



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
April 1, 2008

Honorable Mayor and
Members of the City Council

Title: Transportation Development Impact Fee Program Project

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) establishing a Multi-Year Operating Project for the Transportation Development Impact Fee Program (PN: H15080000); 2) appropriate \$450,000 from the Gas Tax (Fund 202 / 2002) to the Transportation Development Impact Fee Program project, 3) amend the FY07/08 Multi-Year Operating Program by appropriating \$450,000 from Gas Tax (Fund 202 / 2002) to the Transportation Development Impact Fee Program Project (PN: H15080000), and 4) authorize the City Manager to execute a professional service agreement with MuniFinancial for an amount not to exceed \$325,000.

Contact: Azadeh Doherty, Principal Planner, 808-3137

Presenters: Not Applicable

Department: Department of Transportation

Division: Office of the Director,

Organization No: 3416

Description/Analysis

Issue: The Sacramento Area Council of Governments (SACOG) Metropolitan Transportation Plan for 2035 projects that over the next 28 years the population of the City of Sacramento will grow by 200,000 people. Furthermore, the City's new General Plan proposes to support the SACOG's preferred Blueprint land use scenario of high density land uses with strong multi-modal emphasis (i.e., transit, bike and pedestrian friendly facilities.)

It is the City's desire to provide the necessary transportation infrastructure to support new development associated with the projected growth. To build new roads and other transportation infrastructure and upgrade the existing system to support new development, it will be necessary to establish a source of capital. The City of Sacramento has an opportunity to implement a citywide

Transportation Development Impact Fee program and generate new revenues to pay for the capital cost of transportation projects necessary for the projected growth.

A Request for Proposals (RFPs) was issued, and MuniFinancial was selected as the top-ranked consultant firm to complete the impact fee analysis and the nexus study.

Policy Considerations: Preparing and implementing a Transportation Development Impact Fee Program supports the City's goals and policies of sustainability, accessibility, and walkable communities by providing a transportation system that is effectively, planned, managed, operated and maintained.


Environmental Considerations: The approval of professional service agreements is not considered a project as defined by Section 15378 of the California Environmental Quality Act guidelines. The recommended action involves no physical construction and has no potential to cause significant impact to the environment.

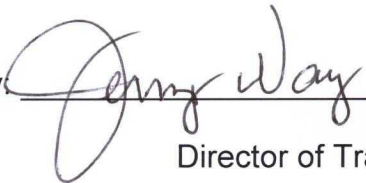
Rationale for Recommendation: A nexus study is necessary to develop and implement a citywide Transportation Development Impact Fee Program. Establishing a project budget and appropriating funds is necessary in order to develop and implement a Transportation Development Impact Fee and award MuniFinancial an agreement for professional services for the technical study.

Financial Considerations: The estimated cost for the study, development and implementation of a Transportation Development Impact Fee Program is \$450,000. Establishing a Multi-Year Operating Project and appropriating \$450,000 from Gas Tax (Fund 202 / 2002) is necessary to proceed with the project, execute a consultant services agreement with MuniFinancial, and support related project costs.

The implementation of the Transportation Development Impact Fee Program will generate a new source of revenue which will assist in paying for the construction cost of transportation infrastructure needed for new development.

Emerging Small Business Development (ESBD): The RFP included participation goals of 20% for Emerging and Small Business Enterprises as required by Ordinance 99-007 and Resolution 99-055 relating to ESBD participation goals and policies, adopted by City Council on February 9, 1999. The selected consultant team MuniFinancial exceeded the ESBD goals, with 26% participation.

Respectfully Submitted: 
Francesca L. Halbakken
Operations Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:



for Ray Kerridge
City Manager

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Attachment 1- Background**Background**

Roadway infrastructure is critical to the City's economic well being. In the next two to three decades it is expected that the transportation system will require approximately \$2.57 billion for capital improvements to accommodate the anticipated growth. To assist with funding the necessary expansion of the transportation system, the City desires to establish a Transportation Developer Impact Fee.

The purpose of the Transportation Development Impact Fee Program is to establish a source of capital funding for transportation improvements required by new development over the next 25 years. Currently, the City of Sacramento does not have a citywide Transportation Development Impact Fee. Transportation projects are funded through various Federal, State, and Local fund sources. The major local funding sources for the capital improvement program include: Measure A Construction, Measure A Maintenance, Gas Tax and Major Street Construction Tax. In addition, the City has established Mello-Roos, Assessment and Fee Districts in various parts of the city to finance transportation projects. The largest is the North Natomas Financing District followed by the Railyards/Richards Boulevard/Downtown District as well as the South Natomas Facility Benefit Assessment. Additionally, in conjunction with the cities of Elk Grove and West Sacramento as well as Caltrans, the City is in the process of establishing an "I-5 sub-regional mitigation fee" program to serve as mitigation that satisfies Caltrans for mainline impacts.

Department of Transportation (DOT) advertised a Request for Proposals (RFP) for consultant services to provide a technical analysis and nexus study necessary to develop and implement a citywide Transportation Development Impact Fee program. The following four firms responded to the City's RFP: MuniFinancial, EPS, Omni-Means and PMC. A diverse panel of City staff from the departments of Transportation, Planning and Development Services reviewed and evaluated the firm's written proposals based on experience, qualifications and a proposed work plan for the project. In addition, the panel held interviews to better define the top-ranked firm. Based on the strength of its proposal and the results of the interview, the panel selected MuniFinancial as the top-ranked consultant team to perform this study.

RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISHMENT OF MULTI-YEAR OPERATING PROJECT FOR THE TRANSPORTATION DEVELOPMENT IMPACT FEE PROGRAM, APPROPRIATION OF FUNDS, AMENDMENT OF THE FY087/08 MULTI-YEAR OPERATING PROGRAM, AND PROFESSIONAL SERVICES AGREEMENT

BACKGROUND

- A. The purpose of the Transportation Development Impact Fee Program is to establish an additional source of capital funding for transportation improvements required by new development over the next 25 years.
- B. The City of Sacramento currently does not have a citywide Transportation Development Impact Fee. Transportation projects are funded through various Federal, State and Local fund sources.
- C. Roadway infrastructure is critical to the City's economic well being. In the next two decades it is expected that the transportation system will require approximately \$2.57 billion for capital improvements to accommodate the anticipated growth. To assist with funding transportation infrastructure related to this growth, the City desires to establish a Transportation Development Impact Fee.
- D. The Department of Transportation advertised a Request for Proposals for consultant services to provide a technical analysis and nexus study necessary to develop and implement a citywide Transportation Development Impact Fee. A panel of City staff selected MuniFinancial as the top-ranked consultant team to perform the study.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Transportation Development Impact Fee Program Project (PN: H15080000) is established as a new Multi-Year Operating Project.
- Section 2. Appropriate \$450,000 of the Gas Tax Fund for the use of developing and implementing a Transportation Development Impact Fee Program.
- Section 3. The FY07/08 Multi-Year Operating Program is amended by appropriating \$450,000 from Gas Tax (Fund 202 / 2002) to the Transportation Development Impact Fee Program Project (PN: H15080000).

Section 4. The City Manager is authorized to execute a Professional Services Agreement with MuniFinancial for a technical analysis and nexus study for the Transportation Development Impact Fee Program in an amount not to exceed \$325,000.