

RESOLUTION NO. 2014-32

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF LOS ALTOS  
ESTABLISHING THE 2014 TRAFFIC IMPACT FEE

**WHEREAS**, development fees are governed by Government Code Section 66010 *et seq.* and include fees imposed in connection with the approval of a development project for the purpose of defraying all or a portion of the costs of public facilities related to the development project; and

**WHEREAS**, adequate transportation improvements are needed to protect the health, safety, and general welfare of the citizens to facilitate transportation, and to promote economic well-being within the city. New development within the City will create an additional burden on the existing street system. Improvements to the existing street system in the City are needed to mitigate the cumulative impacts of new development; and

**WHEREAS**, all types of development require and use the street system, and there are not adequate public funds available to maintain designated levels of service at all intersections in the City. In order to ensure that the appropriate level of service is maintained, and to promote the health, safety, and general welfare of the community, it is necessary that new development pay a fee representing its share of costs of the necessary improvements; and

**WHEREAS**, the purpose of this fee is to help provide adequate transportation-related improvements to serve cumulative development within the City. The transportation improvements for which the fee will be used are identified in the City's Capital Improvement Program and/or in the Traffic Impact Fee Program report in effect at the time this resolution is adopted; and

**WHEREAS**, based on the findings of the updated 2014 Traffic Impact Fee Program report attached hereto and incorporated by this reference; and

**WHEREAS**, the Council finds that the adoption of this Resolution is exempt from review under the California Environmental Quality Act (CEQA) because CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares and other fee or charges by public agencies which the public agency finds are for the purpose of obtaining funds for capital projects and necessary to maintain service within existing service areas. CEQA Guidelines Section 15273.

**NOW, THEREFORE, BE IT RESOLVED** that:

1. The referenced Traffic Impact Fees set forth below shall be applicable to development projects throughout the City and shall be adjusted as follows:

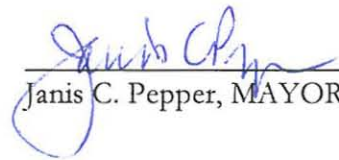
Single family housing – ~~\$4,764~~ \$6,152 per residential unit  
Multiple family housing – ~~\$2,924~~ \$3,777 per residential unit  
Senior housing – ~~\$1,226~~ \$1,584 per residential unit  
Commercial – ~~\$8,726~~ \$11,269 per 1,000 gross square feet  
Office – ~~\$7,028~~ \$9,076 per 1,000 gross square feet

2. The Traffic Impact fees shall become effective February 9, 2015 and shall remain in effect until a new resolution amending the same is adopted by the City Council.

**BE IT FURTHER RESOLVED** that all other the fees and charges set forth in the FY 2014/15 Fee Schedule shall remain in effect until a new resolution amending the same is adopted by the City Council.

**I HEREBY CERTIFY** that the forgoing is a true and correct copy of a resolution passed and adopted by the City Council of the City of Los Altos at a regular meeting thereof held on the 9<sup>th</sup> day of December 2014 by the following role call vote:

AYES:	BRUINS, MORDO, PEPPER, PROCHNOW, SATTERLEE
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

  
\_\_\_\_\_  
Janis C. Pepper, MAYOR

Attest:

  
\_\_\_\_\_  
Jon Maginot, CMC, CITY CLERK



## 2014 Update

## City of Los Altos Traffic Impact Fee (TIF) Program

For the City of  
Los Altos

December 3, 2014

## **2014 Update City of Los Altos Traffic Impact Fee (TIF) Program**

For the City of Los Altos

December 3, 2014



[www.tjkm.com](http://www.tjkm.com)

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## Chapter I. Introduction and Summary

### Introduction

This analysis provides the technical basis for establishing the required nexus between anticipated future development in the City of Los Altos and the need for certain improvements to the local transportation facilities. The specific tasks performed in preparing this analysis and their results are summarized below. This is the 2014 Update of City's Traffic Impact Fee (TIF) program originally prepared in 2005. Typically, the TIF program is updated periodically to ensure that the various aspects of the program reflect current conditions. For this 2014 TIF Update, the City retained TJKM to establish the technical aspects of the program. Figure I shows the project vicinity.

The main purpose of the 2014 Update is to adjust project cost estimates to reflect current conditions. To adjust the cost estimates, TJKM utilized the Engineering News Record (ENR) Construction Cost Index, which provides a monthly adjustment related to the costs of building materials and labor in major cities throughout the country. Between August of 2005 (the date of the 2005 TIF) and July of 2014, the Construction Cost Index increased by 34.4 percent. This factor was used to adjust costs of the projects originally included in the 2005 TIF. Based on input from City staff, for this 2014 Update TJKM utilized the same land use growth factors and traffic justification that were included in the 2005 TIF. Since none of the original 2005 TIF projects have been constructed, the 2014 TIF Update includes the 2005 project list with updated cost estimates for all improvement projects to be funded by TIF fees.

The update the City's Traffic Impact Fee (TIF) program involved the major tasks described below.

1. The existing 2005 deficiencies on Los Altos streets and intersections were determined. The General Plan and City's staff recommendations were utilized for this determination.
2. Future deficiencies on the street system were determined based on findings of the General Plan. TJKM mitigated future deficiencies utilizing TRAFFIX software by first duplicating the efforts of the Circulation Element and then performing additional capacity analysis to determine the mitigation required to bring the future deficient intersections to an acceptable Level of Service.
3. A list of projects needed to accommodate future traffic was determined. Initially, five projects were provided by the City of Los Altos, the remaining projects were determined based on the capacity analysis performed to mitigate the future deficient intersection outlined based on the findings in the General Plan. After review by City staff, five traffic-calming projects and two intersection projects were determined to be suitable for inclusion in the TIF. One additional project, Homestead Road, was added in 2014.
4. The City provided the traffic improvement 2005 project cost estimates for the seven projects. The costs were updated using the ENR adjustments described above.
5. An estimate was prepared of the peak hour trip generation that will result from development of the expected future land uses within the City's General Plan Buildout area in four special planning areas. Trip generation rates from the Institute of Transportation Engineers Trip Generation Manual (7<sup>th</sup> Edition) were utilized. The p.m. peak hour was determined to be the most appropriate for the primary analysis period.
6. A cost per trip was calculated along with the corresponding updated TIF schedule of fees. The Schedule of Fees includes fee categories for residential, commercial, office and senior housing uses.

City of Los Altos - Traffic Impact Fee Program  
Vicinity Map

Figure  
1





## Summary

### *Chapter 1 – Introduction and Summary*

### *Chapter 2 – Existing and Future Deficiencies and Peak Hour Trips*

The first step required for the City of Los Altos' TIF is the determination of existing (2005) deficiencies on Los Altos' streets and intersections. Developer fees cannot be used to correct existing deficiencies. Existing deficiencies were determined by evaluating if the level of service on the intersection or roadway meets the City's level of service standards. The intersection levels of service from the General Plan were used as a basis for this determination to determine existing and future deficiencies and anticipated improvements required to achieve City of Los Altos level of service standards.

The trip generation portion of the TIF program is based on the proposed changes in land use in four special planning areas: 1) Downtown Core, 2) Downtown Periphery, 3) Foothill Plaza Area, and 4) El Camino Real Corridor. A total of 21,669 new daily trips, with 1,921 p.m. peak hour trips are anticipated from development of these four special planning areas.

### *Chapter 3 – Project List and Priorities*

The recommended list of new transportation improvements to serve the City of Los Altos was developed by the City of Los Altos staff and the consultant. City of Los Altos staff reviewed a preliminary list of projects in January 2005. The staff has determined that the original list is still valid in 2014. The recommend list of new projects is shown below. Costs and details of the individual projects are described in Chapter 3 of this report. It is important to note that the first five of these projects are considered "Traffic Calming" in nature. Also, the below list of projects are currently not in order of prioritization. A new project, Homestead Road, was added in 2014.

1. Fremont Avenue between Miramonte Avenue and east city limits.
2. Grant Road between Foothill Expressway and Covington Road.
3. Miramonte Avenue between Fremont Avenue and Covington Road.
4. Springer Road between Fremont Avenue and Covington Road.
5. El Monte Avenue between Foothill Expressway and Rinconada Court and S. Clark Avenue to Springer Road.
6. N. San Antonio Road at El Camino Real – Add a second northbound left turn lane.
7. N. San Antonio Road at Loucks Avenue – Install new traffic signals.
8. Homestead Road between Foothill Expressway and Fallen Leaf Lane.

The eight projects have a total program cost of \$13,300,339.

### *Chapter 4 – Program Costs and Fee Calculation*

The basic fee per peak hour trip is calculated by dividing the updated total cost of the TIF program, \$13,300,339 by the total projected p.m. peak hour trips. After an administration fee is added to the cost to run the program, the current fund balance for TIF fees (the net amount of fees collected since 2005) is deducted. The current fund balance is approximately \$2 million. The net TIF requirement of \$11,701,663 calculates to a cost of \$6,091 per p.m. peak hour trip.

### *Chapter 5 – Nexus Findings*

California legislation requires that charges on new developments bear a reasonable relationship to the needs created by, and the benefits accruing to that development. California courts have long used that reasonableness standard or nexus to test to evaluate the constitutionality of exactions,

including development fees. Based on the analysis included in the body of this report, it can be concluded that the future development and the need for their associated improvements meet or exceed the basic requirements set forth in Government Code sections beginning with 66000 to govern development fees.

The methodology of this report ensured that only the portion of the projects included in the City of Los Altos TIF project list is necessitated by the growth in traffic between 2005 conditions and 2025 conditions. This issue is unchanged as a result of the 2014 Update. Thus, there is a reasonable relationship between the proposed use of the Los Altos TIF and the proposed land use development projects on which the fee will be imposed. In the same manner there is a reasonable relationship between the need for facilities included in the Los Altos TIF and the proposed land use development projects.

## Chapter 2. Existing and Future Deficiencies and Peak Hour Trips

### Existing and Future Deficiencies

The intersection and roadway levels of service from the General Plan update were used as a basis for this determination. Where future deficiencies are anticipated, a determination of the improvements required to achieving proper levels of service was conducted. These improvements potentially consist of installing traffic calming measures, upgrading signalized intersections or installing new traffic signals. The intersection levels of service from the General Plan update were used as a basis for this determination. Table 1 shows the existing and future levels of service for the study intersections within the City of Los Altos. In addition, Figures 2 and 3 graphically show the location and levels of service for existing and future deficiencies. TRAFFIX capacity analysis calculation sheets are provided in Appendix A.

**Table 1: Existing and Future Levels of Service**

No.	Intersection	Existing		Future	
		Peak Hour LOS		Peak Hour LOS	
		AM	PM	AM	PM
1	El Camino Real/Los Altos Ave.	B	B	B	B
2	El Camino Real/San Antonio Rd.	D	D-	D	E
3	El Camino Real/Showers Dr.	B	C+	B	C
4	El Camino Real/Rengsdorff Ave.	B	B	B	B
5	San Antonio Rd./Loucks Ave.	F	F	F	F
6	San Antonio Rd./Pasa Robles Ave.	F	F	F	F
7	San Antonio Rd./Portola Ave.	B	B+	B	B
8	San Antonio Rd./Almond Ave.	B	B	B-	B
9	San Antonio Rd./Edith Ave. - Main St.	B	C	B	C
10	Edith Ave./Los Altos St. - First St.	B	B	B	B
11	Edith Ave./Foothill Expressway.	C+	B-	C+	C+
12	San Antonio Rd./Pepper Dr. - Whitney St.	E	F	F	F
13	San Antonio Rd./Cuesta Dr. - First St.	C	C	C	C
14	San Antonio Rd./Foothill Expressway	B	C	C	D+
15	Foothill Expressway/Main St.	B-	B-	B	B
16	First St./Main St.	B	B	B	B
17	El Monte Ave./Bay Tree Ln. - Summerhill Ave.	B	B	B	C
18	El Monte Ave./University Ave.	B	B	B	B
19	El Monte Ave./Foothill Expressway	E	F	F	F
20	El Monte Ave./Giffin Rd. - Covington Rd.	C+	B	B-	B+
21	El Monte Ave./Cuesta Dr.	B+	B	B	B
22	El Monte Ave./Hawthorne Ave.	D	D	F	F
23	El Monte Ave./Springer Rd.	F	E	F	F
24	Springer Rd./Cuesta Dr.	B	B	C	C
25	Springer Rd./Covington Rd.	B	B	B	B
26	Foothill Expressway/Springer Rd. - Magdalena Ave.	E-	E	E-	F
27	Miramonte Ave./Covington Rd.	F	C	F	E
28	Miramonte Ave./Portland Ave.	C	B	E	C
29	Miramonte Ave./A St.	B	B	B	B
30	Miramonte Ave./Fremont Ave.	C	C	C-	C
31	Grant Rd./Covington Rd.	C	B	E	B
32	Grant Rd./Bryant Ave.	D-	B	F	B-

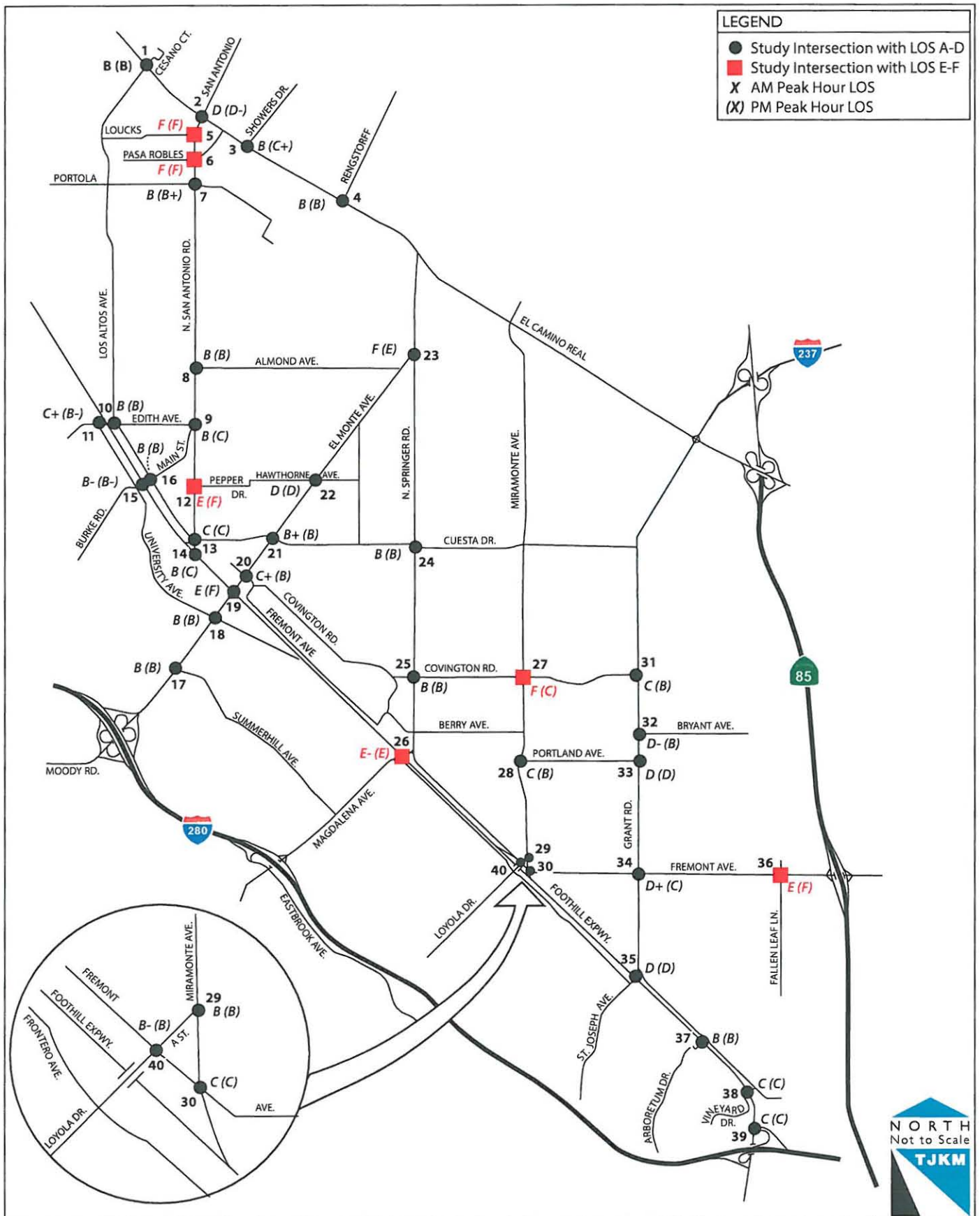
No.	Intersection	Existing		Future	
		Peak Hour LOS		Peak Hour LOS	
		AM	PM	AM	PM
33	Grant Rd./Portland Ave.	D	D	<b>F</b>	<b>E</b>
34	Grant Rd./Fremont Ave.	D+	C	D	C
35	Grant Rd./Foothill Expressway	D	D	D	D
36	Fremont Ave./Fallen Leaf Ln.	<b>E</b>	<b>F</b>	<b>F</b>	<b>F</b>
37	Foothill Expressway/Arboretum Dr.	B	B	B	B
38	Foothill Expressway/Vineyard Dr. - Homestead Rd.	C	C	C	C-
39	Foothill Expressway/I-280 Northbound off-ramp	C	C	D+	D
40	Fremont Ave./Loyola Dr. - A St.	B-	B	B-	B-

Note: **Bold** indicates LOS E or F; **Shaded cells** indicate intersections with LOS reductions to E or F in future



City of Los Altos - Traffic Impact Fee Program  
Existing Intersection Level of Service (LOS)

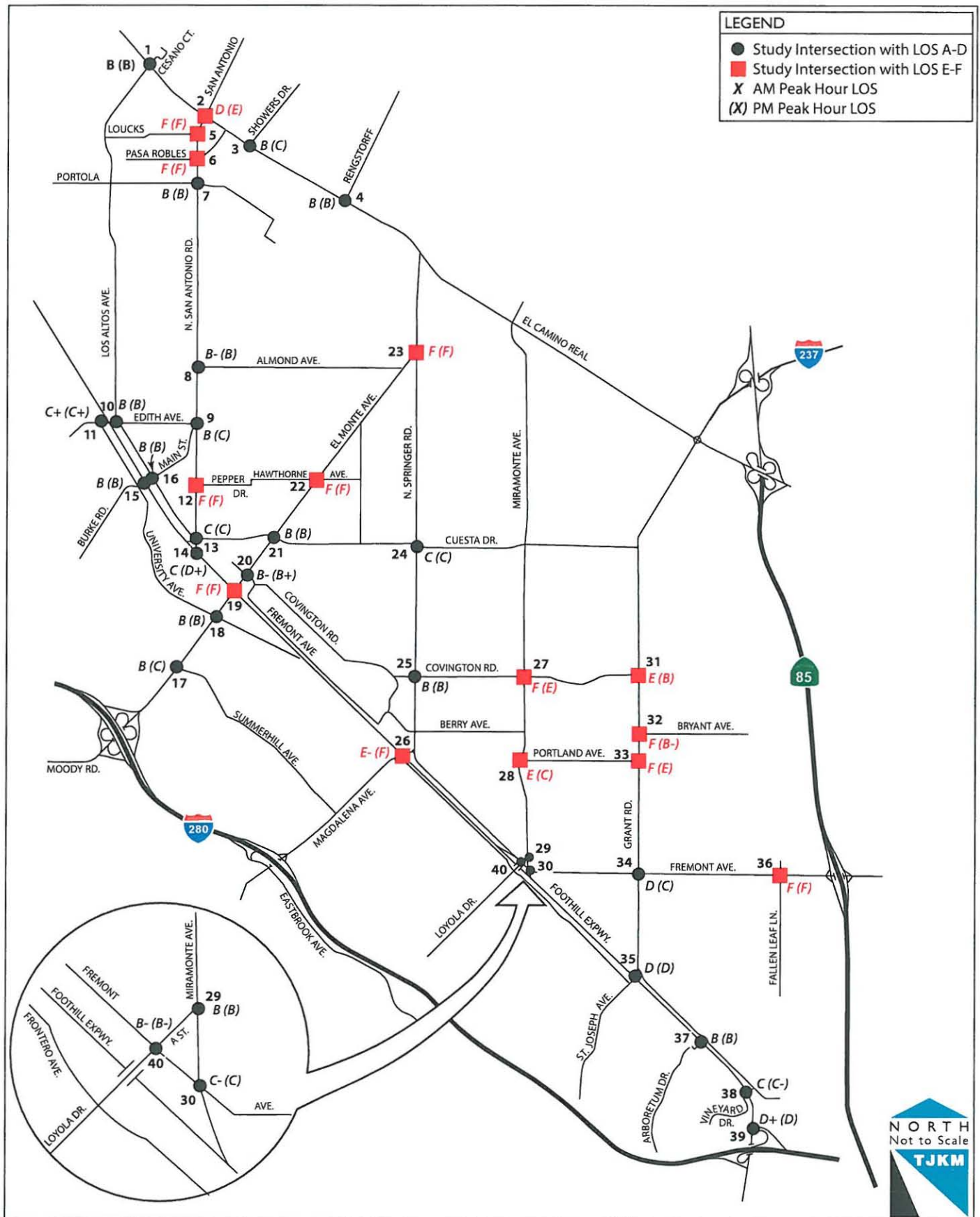
Figure  
2





City of Los Altos - Traffic Impact Fee Program  
 Future Intersection Level of Service (LOS)

Figure  
 3



### Trip Generation

In order to determine the amount of traffic that is associated with the expected new development in the five special planning areas: 1) Downtown Core, 2) Downtown Periphery, 3) Foothill Plaza Area, 4) El Camino Real Corridor, and 5) the El Retiro site. TJKM applied trip generation rates to the components of the new growth.

The 2005 TIF, and this 2014 Update, rely on the p.m. peak hour commute period as the primary analysis period. It is important to note that residential uses and most employment based land uses such as offices and business parks have similar a.m. and p.m. peak hour trip rates. However, commercial traffic generation rates typically are three to four times as heavy in the p.m. period as the a.m. period. Therefore, when determining the final fee an adjustment to the base p.m. peak hour rate was utilized to spread the fee application more uniformly with respect to commercial land uses.

These figures are shown in Table II. The table shows the total of the new p.m. trips from both residential and retail growth is 21,669 daily trips with 1,921 p.m. peak hour trips anticipated from development of the four special planning areas.

**Table II: New P.M. Peak Hour Trips in Los Altos – 2005 to General Plan Buildout**

Location	Land Use (LU)	ITE Code	Size	Units	Daily		P.M. Peak Hour				
					Trip Rate	Trips	Trip Rate	In:Out Ratio	Vehicle Trip Ends		
									In	Out	Total
<b>Downtown Core</b>	Single-Family Detached	210	35	DU	9.57	335	1.01	63:37	22	13	35
	Shopping Center	820	261	KSF	42.94	11207	3.75	48:52	470	509	979
<b>Downtown Periphery</b>	Single-Family Detached	210	42	DU	9.57	402	1.01	63:37	27	15	42
	Shopping Center	820	174	KSF	42.94	7472	3.75	48:52	314	339	653
<b>Foothill Plaza Area</b>	Single-Family Detached	210	36	DU	9.57	345	1.01	63:37	23	13	36
<b>El Camino Real Corridor</b>	Apartment	220	234	DU	6.72	1572	0.62	65:35	94	51	145
<b>El Retiro Site</b>	Apartment	220	50	DU	6.72	336	0.62	65:35	20	11	31
<b>TOTALS</b>						<b>21669</b>			<b>970</b>	<b>951</b>	<b>1921</b>

Note: DU = Dwelling Units; KSF = 1,000 square feet

The amount of new trips is used in the calculation of the 2005 TIF (and 2014 Update) cost per p.m. peak hour trip, as described in subsequent chapters of this report.

### Chapter 3. Selection and Cost of Projects

In this project, levels of service (LOS) conditions were evaluated at 40 intersections. At 14 of the intersections, the future LOS will be at an unacceptable E or F, after anticipated future growth has been added to the roadway network. At 12 of these locations, the LOS deteriorated to E or F because of the growth. These 12 locations were therefore candidates to be included in the TIF program.

Many of the Los Altos important streets are two-lane residential streets where there is no interest within the community to create improvements that will result in faster travel times for motorists. Such improvements could exacerbate already unacceptable conditions. However, since traffic volumes are going to increase on these streets, some types of improvements are warranted. TJKM and the City staff developed a concept of using the traffic improvement fees to apply a variety of traffic calming techniques to the streets in question. A typical cost-per-mile figure of 1.2 million dollars per mile (updated to 1.613 million dollars to mile in 2014) was developed, based on local experience with previous projects in Los Altos. To adjust the cost estimates, TJKM utilized the Engineering News Record (ENR) Construction Cost Index, which provides a monthly adjustment related to the costs of building materials and labor in major cities throughout the country. Between August of 2005 (the date of the 2005 TIF) and July of 2014, the Construction Cost Index increased by 34.4 percent. This factor was used to adjust costs of the projects included in the 2005 TIF.

Five streets were selected – portions of Fremont Avenue, Grant Road, Miramonte Avenue, Springer Road, and El Monte Avenue – as candidates for the traffic calming treatment utilizing TIF funding. Ten of the 12 intersections that either deteriorated to unacceptable conditions (i.e. LOS A, B, C or D to LOS E or F or worsened from LOS E to LOS F) are located on these five streets. The recommended traffic calming projects for the Los Altos TIF program are depicted in Figure 4. In addition, the 12 intersections that deteriorated as described above and are eligible for TIF improvements are also shown on Figure 4.

TJKM recommends that these five streets be included in the Los Altos TIF program, on a priority basis, and that the City subsequently devise specific traffic calming programs that have TIF components of no greater than \$1.613 million per mile. It is not appropriate to include detailed traffic calming programs in this TIF study, since each street will likely require unique solutions with significant public input and discussion.

In addition, two additional intersection projects are included in the list of TIF projects. At the intersection of N. San Antonio Road and El Camino Real, the level of service deteriorates from LOS D to LOS E during the p.m. peak hour. The recommended solution, adding a second northbound left turn lane, will improve the p.m. peak hour level of service to LOS D. The cost of this improvement is \$270,000.

At the intersection of N. San Antonio Road and Loucks Avenue, the intersection is currently operating at LOS F and will continue to operate unsatisfactorily in the future. The installation of a traffic signal is recommended and will improve the level of service to LOS A. However, since the intersection is currently deficient, only the growth share of traffic between 2005 and 2025 is eligible for the TIF. The calculated traffic growth for Los Altos over the 20-year period is seven percent, so the TIF amount is seven percent of the traffic signal cost, or \$23,500.

On Homestead Road, new traffic signals and median improvements are needed to accommodate traffic growth in this area. The cost of this project is \$1.475 million.

The following information provides more details on the specific projects.

### **Project Limits and Costs**

#### *1. Fremont Avenue*

Traffic Calming project on Fremont Street totaling 1.75 miles between Miramonte Avenue and east City limits.

Cost: \$2,822,000

Project Nexus Discussion: This project contains one intersection (Fremont Avenue and Fallen Leaf Lane) with unacceptable conditions.

#### *2. Grant Road*

Traffic Calming project on Grant Road totaling 1.4 miles between Foothill Expressway and Covington Road.

Cost: \$2,258,000

TIF Project Nexus Discussion: This project includes three intersections (Grant Road at Covington Road, at Bryant Avenue and at Portland Avenue) with unacceptable conditions.

#### *3. Miramonte Avenue*

Traffic Calming project on Miramonte Avenue totaling 1.0 mile between Fremont Avenue and Covington Road.

Cost: \$1,613,000

Project Nexus Discussion: This project includes two intersections (Miramonte Avenue at Covington Road and at Portland Avenue) with unacceptable conditions.

#### *4. Springer Road*

Traffic Calming project on Springer Road totaling 1.75 miles between Fremont Avenue and El Monte Avenue.

Cost: \$2,822,000

Project Nexus Discussion: This project includes two intersections (Springer Road at El Monte Avenue and at Foothill Expressway) with unacceptable conditions.

#### *5. El Monte Avenue*

Traffic Calming project on El Monte Avenue totaling 1.25 miles between Foothill Expressway and Rinconada Court and S. Clark Avenue to Springer Road.

Cost: \$2,016,000



Project Nexus Discussion: This project includes three intersections (El Monte Avenue at Springer Road, at Hawthorne Avenue and at Foothill Expressway) with unacceptable conditions.

6. *N. San Antonio Road at El Camino Real*

Installation of a second northbound left turn lane at the existing signalized intersection.

Cost: \$270,000

Project Nexus Discussion: Traffic conditions at the intersection currently meet the LOS D standards of the City. However, with growth traffic at the intersection, the level of services deteriorates to LOS E. A second northbound left turn will resolve the level of service problem by reducing motorist delay at the intersection.

7. *N. San Antonio Road at Loucks Avenue*

Installation of new traffic signals at the intersection.

Cost: \$336,000 (TIF funding = \$23,500)

Project Nexus Discussion: Traffic signals at this intersection will resolve the unacceptable levels of service. However, since traffic volumes at the intersection already meet signal warrants, only the growth in traffic caused by new development, calculated at seven percent over the 20-year period, can be related to the TIF funding. The TIF-eligible amount is \$23,500, seven percent of the estimated cost of \$336,000.

8. *Homestead Road – Foothill Expressway to Fallen Leaf Lane*

Installation of new traffic signals and related capacity and safety improvements.

Cost: \$1,505,589 (TIF funding = \$1,475,839)

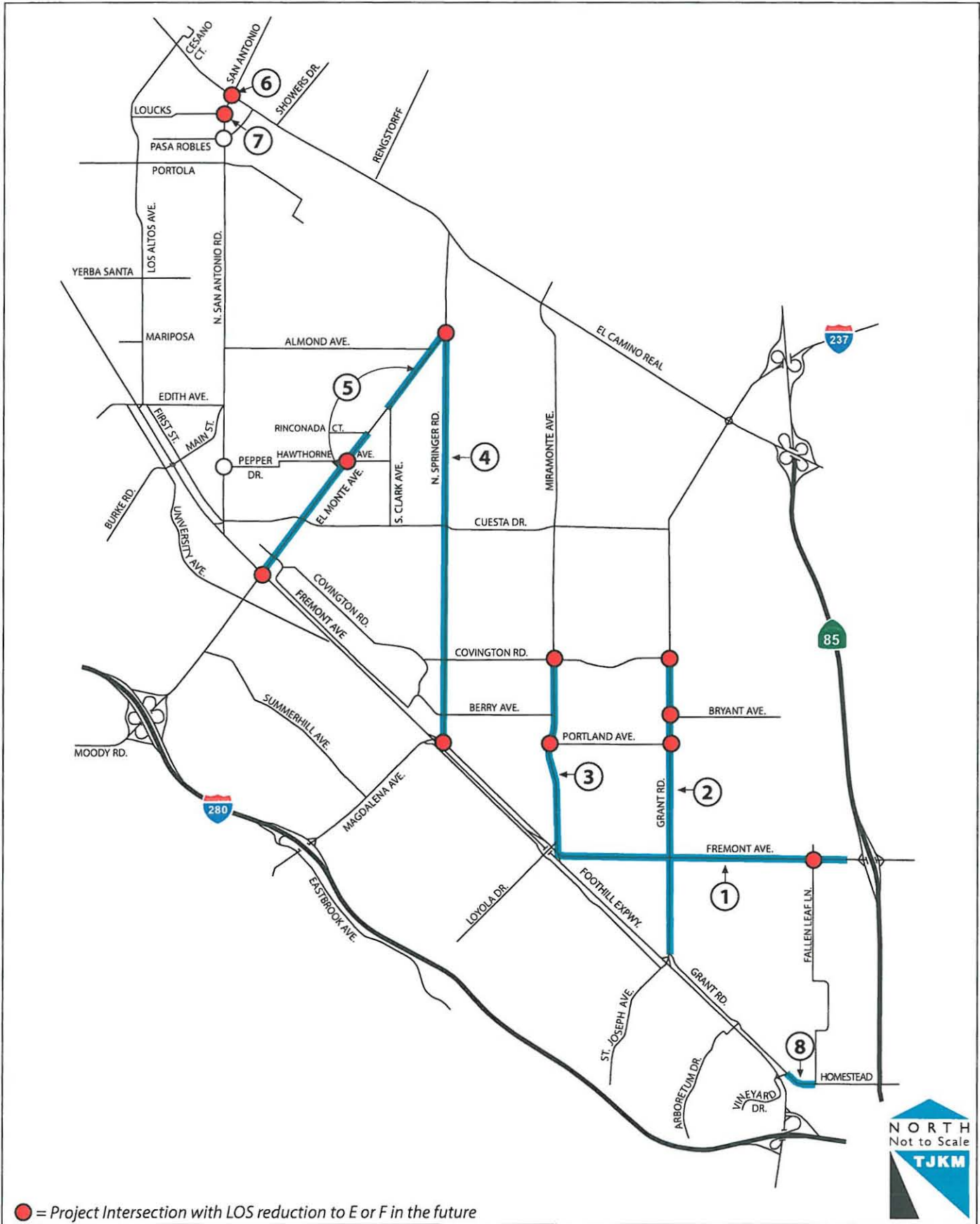
Project Nexus Discussion: Traffic signals, median improvements, and related improvements are needed to resolve capacity and safety issues in this area.

Projects and Costs are summarized below; recommendations for the fees associated with the 2014 Updated TIF are described in the next chapter.

**Summary: 2014 Update TIF Projects and Eligible Costs**

1. Fremont Avenue – Miramonte Avenue to east City Limits	\$2,822,000
2. Grant Road – Foothill Expressway to Covington Road	2,258,000
3. Miramonte Avenue – Fremont Avenue to Covington Road	1,613,000
4. Springer Road – Fremont Avenue to El Monte Avenue	2,822,000
5. El Monte Avenue – Foothill Expressway to Rinconada & S. Clark to Springer Road	2,016,000
6. N. San Antonio Road at El Camino Real	270,000
7. N. San Antonio Road at Loucks Avenue	23,500
8. Homestead Road – Foothill Expressway to Fallen Leaf Lane	1,475,839
Total	\$13,300,339





## Chapter 4. Program Costs and Fee Calculation

### Cost per Trip Estimate

Table III presents a summary of the TIF improvement project costs; the projected future trips to be added by new development, and the resulting estimated TIF improvement cost per trip. The total cost of the TIF projects to be included is \$13,300,339.

The fee calculation is based on trip generation estimates in Table III and the cost estimates of the TIF improvement projects. The cost per p.m. peak hour trip is \$6,091, using a total TIF project cost of \$13,300,339, adding the cost for administering the program, subtracting the net amount of the existing TIF fund balance (\$1,997,716) and 1,921 new p.m. peak hour trips. The TIF improvement project costs as well as the calculated new TIF cost per trip are shown in Table III. TJKM is not aware of any other dedicated funding sources for any of the seven projects, so no adjustment has been made for other funding sources.

Table IV presents the new schedule of fees. The land use categories in this fee schedule have been determined after discussions with City staff.

**Table III: 2014 Cost per Trip Estimate**

<i>TIF Improvement Projects</i>	<i>2014 Update TIF Costs</i>
All Projects	\$ 13,300,339
<b>Subtotal</b>	<b>\$ 13,300,339</b>
Plus Administrative Costs (3%)	\$ 399,010
Less TIF Fund Balance	-\$1,997,716
<b>Total TIF Funding</b>	<b>\$11,701,663</b>
Total Peak Hour Trips Added by New Development	1,921
<b>TIF Cost Per Trip</b>	<b>\$ 6,091</b>

**Table IV: 2014 Recommended TIF Rates and Fees**

<i>Land Uses</i>	<i>P.M. Peak Hour Trip Rates</i>	<i>Units of Use</i>	<i>2014 Fee Rates* (Full funding)</i>
Single-family Residential	1.01	DU	\$ 6,152
Multi-family Residential	0.62	DU	\$ 3,777
Commercial	1.85	KSF	\$ 11,269
Office	1.49	KSF	\$ 9,076
Senior Housing <sup>1</sup>	0.26	DU	\$ 1,584

*DU = Dwelling Unit*

*KSF = Thousand Square Feet*

<sup>1</sup> *The p.m. ITE retirement community (#250) rate was used for Senior Housing.*

*Note: Based on \$6,091 per peak hour trip*

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### **Other Factors in TIF**

Trip Adjustments The peak hour trip rate for the commercial category was adjusted to account for pass by and diverted trips. The base p.m. rate for commercial was reduced by 50 percent to account for these trips, which are already on the street system.

Establishment of Final TIF Fee The City of Los Altos may decide not to levy the full fee that has been established as a part of this study. If so, the results will be reflected in an adjustment to this study.

Other Land Uses The City may decide to use the \$6,091 cost per p.m. peak hour trip rate to apply to other specific land uses not covered by Table IV. The latest edition of the Institute of Transportation Engineer's *Trip Generation* should be used as a source for p.m. peak hour trip rates.

## Chapter 5. Nexus Findings

Transportation impact fees are one-time fees typically paid prior to the issuance of a building permit and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees, the State Legislature adopted the Mitigation Fee Act (the Act) with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in California Government Code §§66000-66025, establishes requirements on local agencies for the imposition and administration of fee programs. The Act requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the maximum justified fee documented in this report are presented in this chapter and supported in detail by this report. All statutory references are to the Act.

### Purpose of the Fee

For the first finding, the City must:

*Identify the purpose of the fee. (§66001(a)(1))*

This fee would be charged under the authority of Chapter 3.48 of the City of Los Altos Municipal Code, which establishes a Transportation Impact Fee Program. According to the Municipal Code, "The purpose of this fee is to help provide adequate transportation-related improvements to serve cumulative development within the city. However, the fee does not replace the need for all site-specific traffic improvements that may be needed to mitigate the impact of specific projects upon the city's street system. The transportation improvements for which the fee will be used are identified in the city's capital improvement program and/or in the traffic impact fee report in effect at the time this chapter is enacted or as subsequently amended."

This fee will further that policy by charging new development the fair share cost of transportation improvements needed to mitigate the transportation impacts created by that development.

### Use of Fee Revenues

For the second finding the City must:

*Identify the use to which the fee is to be put.*

If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

Detail on planned uses of fee revenues is contained in Chapter 3 of this report.

### Benefit Relationship

For the third finding, the City must:

*Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))*

The City has determined that the improvements listed in the report are necessary to support projected development in the City of Los Altos. Public facilities funded by the fee will provide a network of transportation infrastructure accessible to the additional residents and workers

associated with new development. The benefit from planned improvements and facilities will result from the maintenance of acceptable levels of congestion. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

### **Burden Relationship**

For the fourth finding, the City must:

*Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))*

Residential dwelling units and building square footage are indicators of the demand for transportation facilities needed to accommodate growth. As new building square footage is created, the occupants of the new structures will place additional burdens on the transportation facilities. The need for the fee is based on traffic engineering studies assessing the impact of additional vehicle trips from new development as well as City policies governing the design of a transportation system needed to serve new growth areas. Traffic engineering and related data were also used to inform the scope of improvements included in the fee program. For transportation improvements needed to accommodate the development anticipated in the near term, the cost burden is fully allocated based on development anticipated in the near term. For transportation improvements that are not immediately needed to accommodate near term development, but that will be needed to accommodate development in the longer term, the cost burden is allocated based on projections of new development. Thus, there is a reasonable relationship between the need for the planned improvements, the scope of the improvements, and the parcels that will pay the fee.

### **Proportionality**

For the fifth finding, the City must:

*Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))*

There is a reasonable relationship between the transportation impact fee for a specific development project and the cost of the facilities attributable to that development based on the estimated vehicle trip demand the development will generate in the City. The total fee for a specific development is based on its planned square footage for nonresidential uses and the number of dwelling units for residential. Larger projects of a certain land use type will have a higher trip generation and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the transportation impact fee for a specific development project and the cost of the facilities attributable to that project.



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## **Study Participants**

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## Appendix A: TRAFFIX Calculation Worksheets