been performed at the time of the original development of the TMF. The result of this review is a "fine-tuning" of the improvement recommendations which form the Capital Improvement Plan itself.

Since the preparation of the last update, costs of road construction have been affected by the decline in the general economy, increasing costs of petroleum products, and expanded requirements for environmental permits, such as stormwater quality features. In addition, the analysis performed by the consultant modified various elements of the study recommendations, including the definition of improvements at various intersections, and specific shares attributable to development in the AIASP for each improvement. The net effect of all these changes is very little change in the calculated fee which should be charged for each PM peak hour trip. As a result, staff recommends making no change in the amount currently charged to new development under this program.

### PROCEDURAL REQUIREMENTS

1. Open Public Hearing.
2. Staff reports.
3. Public comment.
4. Close Public Hearing.
5. Motion, second, discussion and vote on the item.

### FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Revenue is held in trust in the Mitigation Special Revenue Fund - Airport Industrial Area. This revenue is transferred to the Roads budget when projects with a nexus to this Special Revenue Fund are budgeted for implementation.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	Projects which are planned to be constructed with these funds include the extension of Devlin Road and the installation of traffic signals and other improvements at several local intersections. The funds are also scheduled to be used to pay for the AIASP area's share of future improvements to the State Highway 12/29 and 29/221 intersections.
Consequences if not approved:	The Traffic Mitigation Fee program will not be in compliance with the requirements of the Mitigation Fee Act, which could jeopardize the ability to provide the circulation system improvements necessary to serve potential future development in this planned growth area of the county. Individual development projects would be required to perform more substantial traffic impact analyses, and could potentially be required to directly construct costly circulation improvements, potentially limiting economic development and job growth in the area.

Additional Information:

### ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: General Rule. It can be seen with certainty that there is no possibility the

proposed action may have a significant effect on the environment and therefore CEQA is not applicable. [See: Guidelines for the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3).]

## **BACKGROUND AND DISCUSSION**

This item is specifically exempt from the voting requirements of Article XIIC of the California Constitution because it is a charge imposed as a condition of property development. (Planning, CEQA, building permit fees, construction permits, development impact fees, mitigation fees.)

On July 29, 1986, the Board of Supervisors adopted the Airport Industrial Area Specific Plan and Environmental Impact Report. Attachment E to this Staff Report depicts the area covered by this plan. The Specific Plan recommended the development of a mechanism for sharing the costs of needed road improvements among all development within its planning area.

Significant road improvements identified in the Specific Plan include interchanges at Highway 12/29/Airport Boulevard and Highway 29/221/Soscol Ferry Road. For both of these, a small portion is attributable to development within the Specific Plan area, and therefore included in the calculation of the fees. Other improvements include the completion of Devlin Road through the planning area, traffic signals at three intersections, bridges at two creek crossings, and one railroad crossing.

On December 7, 1990, the Board adopted a Resolution establishing the Traffic Mitigation Fee (TMF), which has been used since that time as that cost-sharing mechanism. The fee was established under the authority of Section 66000 *et seq.* of the Government Code, the Mitigation Fee Act, which had been recently adopted by the State Legislature for this purpose. A requirement of the Mitigation Fee Act is that the capital improvements program be kept updated, along with information regarding the financial status of the program. The most recent update was adopted by your Board on September 9, 2008. Attachment A to this Staff Report is a Resolution which implements the 2013-14 update, making the required Government Code findings.

Attached to the Resolution are three Exhibits which present information about the Traffic Mitigation Fee (TMF):

- Exhibit 1 – required Government Code findings, including information about the collection and expenditure of the fees since the last update
- Exhibit 2 – updated status of the various capital improvements planned
- Exhibit 3 – details about the recommended intersection improvements

### **A. Development Activity in the Specific Plan Area**

Within the Specific Plan area, the following developments have been constructed (and fees collected) since the last TMF Update:

- New construction: 269,610 square feet
- Tenant improvements: 100,291 square feet

Additionally, there are several land development projects approved or under construction. These include:

#### **Napa Commerce Center:**

- 4 office buildings – 98,136 square feet

- 3 warehouse buildings – 385,335 square feet
- gas station/convenience market – 4,621 square feet

Safe Harbor 2:

- warehouse/wine storage – 61,879 square feet

Other land development applications which are pending include:

- Rombauer Vineyards: winery – 130,000 square feet
- E&P Properties: light industrial/warehouse: 103,410 square feet

**B. Financial Status of Program**

The following table depicts the status of the TMF fund between July 1, 2008 and June 30, 2013:

Beginning Balance	\$2,356,185.50
Receipts	\$679,970.25
Interest earned	\$333,304.59
Expenses*	\$2,226,316.37
Ending Balance**	\$1,143,143.97

\*Of the total expenses \$93,000.69 represents the amount collected for American Canyon TMF and were transferred to a separate budget unit when American Canyon annexed the properties. \$1,220,000 represents funds transferred to the Devlin Road CFD as a loan for the Devlin Road Segment C project.

\*\*A portion of the balance has been encumbered for the construction of Devlin Road Segment C, although it has not been expended yet.

More details about the financial history of the TMF are included in Exhibit 1 to the Resolution (Attachment B to this Staff Report).

**C. Capital improvements constructed since last update**

In April 2011, the Board of Supervisors established as one of its priorities the goal of stimulating economic development in the Airport Industrial Area. The Board convened a Blue Ribbon Committee to evaluate ways in which development in the area could be accelerated, with the goal of fostering job growth. Among the top recommendations was to advance completion of the unbuilt segments of Devlin Road, which have been included in the TMF Capital Improvement Plan since its inception. Identifiers have been developed for the various segments of Devlin, from north to south, and are depicted in Attachment F to this Staff Report. The County has primary responsibility for construction of Segments “C” and “E” per the terms of the 2008 Urban Limit Line Agreement with the City of American Canyon.

In Summer 2013, the County began construction of Segment C, extending from Airport Boulevard to the former alignment of Aviation Way. At the latter point, the road will connect with the existing half-width Segment “D” which continues to Airpark Road. The developer of the property adjoining Segment D has the responsibility to complete its construction under the provisions of a Deferred Improvement Agreement, and staff is working with that party to ensure a coordination of effort so that both segments can be completed by the end of 2013.

The County is also advancing the construction of Segment “E” by completing the design, environmental determination and necessary right-of-way acquisition. In this way, the project will be “shovel-ready” and can be

built by 2018, as required by the above-noted agreement with American Canyon.

In addition, Devlin Road Segment "G" was constructed since the last update, by the developer of the property known as Headwaters. This segment extends south from South Kelly Road, to a crossing of Union Pacific Railroad tracks, to the Headwaters property. Development of the unincorporated site was approved by the County, but the property has since annexed to the City of American Canyon.

#### **D. Revisions to Capital Improvement Plan**

Since the previous update, the County retained a consultant to review the analysis which had been performed at the time of the original development of the TMF. The result of this review is a "fine-tuning" of the improvement recommendations which form the Capital Improvement Plan itself. Exhibit 2 (Attachment C to this Staff Report) presents the updated CIP, and provides the status of each improvement project listed. Exhibit 3 (Attachment D) provides additional details about the improvements recommended at the intersections in the area.

#### **E. Adjustment of the Traffic Mitigation Fee**

Since the preparation of the last update, costs of road construction have been affected by various factors:

- The decline in the general economy has resulted in lower bids from construction contractors
- Increasing costs of petroleum products have resulted in higher costs of materials used in building roads
- Expanded requirements for environmental permits, such as stormwater quality features, have resulted in increased costs for building roads

In addition, the analysis performed by the consultant modified various elements of the study recommendations:

- Fine-tuned the definition of improvements at various intersections
- Calculated specific shares attributable to development in the AIASP for each improvement

The net effect of all these changes is very little change in the calculated fee which should be charged for each PM peak hour trip. As a result, staff recommends making no change in the amount currently charged to new development under this program.

#### **SUPPORTING DOCUMENTS**

- A . Resolution Making Government Code Findings
- B . Exhibit 1 - Report
- C . Exhibit 2 - CIP Update
- D . Exhibit 3 - Intersection Details
- E . Specific Plan Area Map
- F . Devlin Road Extension Map

CEO Recommendation: Approve

Reviewed By: Molly Rattigan