



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Public Works

**Prepared by: Bill Guerin,
Director of Public Works**

City Manager Approval: _____

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TOPIC: TRAFFIC MITIGATION FEES

SUBJECT: ANNUAL TRAFFIC MITIGATION FEE REPORT - FY 2019-20

RECOMMENDATION: Accept the annual Traffic Mitigation Fee Report.

BACKGROUND: Traffic mitigation fees are a type of development impact or public facility fee. They are charged by a local governmental agency to an applicant in connection with the approval of a development project. They are not a tax or special assessment. Rather, their purpose is to offset the cost of public facilities made necessary by the development project. Traffic Mitigation Fees are collected to provide funds for increasing street capacity to accommodate additional traffic generated by new development. [Assembly Bill \(AB\) 1600](#) (California Government Codes §66000 – 66025) established requirements for how cities collect, maintain, and spend impact fees.

Impact fees must demonstrate a reasonable connection between the fee charged and the cost of the improvements for which they are collected, must be deposited in a separate account, segregated from the City's general fund, and used only for the identified improvements. AB 1600 requires cities to spend or commit the fees within five years of collection, or return them to the developer unless a finding can be made that a reasonable relationship continues to exist between the current need for the fee and the purpose for which it was originally collected (Gov. Code §66001(d)).

In 1988, the City's traffic mitigation fees were enacted in connection with the General Plan 2000 and that document's projections for growth and future traffic patterns in the City. The General Plan 2020 calls for continued implementation and periodic updating of Traffic Mitigation Fees in order to fund the long list of traffic improvements mentioned in the General Plan, as well as other circulation needs that may arise as the City is developed. (General Plan 2020, Programs C-6, C-7)

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

Of the City's various development fees, the Traffic Mitigation Fee is the only such fee subject to AB 1600 reporting. Pursuant to Government Code Section §66006, cities must publish annual reports on these fees, which are to be available to the public.

ANALYSIS: The Traffic Mitigation Fee report consists of the following required seven elements pursuant to the Government Code Section §66006:

1. *Fee description:* The Traffic Mitigation Fee is charged to new development projects. It is intended to pay for those circulation system improvements identified in General Plan 2020 needed to accommodate the proposed development or, as stated in section C-6 of General Plan 2020, for "other recommended roadway improvements, including additional improvements that may become necessary in the long-term and are desirable to enhance San Rafael's circulation system, but are not necessary to maintain Level of Service (LOS) standards. Specific improvements will be implemented as conditions require, and will be refined during the design phase, recognizing that other feasible design solutions may become available and be more effective in achieving the same goals as the improvements listed in Exhibit 21 from the General Plan 2020. The Plan lists 32 long-term roadway improvement projects, 24 of which are identified to be partially funded with Traffic Mitigation fees and as noted above, also allows other additional improvements, not in the General plan 2020 (such as improvements in the City's approved list of Capital Improvement Projects), to be made.
2. *Amount of the fee:* Each new A.M. and P.M. peak hour trip generated by a development is charged \$4,246. Fees are calculated based on land use types and their estimated trips generated.

3. *The following is a table summarizing the beginning and ending year fund balance, as well as specific revenues and expenditures for Traffic Mitigation Fund #246 for FY 2019-20.*

Fund 246 (Traffic Mitigation Fund) balance July 1, 2019	\$3,569,013
Revenue (19/20)	
• Interest income	\$70,721
• Traffic Mitigation Fees	\$503,097
Total Revenue	\$573,818
Expenditures (19/20)	
• <i>Capital Projects</i>	
Second & Third Street Signalization Study #11335	\$365,114
Innovative Deployment of Enhanced Arterials (IDEA) #11348	\$462,679
Second Street Intersection Improvement #11369	\$73,352
Andersen Drive #11276	\$218,900
Francisco Blvd West Multi-Use Pathway #11309	\$763,000
Public Safety Center Resurfacing #11377	\$45,000
Freitas and Las Gallinas Intersection #11171	\$19,250
Miscellaneous Traffic Signal Improvements	\$79,982
Correction Credit	(\$35,389)
Total Expenditures	\$1,991,887
Net Change Fund Activity	(\$1,418,069)
Fund Balance June 30, 2020	\$2,150,944

4. *List of improvements on which fees were expended, amount of expenditure and total percentage of cost covered by fee:* A list of all major planned circulation improvements identified in the General Plan is provided in Attachment 1 of this report. Following are the projects for which Traffic Mitigation Fees were used during the 2019-20 fiscal year:
- a. Second & Third Street Signalization (#11335) – In preparation for the extension of SMART to Larkspur, which includes rail line crossing Second and Third Streets, the City needed to make signalization improvements. Design was started in FY 2017-18, and construction was awarded by City Council on [December 3, 2018](#). There is limited remaining signal work to improve safety.
 - b. Innovative Deployment of Enhanced Arterials (IDEA) Grant (#11348) – San Rafael is a successful recipient of the [Innovative Deployment of Enhanced Arterials \(IDEA\)](#) grant, funded by the Metropolitan Transportation Commission (MTC). On January 10, 2018 MTC awarded the City \$830,000 to develop and implement an [Automated Traffic Signal Performance Measures \(ATSPM\) system](#), with \$365,856 in matching local funds, for a total project budget of \$1,195,856. This system consists of a network of cameras at intersections in combination with an analytic program that measures traffic volumes, provides

approach delay per vehicle, reports arrivals on red, pedestrian delay, and highly sophisticated coordination data. Once installed, data collected from the ATSPM can be used to more accurately program and time the traffic signals based on historical traffic patterns in Central San Rafael. The ATSPM system benefits all users, including vehicles, bicyclists, and pedestrians. [On June 1, 2020](#), the City Council authorized the execution of an agreement with Mike Brown Electric for work on this project.

- c. Second Street Intersection Improvements (#11369) – Second Street is a major thoroughfare through Downtown San Rafael. This project rehabilitated critical intersections and includes pavement resurfacing, wheelchair ramps, and traffic signal upgrades with new communication equipment.
 - d. Andersen Drive #11276 – The project involves the reconfiguring of Andersen Drive, including the installation of signal systems and related improvements to allow an at grade rail crossing of Andersen Drive with SMART’s extension to Larkspur. The MOU with SMART to construct the Andersen crossing improvements was approved by [City Council on March 20, 2017](#) which authorized a total amount of \$5,070,000 which included construction, contingency plus SMART’s staff time. The initial design for this crossing was supported by redevelopment funds and the construction was supported by the Traffic Mitigation Fund. While the majority of the construction is completed, additional property transfers and incidental work remain at this time.
 - e. Francisco Blvd West Multi-Use Pathway #11309 – This project was partially funded by Traffic Mitigation Fees resulting from [transfer of funds from Grand Avenue Bridge project](#).
 - f. Public Safety Center Resurfacing #11377 – This project involved the conversion of C and D Streets from one-way streets to two-way streets between Fifth Avenue and First Street/Second Street. The contract for construction was awarded at the regular [June 15, 2020 City Council meeting](#). This project was partially funded (\$45,000) by Traffic Mitigation fees, as the traffic signal upgrades that are a part of the project are improvements identified in Exhibit 21 of the 2020 General Plan.
 - g. Freitas and Las Gallinas Intersection #11171 – The project upgraded traffic signal system and operations and improved pedestrian safety and intersection geometry. The project was fully completed in early 2018, and the formal notice of completion was brought to [City Council on August 20, 2018](#). The \$19,250 expended in FY 2019-20 represents a final small cost share of sidewalk ramp construction associated with the project.
5. *Approximate date by which construction will commence when City has determined that sufficient funds have been collected:* See No. 4 above. Projects identified in General Plan 2020 are major infrastructure improvements which often require substantial state and

federal funding in addition to Traffic Mitigation resources. Scheduling of those projects therefore depends upon the availability of these supplemental funds.

6. *Any interfund loan or transfer, including the public improvement where it will be spent:* There was a transfer of funds out from the Traffic Mitigation Fund in the total amount of \$1,387,068, to support the following projects: Andersen Drive project #11276, Francisco Boulevard West Multi-Use Pathway (project #11309, IDEA Grant (project #11348), and the Public Safety Center Resurfacing (project #11377)

7. *Refunds made due to sufficient funds being collected:* No refunds were made.

An analysis of the accumulated fund balance follows. A first in, first out (FIFO) accounting method assumes the first revenue collected is the first spent. Staff analyzed the annual balances for the past 5 fiscal years and determined that no funds have been held for more than 5 years, as shown in the following table:

Traffic Mitigation Fund #246

Revenues only:

0-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5+ Years
Unspent & received in FY 18-19	Unspent & received in FY 17-18	Unspent & received in FY 16-17	Unspent & received in FY 15-16	Unspent & received in FY 14-15	Unspent & received 1/1/89 to 6/30/12
\$573,818	\$573,818	\$896,147	\$382,554	\$386,840	(\$662,233)

As evidenced by the projects described above, current traffic improvement projects underscore the connection between the current need for the fees and the purpose for which they were originally collected. The City anticipates the following projects will continue to incur Traffic Mitigation Funds expenses in FY 2020-21:

- Second & Third Street Signalization (#11335)
- IDEA Grant (#11348)
- Second Street Intersection Improvement (#11369)

While these are the projects currently under construction, it is worth noting that the total cost of the 24 Circulation Element improvements in the General Plan 2020 is estimated at \$57.95 million, of which \$38.6 million (67%) would come from traffic mitigation fees.

FISCAL IMPACT: There is no fiscal impact associated with accepting the report.

OPTIONS:

- Accept the report as recommended.
- Do not accept the report.

RECOMMENDED ACTION: Accept the Traffic Mitigation Fee Report.

ATTACHMENTS:

1. Exhibit 21 from General Plan 2020: *Major Planned Circulation Improvements*

Exhibit 21
Major Planned Circulation Improvements ^a

	Proposed Roadway Improvements	Projected Cost	Mitigation Fee	Funding Source		Projected Project Timing (b)
				Redevelopment	State & Federal	
1	Smith Ranch Road/Lucas Valley Road Widen roadway to provide two westbound and two eastbound lanes between Redwood Highway and Los Gamos. Widen northbound 101 off ramp and southbound 101 off ramp for additional right and left turn lanes.	\$4,000,000	\$4,000,000			Depends On Development Timing
2	Lucas Valley/Los Gamos Widen Lucas Valley Road to provide two through lanes for eastbound and westbound, and provide two westbound left turn lanes. Widen southbound Los Gamos to provide 2 lanes for 300 feet and merge back to one lane. Signalize intersection and coordinate with adjacent intersections.	\$2,000,000	\$2,000,000			Depends On Development Timing
3	Las Gallinas Avenue (Merrydale to Del Presidio) Remove parking and widen street to provide four lanes (one southbound, two northbound and one two-way left turn).	\$300,000	\$300,000			Depends On Development Timing
4	Freitas/Las Gallinas Upgrade the traffic signal system and operation. Improve intersection geometry, cover portions of drainage ditch	\$650,000	\$650,000			5-7 years
5	Freitas/Del Presidio Explore feasibility of double northbound right turn and southbound 101 on ramp widening	\$900,000	\$900,000			Depends On Development Timing
6	Freitas/ Northbound 101 Ramps- Redwood-Civic Center widening and signalization. Right of Way Required.	\$7,500,000	\$7,500,000			Depends On Development Timing

	Proposed Roadway Improvements	Projected Cost	Mitigation Fee	Funding Source		Projected Project Timing (b)
				Redevelopment	State & Federal	
7	Grand Avenue (south of Grand Avenue bridge to Fourth Street)					
	Widen north/south, add one lane as required, and upgrade traffic signal system. Requires right of way and major bridge widening.	\$6,500,000	\$3,250,000	\$3,250,000		Depends On Development Timing
	Signalize Grand/ Fifth, and restrict parking to provide turn lanes.	\$200,000	\$200,000			5-7 years
	Signalize Grand/ Mission, and restrict parking to provide turn lanes.	\$200,000	\$200,000			5-7 years
8	Francisco Blvd. East (Bellam to Grand Avenue Bridge)					
	Four lanes required. One southbound, one two-way left turn and two northbound lanes. Major right of way required.	\$10,000,000	\$5,000,000	\$5,000,000		Depends On Development Timing
	Signalize Francisco Blvd. East/Harbor.	\$200,000	\$200,000			5-7 years
9	Lincoln Avenue (Second Street to southbound 101 ramps - Hammondale or as required)					
	Extend the existing PM peak northbound Tow-Away zone for AM peak as well (four lanes may be required). This parking restriction is likely to be extended north toward the southbound 101 ramps.	\$400,000	\$400,000			3-5 years
	Signalize Lincoln/ Grand, and restrict parking to provide turn lanes.	\$200,000	\$200,000			3-5 years
10	Mission/Lincoln	\$4,000,000	\$4,000,000			Depends On Development Timing
	Provide additional lanes for northbound, and westbound; upgrade traffic signal system, requires right of way.					
11	Fourth Street (Miracle Mile)	\$450,000	\$450,000			5-7years
	Re-align Ross Valley and Santa Margarita and re-design intersection operation. LOS may deteriorate but community access will be provided.					
	Additional Signalization					
12	Signalize Fifth & H Street, and restrict parking to provide turn lanes.	\$100,000	\$100,000			3 years

	Proposed Roadway Improvements	Projected Cost	Mitigation Fee	Funding Source		Projected Project Timing (b)
				Redevelopment	State & Federal	
13	Signalize First/C Street, and restrict parking to provide turn lanes.	\$150,000	\$150,000			3 years
14	Signalize First/ D Street, and restrict parking to provide turn lanes.	\$150,000	\$150,000			3 years
15	Signalize Fourth/Union Street, and restrict parking to provide turn lanes.	\$200,000	\$200,000			Depends On Development Timing
16	Signalize or Roundabout Mission/Court Street.	\$200,000	\$100,000	\$100,000		Depends On Development Timing
17	Signalize Merrydale/Southbound 101 Ramps, and provide turn lanes.	\$250,000	\$250,000			5-7years
18	Signalize Lincoln/DuBois/Irwin and re-align intersection. Right of way required.	\$2,500,000		\$2,500,000		Depends On Development Timing
19	Third/Union Street Widen Union Street to provide 4 lanes between Third and Fourth. Fire Station 4 modification required. Reconfigure Third/Union eastbound left turn pocket. Provide westbound right turn pocket. Upgrade the traffic signal system and operation.	\$900,000	\$900,000			2 years
20	Kerner Blvd or Francisco Blvd. East. To Andersen Drive Undercrossing Provide a minimum 3-lane connector near Shoreline Parkway. Signalize at both ends.	\$8,000,000	\$4,000,000	\$4,000,000		Depends On Development Timing
21	Andersen /East Sir Francis Drake-eastbound 580 Ramps Major widening and signalization.	\$2,000,000	\$500,000	\$500,000	\$1,000,000	5-7 years
22	Upgrade traffic signal system.	\$3,000,000	\$1,500,000		\$1,500,000	7 years
23	Install traffic monitoring sensors and camera system.	\$1,000,000	\$500,000		\$500,000	7 years
24	Install Fiber Optic network throughout the traffic system.	\$2,000,000	\$1,000,000		\$1,000,000	7 years
	Sub Total	\$57,950,000	\$38,600,000	\$15,350,000	\$4,000,000	

Proposed Roadway Improvements	Projected Cost	Mitigation Fee	Funding Source		Projected Project Timing (b)
			Redevelopment	State & Federal	
Other Projects	Projected Cost	City Funds	Redevelopment	State & Federal	
25 Implement Bicycle and Pedestrian Master Plan	\$5,300,000	\$2,650,000		\$2,650,000	7-20 years
26 Pedestrian bridge at Third/Hetherton – GGT Transportation Center	\$2,000,000	\$500,000	\$500,000	\$1,000,000	Depends On SMART, 10-20 years
27 Pedestrian bridge to connect Canal to Andersen Drive/Downtown.	\$4,500,000	\$1,125,000	\$1,125,000	\$2,250,000	10-20 years
28 Pedestrian bridge to connect Canal to Montecito Shopping Center.	\$4,000,000	\$1,000,000	\$1,000,000	\$2,000,000	10-20 years
29 Freitas / Northbound 101 Ramps - Redwood-Civic Center or a new flyover from Civic Center Dr. to Freitas.	\$12,000,000	\$6,000,000		\$6,000,000	Depends On Development Timing
30 Second Street (from E Street to east side of A Street). The projected volume requires right turn lanes or through/right lanes be added in the long term. Right of way required.	\$6,000,000	\$1,500,000	\$3,000,000	\$1,500,000	10-20 years
31 Pedestrian bridge over Canal between the Canal and Montecito/Happy Valley neighborhoods.	\$4,000,000	\$1,000,000	\$2,000,000	\$1,000,000	10-20 years
32 North San Rafael Promenade	\$2,000,000	\$1,000,000		\$1,000,000	10-20 years
Sub Total Other Projects	\$39,800,000	\$14,775,000	\$7,625,000	\$17,400,000	
Grand Total Project Cost	\$97,750,000				

(a) Priorities for circulation improvements are set in the Capital Improvements Program. This list may be amended as part of the five-year General Plan update.

(b) The timing for the improvements depends on the size, type and phasing of additional development. Policies LU-2 (Development Timing) requires findings when project-related traffic will not cause the LOS to be exceeded.

Source: San Rafael Public Works Department