

# Regional Development Impact Fee Joint Powers Agency

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## *Regional Fee Implementation Guidelines*

Adopted August 27, 2008 | Updated October 28, 2009

## **CHAPTER 1 - EXECUTIVE SUMMARY**

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### **Introduction and Background**

In 2006, the Transportation Agency for Monterey County (TAMC) initiated an update to the Regional Development Impact Fee program. A complete analysis was performed for the update beginning with a review of the regional network utilizing the latest version of the Association of Monterey Bay Area Government's Regional Travel Demand Model, and culminating with the proposal of new development impact fees by land use type, segmented into four zones. As a result of this effort, the Regional Impact Fee Nexus Study Update (Kimley-Horn & Associates, March 26, 2008) was finalized and approved by the Transportation Agency Board of Directors. This "Nexus Study" provides the necessary technical and legal basis under the California Environmental Quality Act for implementing the updated Regional Development Impact Fee program as mitigation for cumulative impacts to the regional transportation system.

The regional fee program collects impact fees from new development located in participating cities and unincorporated communities throughout Monterey County and is expected to generate revenues totaling approximately \$328 million (in 2007 dollars). The fee revenues are combined with other Federal, State, and local funding sources to program approximately \$1.18 billion towards 17 regionally-significant capital improvement projects evaluated in the Nexus Study, listed as follows:

1. State Route 1 – Sand City / Seaside Widening
2. State Route 68 – Community Hospital of Monterey Peninsula (CHOMP) Widening
3. State Route 156 Widening
4. Marina – Salinas Corridor Widening
5. Del Monte – Lighthouse Corridor Improvements
6. US 101 – San Juan Road Interchange
7. US 101 – South County Frontage Roads
8. Westside Bypass (City of Salinas)
9. State Route 68 Commuter Improvements
10. Harris Road / Eastside Connector (City of Salinas)
11. County Road G-12 South Widening
12. County Road G-12 North Widening
13. US 101 – Gloria Road Interchange (City of Gonzales)
14. US 101 – South Soledad Interchange (City of Soledad)
15. US 101 – North Soledad Interchange (City of Soledad)
16. US 101 – Walnut Avenue Interchange (City of Greenfield)
17. US 101 – First Street Interchange Extension (City of King City)

## Benefit Zones

As explained in the Nexus Study, the regional fee program segments the County into four benefit zones for fee computation purposes: North County, Greater Salinas, Peninsula/South Coast, and South County. The total fee is distributed over all new development in each zone. Generally, the fee rates are dependent on the number of additional vehicle trips from new development and the cost of the transportation improvement projects.

The boundaries of the fee program’s benefit zones are aggregated from the County of Monterey’s Planning and Coastal Plan Areas (see Table 1). Figure 1 provides a map of the boundary lines for the 4-zone system and the participants in the regional fee program are categorized under the zones as shown in Table 2.

**Table 1: Regional Fee Program Zones & County Planning Areas**

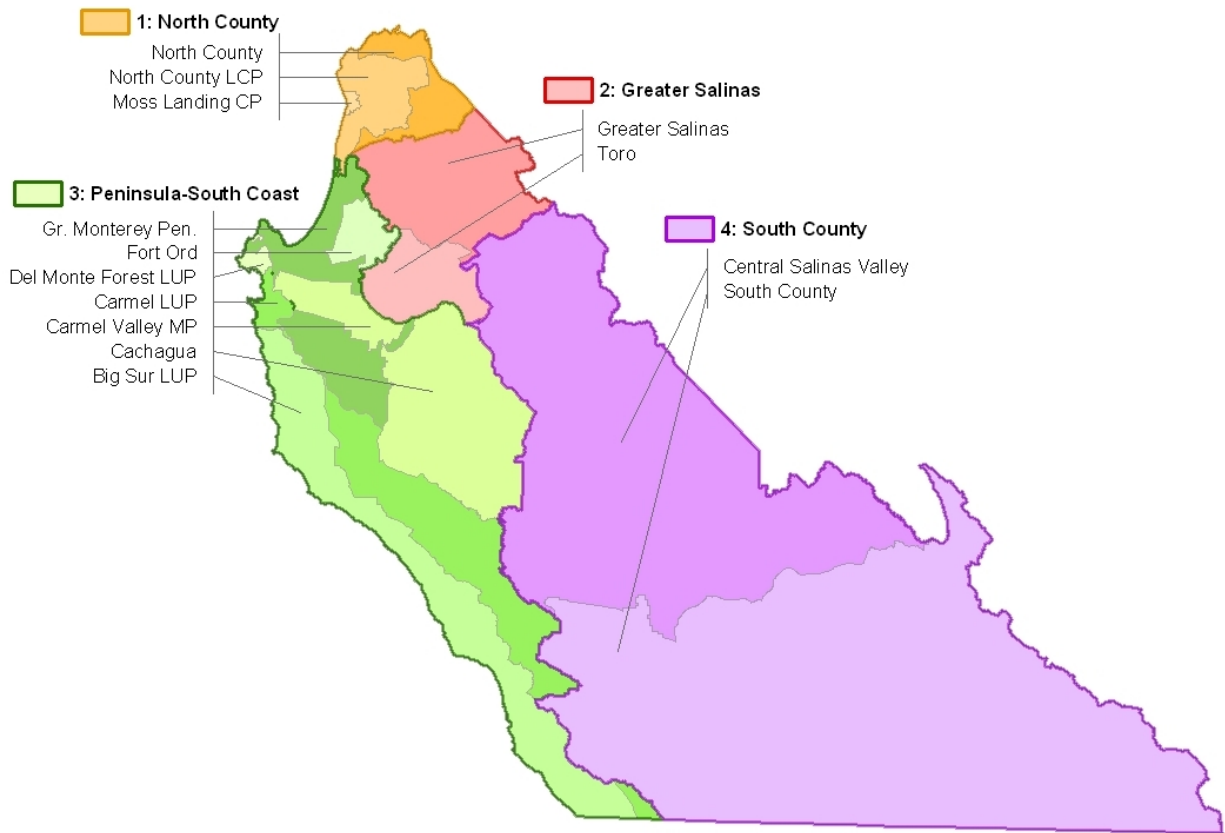
#	ZONE	PLANNING AREA	COASTAL PLAN AREA
1	North County	North County	Moss Landing Community Plan North County LCP
2	Greater Salinas	Greater Salinas Toro	
3	Peninsula / South Coast	Greater Monterey Peninsula Cachagua	Del Monte Forest LUP Carmel LUP Big Sur LCP & Land Use Plan
4	South County	Central Salinas Valley South County	

**Table 2: Local Agency by Benefit Zone**

LOCAL AGENCY	BENEFIT ZONE
City of Carmel-by-the-Sea	Zone 3: Peninsula / South Coast
City of Del Rey Oaks	Zone 3: Peninsula / South Coast
City of Gonzales	Zone 4: South County
City of Greenfield*	Zone 4: South County
City of King City	Zone 4: South County
City of Marina	Zone 3: Peninsula / South Coast
City of Monterey	Zone 3: Peninsula / South Coast
City of Pacific Grove	Zone 3: Peninsula / South Coast
City of Salinas	Zone 2: Greater Salinas
City of Sand City	Zone 3: Peninsula / South Coast
City of Seaside	Zone 3: Peninsula / South Coast
City of Soledad*	Zone 4: South County
Monterey County	Dependent on development project location

\*Adoption expected by September 2008

Figure 1: Benefit Zone Map



Each participating local jurisdiction will use the applicable fee rates for their respective zone as a starting point for the calculations. A credit against the regional fee is available for development projects that contribute towards a local fee program that funds an improvement project from the regional fee program (or constructs a portion of the project themselves). The procedures outlined in this document are intended to be used as a general guide only and further discussion between the local agency and Transportation Agency staff may be necessary to review and finalize the regional impact fee calculations to the satisfaction of all parties.

## Purpose of the Fee Implementation Guidelines

The purpose of this document is to serve as a guiding handbook that local agencies participating in the regional fee program can refer to in order to develop a computation of the fee for new development projects. This document intends to provide a practical guide to help calculate the actual regional fee amount that specific development projects would be responsible for, using the adopted fee schedules, Transportation Agency policies and other associated documents. This guideline document, in itself, does not represent a policy document. This document incorporates (by reference or practice) the results from the Nexus Study, the terms established by the Joint Powers Agreement between the Transportation Agency and all participating agencies, the general impact fee administration guidelines suggested by the American Planning Association, and regional impact fee implementation policies and practices used by other regional and metropolitan planning organizations throughout the State.

## CHAPTER 2 - FEE COLLECTION PROCESS

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The regional fee administration process involves the following two key stages.

**Stage 1** – Fee Calculation and Collection by local agency from the developer

**Stage 2** – Fee Remittance by local agency to the Transportation Agency

Per the Joint Powers Agreement, the Transportation Agency will be the “lead agency” in the final determination of the regional fee, but the responsible local agency where the proposed development project is located and processed will initiate the fee calculation process.

### Stage 1 – Fee Calculation & Collection Procedure

This stage involves calculation of regional fee obligations for development projects by the local agency staff as part of the development and review process (see Appendices E and F for Fee Computation Flowchart and Worksheet).

Preliminary Processing by Local Agency: The local agency’s front-counter staff receives and reviews the proposed development project application. Subsequently, the local agency’s Development Services, Planning and Public Works staff initiates a Planning, Environmental and Design review of the proposed development project. As part of this process, the local agency staff determines if a project-specific traffic impact study is necessary for the proposed development project. The local agency may use their General Plan policy requirements and guidelines independently to determine if a traffic study is required for the submitted project application. If a traffic study is in fact required for the proposed development project, then the following fee calculation steps may be deferred until a final traffic impact study, certified by a licensed engineer, is approved and accepted by all concerned parties.

#### Step 1 – Identify the Benefit Zone

For development projects located in unincorporated portions of Monterey County, local agency staff would refer to the benefit zone map to identify which zone the development falls within. For all other development projects located within a participating city, the zone selected for the fee calculation is specific to the city (see Table 2 above) and would not vary by project.

» **Go to Step 2**

#### Step 2 – Identify the Land Use Type

There are three ways to identify the land use type to be used to calculate the fee:

Broad Land Use Types: First, local agency staff reviews and categorizes the proposed project’s land use types under one or more of the broad land use categories listed under the regional impact fee schedule (included as Appendix A) relative to the benefit zone the local agency or

development falls within. This is the fee schedule as originally presented in the Nexus Study and represents the simplest fee rate table that may be used.

» [Go to Step 3a](#)

Specific Land Use Types: If an applicant chooses that the regional fee calculation should be categorized by a more specific land use type, based on land uses defined by the Institute of Transportation Engineers, then the expanded fee schedule ( Appendix B) should be used.

» [Go to Step 3b](#)

Custom Trip Rate: For unique development projects that do not fit into one of the listed land use categories, expansion of existing uses resulting in more vehicle trips, or intensification of land uses, a traffic impact study prepared by a licensed traffic engineer should be prepared and submitted. A limited traffic study (that focuses on trip generation analysis only) may be sufficient in certain cases. Refer to the project's approved traffic impact study for an estimate of project-generated weekday average daily trips (only consider new trips generated by the project, not existing trips from existing uses).

» [Go to Step 3c](#)

### Step 3 – Calculate the Base Regional Fee

The regional fee estimate developed in *Step 3* is referred to as “F1”. Based on the method selected to identify the land use type in *Step 2*, choose the appropriate method below to calculate the base regional fee:

- a) Fee Calculation by Broad Land Use Type: Multiply the project's land use quantities (i.e. 100 single-family dwelling units) from *Step 2a* by the corresponding fee rates (from Appendix A) to develop a preliminary estimate of the project's regional fee contribution.

Example: A 100-unit single-family residential subdivision in the City of Salinas

- \$4,113 (per dwelling unit fee for “Greater Salinas” zone) x 100 units = \$411,300

» [Go to Step 4](#)

Fee Calculation by Specific Land Use Type: Multiply the project's land use quantities (i.e. 2,000 square feet of Specialty Retail) from *Step 2b* by the corresponding fee rates from the expanded fee schedule (Appendix B) to develop a preliminary estimate of the project's regional fee contribution.

Example: A 200,000 square-foot “home improvement superstore” in the City of Greenfield

- \$4.951 (per square foot for “South County” zone) x 200,000 square feet = \$990,200

» [Go to Step 4](#)

Fee Calculation by Trips: Multiply the estimated number of project-generated weekday average daily trips (from *Step 2c* or the traffic study) by the “fee per trip” (shown in

Appendix C) to develop a preliminary estimate of the project's regional fee contribution. Further discussion between applicant and permit staff may be necessary to obtain an interpretation of the project's proposed land uses or trips, so that an appropriate fee rate can be looked up for the land use(s) in question.

Example: A retail center in the City of Monterey is estimated to generate 5,000 daily trips

- \$375 (per trip fee for the "Peninsula/South Coast" zone) x 5,000 trips = \$1,875,000

» [Go to Step 4](#)

#### **Step 4 – Adjust Base Fee for Available Discounts**

If the local agency is already collecting development impact fees towards improvement projects included in the regional fee program, then development projects in such jurisdictions would be eligible for a discount against the regional fee. Currently, this would apply to the cities of Salinas, Marina, Gonzales, Soledad, Greenfield, and King City. The appropriate percentage discount, as shown in the regional fee credit table (see Appendix D), should be used to compute the discounted fee amount.

Apply Discount for Local Impact Fees: Multiply the fee estimate (**F1**) by the percentage discount (from Appendix D) to compute a discounted fee estimate for contributions made to local impact fee programs (referred to as "**F2**").

» [Go to Step 5](#)

#### **Step 5 – Adjust the Fee for Available Credits**

The Transportation Agency may provide fee credits to developers who dedicate land or construct regional facilities that are funded through the regional fee program. The allowable fee credits will be based on the terms contained in the Joint Powers Agreement. Fee credits may be provided up to the cost of the improvement included in the regional fee program, subject to annual inflation adjustments, or the actual cost paid by the developer.

The Transportation Agency will determine if the proposed development project is eligible for credits if the project applicant funds regional improvements included in the fee program, directly constructs the improvement, or dedicates right-of-way towards the improvement. This step is not likely to occur often and if this credit is available to the development project, the Transportation Agency will supply the local agency with the value of the credit to be applied.

Apply Credits for Regional Improvements: Further discount **F2** to account for applicable fee credits, supplied by the Transportation Agency, and compute a final regional fee estimate, referred to as "**F3**".

» [Go to Step 6](#)

#### **Step 6 – Payment of the Regional Fee**

The development project pays the final regional fee amount (**F3**) to the local agency. This regional fee estimate is separate from any development impact fee that the local agency may be collecting as part of their locally-funded capital improvement fee programs. No additional regional impact fee obligations are necessary. According to American Planning Association’s Policy Guide on Impact Fees, the *“Impact fee payments are typically required to be made as a condition of approval of the development, either at the time the building or occupancy permit is issued.”* The local agency shall condition project approval on the payment of the final regional fee amount (**F3**). Payment of the fee shall be at building permit stage, or at such a time to be consistent with each individual jurisdiction’s standard fee collection process.

## Stage 2 – Fee Remittance to the Transportation Agency

The local agency will collect regional development impact fees on a project by project basis, as and when projects apply for building permits. The collected regional fee revenues by the local agency will be deposited into a separate fee account maintained by the local agency. One hundred percent of the regional fees collected by the local agency will then be remitted to a fund established at the County of Monterey by the Transportation Agency no later than the 10<sup>th</sup> business day of each month, plus any interest earned during the prior month (interest shall be paid no later than the 1<sup>st</sup> day of each calendar quarter). At the same time, the local agency should also provide the Transportation Agency with a report of the fees that are being transmitted to the account, including the project name, land use type and number of units, and the amount of fees collected for each development project.

The local agencies may elect to collect a surcharge on top of the final fee amount to cover any administration expenses that are incurred from the collection and administration of the fee program. The terms of the Joint Powers Agreement govern all fee-related transactions between the Transportation Agency (acting as administrator for the Joint Powers Agency) and the local agency.

When transferring fee revenues and interest from the local agency to the regional fee fund, the local agency should direct the transfer to “Fund 685” and the corresponding Account (Table 3).

**Table 3: Account for Local Agencies**

ACCOUNT	LOCAL AGENCY	ACCOUNT	LOCAL AGENCY
2491	County of Monterey (Zone 1)	2345	City of King City
2492	County of Monterey (Zone 2)	2346	City of Marina
2493	County of Monterey (Zone 3)	2347	City of Monterey
2494	County of Monterey (Zone 4)	2348	City of Pacific Grove
2341	City of Carmel	2349	City of Salinas
2342	City of Del Rey Oaks	2350	City of Sand City
2343	City of Gonzales	2351	City of Seaside
2344	City of Greenfield	2352	City of Soledad

## CHAPTER 3 – APPEAL PROCEDURES

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The regional impact fee estimates as applied to a development project, may be appealed if:

- The project applicant believes that the proposed project is unique and does not conform to the land uses listed in the adopted fee rate schedules (Appendix **A**, **B**, and **C**); or
- The project applicant seeks further reduction of the regional impact fee estimates.

A project-specific traffic impact study is required as part of the appeal procedure. A limited study, that focuses on project trip generation analysis only, may be sufficient in certain cases where only the applicable fee rates for the proposed project land uses are in question. For appeals that involve all other issues or concerns, a full study is generally necessary.

If the trip generation rates are in question, then as part of the traffic study, a trip generation study of similar sites must be conducted by a registered traffic engineer. In consultation with the Transportation Agency, the study method must be approved in advance by the local agency (and other affected agencies). Prior to conducting a trip generation study, the consultant must meet with the local agency traffic engineer to discuss if it is appropriate to have a separate trip rate for the particular land use in question, and if so, how the trip generation study is to be conducted. The methodology must be approved by the traffic engineer in advance of the trip generation study. A study of several sites is typically required for the trip generation study, with a minimum of four study sites are desired. All study sites and procedures must be approved by the traffic engineer in advance. The studies will require a twenty-four-hour machine count at each driveway site for a minimum of two days. Additional days, or specific days of the week, may be required depending on the land use being studied. Once the sites and the procedures have been approved, the data collection may begin. The completed field count data must be submitted to the traffic engineer with a summary of the proposed trip generation rate for the studied land use. This data should be supplemented with an explanation of why the proposed trip generation rate should be used instead of the adopted fee rates. The local agency traffic engineer, the Transportation Agency, and any other affected agency, will review and comment on the trip generation study. The Permit Center Manager will be notified by the traffic engineer when a new rate is approved for the studied land use.

Applicants who believe that their project has been placed in a category that is not appropriate for the intended use may appeal to the Permit Center Manager, the Development Services Department Director, Transportation Agency staff, and the Joint Powers Agency Board, in that order. Transportation Agency staff is authorized to approve or disallow appeals. The decision by the Transportation Agency staff may be appealed to the Joint Powers Agency Board, which has the final authority in ruling on impact fee disputes.

Applicants may proceed with building permits with full payment of the regional fee and receive a refund upon successful appeal. The applicant may appeal the fees without payment; however, building permits will not be issued until the appeal process has been completed.



## **CHAPTER 4 – WORKSHEETS FOR FEE CALCULATION**

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In order to help local agency staff better understand and practically implement the regional fee calculation procedures, the following two illustrations are provided.

Procedure Flowchart – The procedure flowchart, shown in Appendix E, conceptually illustrates the sequence by which the regional fee calculation steps should be undertaken as described in *Chapter 2* of this document.

Fee Calculation Worksheets – The regional fee calculation worksheets 1 through 3 are illustrated in Appendix F. These worksheets will guide the user through the regional fee calculations for a specific development project.

## CHAPTER 5 – FREQUENTLY ASKED QUESTIONS

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This section provides a few anticipated Frequently Asked Questions. This discussion is not intended to be exhaustive or provide complete responses to anticipated questions, but is a sampling of basic questions and responses. Applicants should contact the Transportation Agency for further clarification or explanation on any of their questions or concerns.

Question #1: Which agency determines the annual level of the regional impact fee?

- Joint Powers Agency Board, as administered by the Transportation Agency

Question #2: Which agency collects the regional development impact fee?

- The local agency, i.e. the city or County where the project is located and processed.

Question #3: How should the regional fees be determined on a mixed-use development?

- The fees should be calculated using the rates for each use included in the development, and then tallying up for a total fee. Alternatively, a traffic study can be completed to determine the number of weekday average daily trips, with the fees calculated in accordance with *Chapter 2, Step 3c*.

Question #4: How does a project receive credits for public improvements constructed or right-of-way dedicated?

- Transportation Agency staff will review and determine if those improvements or dedications can be credited against regional improvements included in the regional fee program. If so, then a credit will be given to the project applicant for up to the portion of the estimated costs of the improvements as included in the fee program. Note that developer-constructed improvements that can be credited against local impact fees may or may not be eligible for credit against regional impact fees.

Question #5: Are regional development impact fees separate from local impact fees?

- Yes, the regional fee is separate from any local impact fee that a local agency may collect. However, the regional fee will be proportionately discounted to account for any fees collected by a local agency that fund regional improvements included in the regional fee program.

Question #6: What is the appeal process for the regional fee program?

- *Chapter 3* of this document outlines the fee appeal process.

Question #7: What projects are responsible for payment of the regional fee?

- All new development projects are obligated to pay for their fair-share of regional impacts, as determined in the Nexus Study. Should a project applicant contend that the development project does not significantly impact regional facilities as determined in the Nexus Study, then a fee appeal process may be initiated, which requires the

preparation of a project-specific traffic impact study. The study will establish the nature, extent and significance of regional impacts attributable to the project. Further supporting information, such as market and economic studies, may also be requested from the applicant. Adjustments to the amount of regional fees required of the development project may or may not be made, based on resolution of the appeal process to the satisfaction of all concerned agencies.

**Question #8:** How are affordable housing developments addressed in the fee program?

- Below-market residential developments (moderate and low income) are likely to provide fewer vehicle trips than standard residential. Affordable housing units located within a ½-mile radius of transit or dial-a-ride service routes are assigned a lower trip rate than market rate developments (see Appendix B). Regional fees are derived from the number of trips that a development generates, so assigning a lower trip rate for affordable housing will effectively lower the total amount of fees for this type of development and better represent the smaller impact that it is expected to have. This approach is also California Environmental Quality Act-compliant. To qualify as moderate and low income units, the maximum unit prices must meet those set annually by the state Department of Housing and Urban Development for housing affordability in Monterey County.

**Question #9:** How often is the regional fee schedule updated?

- The Transportation Agency will complete an annual adjustment to reflect revised facility standards, receipt of additional funding from alternative sources (i.e., state or federal grants), revised replacement costs, or changes in demographics or amendments to the County or local agency General Plan land use plans. In addition to such periodic adjustments, the fees will be inflated each year by a predetermined index, such as the *Engineering News Record* Construction Cost Index. A comprehensive update of the fee program will be completed once every five years, which must be approved by all participating local agency governing boards.

**Question #10:** What if a developer is requesting a permit for a building shell, where the final land use for the development is not known?

- The land use agency should apply the regional fees to the basic land use type that is allowed for the development (i.e. “retail”, “office”, etc.) from the simple fee schedule in Appendix A. This will mitigate the development against the lowest amount of impact that the proposed land use type would have. At the time that the tenant or owner requests a Tenant Improvement permit and identifies what the specific use will be for the site, the applicant would receive a credit for the original fees collected and would only be responsible for regional fee payments on the difference if fees for the specific use are more than the original credit.

Example: A permit is pulled on a 3,000 square foot building shell, set for use as retail. The tenant later requests a Tenant Improvement on a Hardware store in the City of Monterey.

- Initial Regional Fee Payment for a Building Shell:  
 $\$5.267$  (per square foot for basic Retail) x 3,000 = \$15,801
- Regional Fee Payment on Tenant Improvement to a Hardware Store:  
[\$6.095 (per square foot for Hardware) x 3,000] - \$15,801 credit = \$2,845

Question #11: A project applicant wants to complete a traffic study in order to appeal the fees, and asked for a list of traffic engineers. Are we allowed to give a list of traffic engineers, and would the Transportation Agency have such list?

- The Transportation Agency does not provide lists of engineers. The Joint Powers Agreement stipulates that the traffic study must be completed by a licensed engineer. If the jurisdiction does not have a policy against recommending firms, they are free to supply lists of firms provided they meet the criteria from the Joint Powers Agreement.

Question #12: How will the regional fees apply to mixed-use developments?

- In this case, you would apply the fee by land use type to each of the components.

Example: A single building with 1,000 square feet of office on the first level, a 1-bedroom/1-bath condo on a second level, and an apartment on a third level in Sand City.

- 1<sup>st</sup> Floor: \$1,244 (per square foot for General Office) x 1,000 = \$1,244
  - 2<sup>nd</sup> Floor: \$2,196 (per dwelling unit for Condo/Townhome) x 1 = \$2,196
  - 3<sup>rd</sup> Floor: \$2,518 (per dwelling unit for Apartment) x 1 = \$2,518
- 
- Total regional fees: \$1,244 + \$2,196 + \$2,518 = \$5,958

Question #13: Are there any fee credits for demolition of existing buildings to make way for new developments? For example, if an industrial warehouse was demolished and the aforementioned mixed use project was built on that site, are there credits for the warehouse to reduce the fee for the new project?

- The regional fee is only concerned with the amount of net new trips a development generates. Regional impact fees should be collected to mitigate new impacts derived from the change in land use if the local agency determines that the new use will result in a net increase in the number of weekday average daily trips. So if an existing warehouse is demolished and the above mixed-use project is constructed, regional fees could be calculated in one of two methods:
  - If the warehouse paid regional fees, then the credit for the previously paid fees would apply to the new mixed-use development:
    - Credit: \$0.169 (per square feet for Warehouse) x 1,000 = \$169
    - Regional Fees for Mixed Use: \$5,958 - \$169 credit = \$5,789
  - If the warehouse was constructed prior to the establishment of the fee program, the new mixed use development is still eligible for a credit against

the number of existing trips the warehouse generates. In this case, the 'fee per trip' is used to calculate the total fees based on the net increase in trips:

- Existing Warehouse Trips: 0.45 per 1,000 square feet
  - Proposed Mixed-Use Trips:  
3.32 (Office) + 5.86 (Condo) + 6.72 (Apartment) = 15.90
- 
- $15.90 - 0.45 = 15.45 \times \$375$  (fee per trip) = \$5789

**Question #14:** A resort development is proposed that includes hotel, conference center, restaurant, and a gift shop. Does the Lodging fee per room for a hotel include all of the hotel amenities or is this calculated like a mixed-use situation, using the fee for each hotel room; fee for administrative office square footage; and fee for retail space?

- The Institute of Transportation Engineers definition of the Hotel land use is “...places of lodging that provide sleeping accommodations and supporting facilities such as restaurants, cocktail lounges, meeting and banquet rooms or convention facilities, limited recreational facilities (pool, fitness room) and/or other retail and service shops.” In this case, the trip generation used to calculate the regional fee for hotels already takes into account the different amenities. So, using the fee per room would be appropriate for the whole development.

**Question #15:** Does the regional fee for hotel rooms include units with two bedrooms and shared living space, or does it apply to the actual number of bedrooms?

- In relation to Institute of Transportation Engineer trip rates, “room” equals “unit”, not “bedrooms” (so a unit could be comprised of several beds and a kitchenette). In the case of lock-out units, if the units have separate entrances and can be rented separately, they should be counted as two units for the purpose of the regional fees.

**Question #16:** What is the regional fee for Assisted Living units?

- The regional fee schedule doesn't have a separate fee for Assisted Living units. The most similar land use type from the fee schedule would be Senior Housing. However, as noted in Appendix B, the fee schedules are not meant to be exhaustive, but represent fees for common land use types that local jurisdictions will likely review in approving new development. A fee can be created for any land use type surveyed in the *Trip Generation 7th Edition* manual that is not covered by the fee schedules by multiplying the trip generation rate for “weekday trips per 1,000 square feet” from the *Trip Generation 7th Edition* manual by the appropriate fee per trip (Appendix C) based on the zone the development will occur in.

**Question #17:** How are restaurants and fast food developments addressed in the fee program?

- The regional fee schedule classifies restaurants and stand-alone fast food developments as “Retail”, allowing these developments to receive the same 70% pass-by reduction for non-regional trips that is applied to all other retail uses (Appendix B). Based on the

characteristics of the development, fast food restaurants can receive additional pass-by reductions based on the following criteria:

- **Trip Reduction for on-site trip-capture** – Fast-food restaurant pads that are located within a larger multi-use center (retail/business/industrial center) and share on-site parking aisles and driveways with other uses within the center may be expected to serve a portion of patrons working/visiting the center. Such on-site trips are local in nature and are not considered traffic from regional corridors traveling from one city center to another. If development proponents can provide site plans to justify that the proposed fast-food use is part of a larger multi-use center, then a trip reduction of up to 15% may be allowed in such situations.
- **Trip Reduction for use of alternative modes** – Fast-food restaurant pads that are located within the Central Business District (CBD) of a City/Community, where substantial non-automobile trip activity (such as walk, bike and public transit) is justifiable, may request a general 5% trip reduction for CBD fast-food uses. For suburban (non-CBD) locations, a general 5% trip rate reduction is permissible for fast-food uses with the availability of existing/planned non-automobile modes of travel within a 1-mile radius from the proposed fast-food use. To justify higher discount rates for CBD locations or suburban (non-CBD) locations, development proponents should provide a traffic analysis prepared by a licensed Traffic Engineer describing substantial availability of existing/planned non-automobile modes of travel within a 1/2-mile radius from the proposed fast-food use.

## CHAPTER 6 – TRANSPORTATION AGENCY POLICIES

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### Exemptions

In addition to any exemptions from the levy of development impact fees provided by law, including, as applicable, the levy of development impact fees which are the subject of a vested subdivision map, the following development projects are exempt from payment of the fee:

**Reconstruction:** The reconstruction of any building so long as the reconstructed building both continues a use of the same category as the prior use and generates the same or fewer trips as the original building and reconstruction commences and so long as the permit for reconstruction is issued within one (1) year from destruction of the building.

**Ford Ord Reuse Authority:** Development within the Fort Ord Reuse Agency (“FORA”) area that is subject to transportation improvement fees for transportation projects within the FORA plan area.

**Entitled Projects:** Development pursuant to a development agreement that was entered prior to the Effective Date of the Joint Powers Agreement in accordance with the terms of the development agreement in effect prior to the Effective Date of the Joint Powers Agreement.

**Government Facilities:** Any development project that is constructed with the purpose of being used as a Federal, State, or local government facility.

### Intensification of Land Use

For any development project that converts an existing structure or facility to another land use type (i.e. residential to retail), payment of regional impact fees may apply if the new use creates an impact to the transportation system in excess of the existing use. Regional impact fees should be collected to mitigate new impacts derived from the change in land use if the local agency determines that the new use will result in a net increase in the number of weekday average daily trips. Fees should only be collected on the net new trips created by changing the land use, and the amount of regional fees to be collected can be calculated by following *Step 3c* in *Chapter 2*.

The local agency should first consult with the Institute of Transportation Engineers trip generation rates (see Appendix C) to calculate the vehicle trips for the development under both existing and proposed land use types. If greater than zero, the difference between vehicle trips from the existing and proposed land uses is the net new trips that fees should be collected for. The following example demonstrates how to calculate the regional fee amount on a single-family home conversion to specialty retail in the North County zone:

Existing: Single-Family Home	9.57 trips
Proposed: Specialty Retail	44.32 trips
Regional Fee Calculation:	$(44.32 - 9.57) \times \$644 = \$22,379$

## **APPENDIX**

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A – Regional Fee Rate Schedule

B – Expanded Regional Fee Rate Schedule

C – Trip-based Regional Fee Rate Schedule

D – Fee Percentage Discount for Local Agencies

E – Fee Calculation Flowchart

F – Fee Calculation Worksheets (1-3)

G – Memorandums and Correspondence



## Appendix A: Simple Regional Fee Rate Schedule

LAND USE DESIGNATION	NORTH COUNTY	GREATER SALINAS	PENINSULA / SOUTH COAST	SOUTH COUNTY
<b>Residential Average (Dwelling Unit)</b>	<b>\$2,950</b>	<b>\$2,323</b>	<b>\$2,506</b>	<b>\$3,716</b>
Single-Family	\$3,329	\$2,622	\$2,850	\$4,194
Apartment	\$2,338	\$1,841	\$2,001	\$2,945
Condo / Townhome	\$2,039	\$1,605	\$1,745	\$2,568
Senior Housing / Secondary Unit	\$1,291	\$1,016	\$1,105	\$1,626
<b>Retail (Square Feet)</b>	<b>\$4.714</b>	<b>\$3.712</b>	<b>\$4.188</b>	<b>\$5.938</b>
<b>Office (Square Feet)</b>	<b>\$3,850</b>	<b>\$3,032</b>	<b>\$3,438</b>	<b>\$4,850</b>
General Office	\$3.830	\$3.016	\$3.279	\$4.825
Office Park	\$3.973	\$3.129	\$3.401	\$5.004
Business Park	\$4.439	\$3.496	\$3.800	\$5.592
<b>Industrial / Agriculture (Square Feet)</b>				
Light Industrial	\$2.425	\$1.909	\$2.076	\$3.054
Heavy Industrial	\$0.522	\$0.411	\$0.447	\$0.657
Warehouse	\$1.725	\$1.359	\$1.477	\$2.174
Manufacturing	\$1.329	\$1.047	\$1.138	\$1.674
<b>Lodging (Room)</b>				
Hotel	\$2,842	\$2,238	\$2,433	\$3,580
Motel	\$1,959	\$1,542	\$1,677	\$2,467

## Appendix B: Expanded Regional Fee Rate Schedule

LAND USE DESIGNATION	ITE	TRIP RATES	NORTH COUNTY	GREATER SALINAS	PENINSULA / S. COAST	SOUTH COUNTY
<b>Residential (Dwelling Unit)</b>						
<i>Single-Family</i> Market Rate	210	9.57	\$3,329	\$2,622	\$2,850	\$4,194
Moderate Income (A, B)		7.47	\$2,599	\$2,046	\$2,225	\$3,273
Low Income (A, B)		5.52	\$1,920	\$1,512	\$1,644	\$2,419
<i>Apartment</i> Market Rate	220	6.72	\$2,338	\$1,841	\$2,001	\$2,945
Moderate Income (A, B)		5.25	\$1,825	\$1,437	\$1,562	\$2,299
Low Income (A, B)		3.88	\$1,348	\$1,062	\$1,154	\$1,699
<i>Condo / Townhome</i> Market Rate	230	5.86	\$2,039	\$1,605	\$1,745	\$2,568
Moderate Income (A, B)		4.57	\$1,591	\$1,253	\$1,362	\$2,004
Low Income (A, B)		3.38	\$1,176	\$926	\$1,007	\$1,481
<i>Senior Housing / Secondary Unit (C)</i>	251	3.71	\$1,291	\$1,016	\$1,105	\$1,626
<b>Retail (Square Feet)</b>						
Building Materials and Lumber Store	812	13.81	\$4.804	\$3.783	\$4.268	\$6.051
Free-Standing Discount Superstore	813	15.05	\$5.234	\$4.122	\$4.650	\$6.594
Specialty Retail Center	814	13.55	\$4.714	\$3.712	\$4.188	\$5.938
Free-Standing Discount Store	815	17.13	\$5.959	\$4.693	\$5.294	\$7.506
Hardware/Paint Store	816	15.68	\$5.456	\$4.296	\$4.847	\$6.872
Nursery (Garden Center)	817	11.03	\$3.838	\$3.022	\$3.409	\$4.834
Nursery (Wholesale)	818	11.92	\$4.148	\$3.267	\$3.685	\$5.226
Shopping Center	820	13.13	\$4.568	\$3.597	\$4.058	\$5.754
Factory Outlet Center	823	8.13	\$2.828	\$2.227	\$2.513	\$3.563
New Car Sales	841	10.19	\$3.546	\$2.793	\$3.151	\$4.467
Automobile Parts Sales	843	18.93	\$6.585	\$5.186	\$5.850	\$8.295
Tire Store	848	7.60	\$2.645	\$2.083	\$2.350	\$3.332
Tire Superstore	849	6.23	\$2.166	\$1.705	\$1.924	\$2.728
Supermarket	850	31.26	\$10.875	\$8.564	\$9.661	\$13.699
Discount Supermarket	854	29.60	\$10.299	\$8.110	\$9.149	\$12.973
Discount Club	861	12.78	\$4.446	\$3.501	\$3.950	\$5.601
Home Improvement Superstore	862	9.11	\$3.170	\$2.496	\$2.816	\$3.993
Electronics Superstore	863	13.77	\$4.791	\$3.773	\$4.256	\$6.035
Discount Home Furnishing	869	14.62	\$5.086	\$4.005	\$4.518	\$6.406
Apparel Store	870	20.30	\$7.063	\$5.562	\$6.275	\$8.897
Arts and Crafts Store	879	17.29	\$6.015	\$4.737	\$5.344	\$7.577
Pharmacy/Drugstore (no Drive-Thru)	880	27.54	\$9.580	\$7.544	\$8.510	\$12.067
Pharmacy/Drugstore (Drive-Thru)	881	26.96	\$9.378	\$7.385	\$8.331	\$11.813
Furniture Store	890	1.55	\$0.538	\$0.424	\$0.478	\$0.678
Quality Restaurant	931	27.50	\$9.57	\$7.53	\$8.50	\$12.05
High-Turnover (Sit-Down) Restaurant	932	38.88	\$13.52	\$10.65	\$12.02	\$17.04
<i>Fast Food</i> Stand-Alone	934	151.70	\$52.77	\$41.56	\$46.88	\$66.48
Shopping Center		77.28	\$26.79	\$21.09	\$22.93	\$33.74
Shopping Center w/ Non-Auto (D)		52.47	\$18.09	\$14.25	\$15.49	\$22.79

- A) To qualify as moderate and low income units, the maximum unit prices must meet those set annually by the State Department of Housing and Urban Development for housing affordability in Monterey County and the developments must be located within a ½-mile radius of transit or dial-a-ride service routes.
- B) Trip rate source for Moderate and Low Income Single-Family Residential: San Francisco Bay Area 1990 Regional Travel Characteristics - WP #4 - MTC Travel Survey (online: <http://ntl.bts.gov/DOCS/SF.html>)
- C) Trip rates for market and below-market rate Senior Housing/Secondary Unit developments are from the *Trip Generation 7<sup>th</sup> Edition* manual, which considers decreased travel patterns for senior housing developments.

- D) Fast-food restaurant pads that are located within the Central Business District (CBD) of a City/Community, where substantial non-automobile trip activity (such as walk, bike and public transit) is justifiable, may request a general 5% trip rate reduction for CBD fast-food uses. For suburban (non-CBD) locations, a general 5% trip rate reduction is permissible for fast-food uses with the availability of existing/planned non-automobile modes of travel within a 1-mile radius from the proposed fast-food use.

The fee schedules by simple and expanded land use types in Appendices **A** and **B** are not meant to be exhaustive, but represent fees for common land use types that local jurisdictions will likely review in approving new development. The regional fees are based off of trip generation rates from the Institute of Transportation Engineers' *Trip Generation 7<sup>th</sup> Edition*. A fee can be created for any land use type surveyed in the *Trip Generation 7<sup>th</sup> Edition* manual that is not covered by the fee schedules by multiplying the trip generation rate for "weekday trips per 1,000 square feet" from the *Trip Generation 7<sup>th</sup> Edition* manual by the appropriate fee per trip (Appendix **C**) based on the zone the development will occur in.

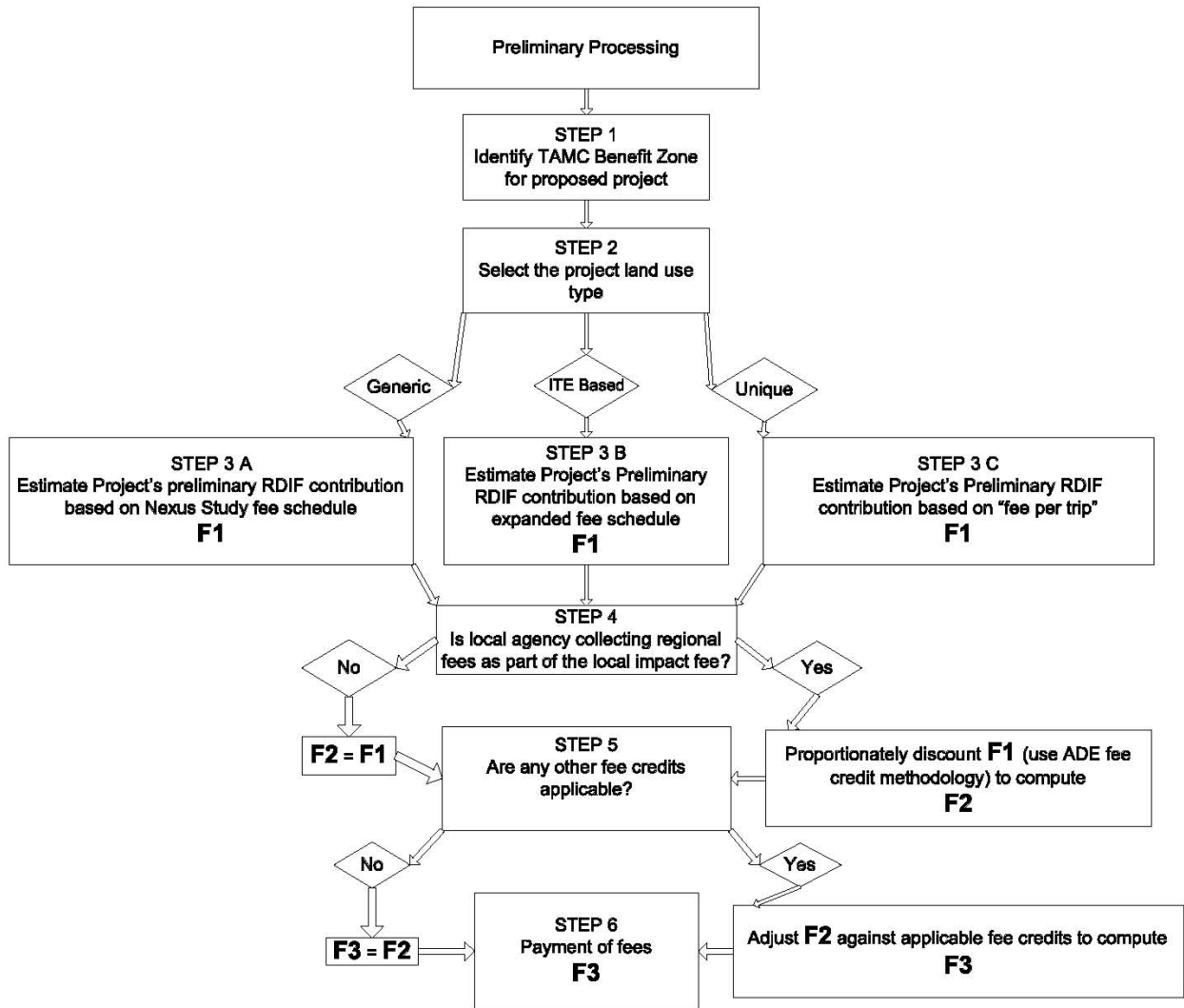
## Appendix C: Trip-based Regional Fee Rate Schedule

LAND USE DESIGNATION	NORTH COUNTY	GREATER SALINAS	PENINSULA / SOUTH COAST	SOUTH COUNTY
Fee per Trip	\$348	\$274	\$298	\$438

## Appendix D: Fee Percentage Discount for Local Agencies

ROADWAY SEGMENT	Zone 2	Zone 3	Zone 4			
	Salinas	Marina	Gonzales	Soledad	Greenfield	King City
<b>Zone Contribution</b>	<b>\$75,926,237</b>	<b>\$48,016,879</b>	<b>\$87,476,786</b>			
SR-1 Widening						
SR-68 (Holman Hwy) Widening						
SR-156 Widening						
Marina-Salinas Corridor		\$13,870,000				
Del Monte - Lighthouse Improvement						
US-101 - San Juan Road Interchange						
US-101 - South County Frontage Roads				\$7,654,045		
Westside Bypass	\$ 5,200,000					
SR-68 Commuter Improvements						
US-101 - Harris Road / Eastside Connector	\$ 17,800,000					
G-12 - Southern Improvements						
G-12 - Northern Improvements						
US-101 / Gloria Road Interchange			\$10,710,000			
US-101 / South Soledad Interchange				\$8,871,279		
US-101 / North Soledad Interchange				\$8,871,279		
US-101 / Walnut Avenue Interchange					\$9,515,306	
US-101 / First Street Interchange						\$2,812,500
<b>Percent Discount:</b>	<b>30.29%</b>	<b>28.89%</b>	<b>12.24%</b>	<b>29.03%</b>	<b>10.88%</b>	<b>3.22%</b>

## Appendix E: Fee Calculation Flowchart



## Appendix F: Fee Calculation Worksheets (1-3)

### Worksheet 1

<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><hr style="width: 80%;"/></div>	X	<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>	=	<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>
Number of Residential Units		Fee per Unit of Residential		Total A

<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><hr style="width: 80%;"/></div>	X	<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>	=	<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>
Square Feet of Non-Residential		Fee per Square Feet of Non-Residential		Total B

<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>	+	<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>	=	<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"><span style="font-size: 24px;">\$</span><hr style="width: 80%;"/></div>
Total A		Total B		Total Base Fee (F1)

**Worksheet 2**

$$\begin{array}{ccc} \boxed{\text{_____ \%}} & \times & \boxed{\$ \text{_____}} \\ \text{Percentage Discount} & & \text{F1} \\ \text{for Local Agencies} & & \end{array} = \begin{array}{c} \boxed{\$ \text{_____}} \\ \text{Total C} \end{array}$$

$$\begin{array}{ccc} \boxed{\text{_____}} & - & \boxed{\$ \text{_____}} \\ \text{F1} & & \text{Total C} \end{array} = \begin{array}{c} \boxed{\$ \text{_____}} \\ \text{Discounted Fee (F2)} \end{array}$$



**Worksheet 3**

$$\begin{array}{ccc} \boxed{\$ \underline{\hspace{2cm}}} & + & \boxed{\$ \underline{\hspace{2cm}}} = \boxed{\$ \underline{\hspace{2cm}}} \\ \text{Cost of Improvement} & & \text{Cost of Right-of-Way} \\ \text{Constructed by} & & \text{Dedicated by} \\ \text{Developer} & & \text{Developer} \\ & & \text{Total D} \end{array}$$

$$\begin{array}{ccc} \boxed{\underline{\hspace{2cm}}} & - & \boxed{\$ \underline{\hspace{2cm}}} = \boxed{\$ \underline{\hspace{2cm}}} \\ \text{F2} & & \text{Total D} \\ & & \text{Final Fee (F3)} \end{array}$$

## **Appendix G: Memorandums and Correspondence**

June 26, 2008            Certification of Effective Date

August 13, 2008        Clarification of Joint Powers Agreement Language

**JOINT POWERS AGREEMENT  
FOR  
MONTEREY COUNTY REGIONAL  
DEVELOPMENT IMPACT FEE AGENCY**

**CERTIFICATION OF EFFECTIVE DATE**

**WHEREAS**, the Transportation Agency for Monterey County retained consultants to prepare a Nexus Study for a Regional Developer Impact Fee, which identified specific regional transportation projects necessary to mitigate the impacts of new development in the region which impact the regional transportation network, the costs of these projects, and a share of costs attributable to new development, in support of the adoption by each of the member jurisdictions of the Transportation Agency of a Regional Development Impact Fee; and

**WHEREAS**, the Transportation Agency for Monterey County has prepared the Joint Powers Agreement (Agreement) which will create a new joint powers agency, known as the Regional Development Impact Fee Agency, to assist its member jurisdictions in administering and accounting for the Regional Development Impact Fee; and

**WHEREAS**, under the terms of the Joint Powers Agreement the Agreement is effective in each of the jurisdictions on the same date, conditioned on the approval of the Agreement and adoption of a resolution and ordinance imposing the Regional Development Impact Fee by the County of Monterey and at least eight of incorporated Cities located in Monterey County, which date shall be certified by the Executive Director of the Transportation Agency for Monterey County; and

**WHEREAS**, the County of Monterey and the cities of Carmel by the Sea, Del Rey Oaks, Gonzales, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad have adopted the Joint Powers Agreement and ordinance imposing the RDIF.

**NOW THEREFORE**, I certify that the conditions for formation of the Regional Development Impact Fee Agency have been met and that the Effective Date of the Joint Powers Agreement is **August 27, 2008**.

By:  Date: 6/26/08

DEBRA L. HALE  
Executive Director  
Transportation Agency for Monterey County



Regional Transportation Planning Agency • Congestion Management Planning  
Local Transportation Commission • Monterey County Service Authority for Freeways & Expressways

August 13, 2008

Adela Gonzales  
City Manager  
City of Soledad  
248 Main Street  
Soledad, CA 93960

RE: Clarification of Joint Powers Agreement Language

*Adela*  
Dear Ms. Gonzales:

Please consider this letter the Transportation Agency for Monterey County's clarification of the language in Section 17 of the regional impact fee Joint Powers Agreement requested at the Soledad City Council meeting of June 4, 2008.

At that meeting, the Council unanimously approved the Joint Powers Agreement for the new regional development impact fee with request that, as characterized in the minutes, "Section 17 of the Joint Powers Agreement [be] clarified which states 'the agreement may be amended at any time by a unanimous vote of the members of all of the RDIF Agency Board of Directors'."

The intention of the amendment clause in Section 17 (attached) is to require unanimous action of the Joint Powers Board members to modify the agreement, including the removal of projects, with limited exceptions. Our attorney has discussed this section with yours and we would like to confirm that the project list can be altered with a majority vote only to reflect changes in project status, specifically: completion, changes in costs, or changes to land use plans. The phrase in question was placed in the agreement so that more or less routine updates can be accounted for without the need for a unanimous vote. Our legal counsel's interpretation is that the clause does not provide that the Joint Powers Board can simply delete projects without a unanimous vote and this letter confirms that we agree to abide by that interpretation.

Since it takes a vote of each participating agency to amend the Joint Powers Agreement, adopting clarifying amendment would take quite some time. Over the next 12 months we expect that there may be a need for further technical or clarifying changes to the agreement, and we will make a commitment to you to include this change in any such amendments.

Letter to Adela Gonzales, Soledad City Manager

August 12, 2008

Page 2

Meanwhile, I understand that you will be bringing up this issue at an upcoming council meeting. I ask that the Council consider this letter the clarification that they requested and confirm their participation in the regional development impact fee program so that the City's representative may participate in the first regional fee Joint Powers Authority meeting on August 27, 2008.

Feel free to contact our Deputy Director Don Bachman or me if you would like to discuss this matter in greater detail. Thank you, again, for the City's participation in the regional impact fee program.

Sincerely,

A handwritten signature in black ink, appearing to read 'DLH', with a long horizontal flourish extending to the right.

Debra L. Hale  
Executive Director

Enclosure

# JOINT POWERS AGREEMENT

## Monterey County Regional Development Impact Fee Agency

(excerpt)

### Section 17. Amendments

This Agreement may be amended at any time by an amendment approved by a unanimous vote of the members of all of the RDIF Agency Board of Directors. Notwithstanding this requirement, the list of projects attached hereto as Exhibit "B" may be altered from time to time upon the approval of a majority of the RDIF Agency Board of Directors in attendance at the meeting during which voting takes place to reflect completion of projects, changes in project costs, changes in adopted land use plans of the County or Cities, provided that the changes do not alter the fee amounts set forth in Exhibit "A" of this Agreement as adjusted in accordance with Section 13a. of this Agreement without compliance with this section.