FINAL DRAFT

NEXUS STUDY for the I-5 SUBREGIONAL CORRIDOR MITIGATION PROGRAM

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1. EXECUTIVE SUMMARY

1.1. Overview

On June 25, 2014, SACOG, Caltrans and the Cities of West Sacramento, Elk Grove and Sacramento entered into a Memorandum of Understanding (MOU) agreeing to collectively prepare the I-5 Subregional Corridor Mitigation Program, (SCMP). The MOU (see **Appendix A**) arose from concerns expressed by Caltrans regarding the effects of increased development on congestion on the State Highway System. The MOU has resulted in the "SCMP Fee Program" that is documented in this Nexus Study.

The MOU defines boundaries of the subregional corridor as shown in **Figure 1** and includes all of the City of West Sacramento, all of the City of Elk Grove and the portions of the City of Sacramento that are south of the American River and west of Highway State Routes 51 and 99.

The MOU recognizes that the Cities of West Sacramento, Elk Grove and Sacramento may adopt the SCMP Fee Program either: 1) as a voluntary measure, where a project applicant whose project traffic reaches a "threshold of significance" for the impacts to the freeway mainline system may choose to pay a fee in lieu of preparing a traffic model analysis of the cumulative mainline freeway impacts and determining the specific mitigation for such project, or 2) as a mandatory development impact fee pursuant to the Mitigation Fee Act (Government Code section 66000 et seq.).

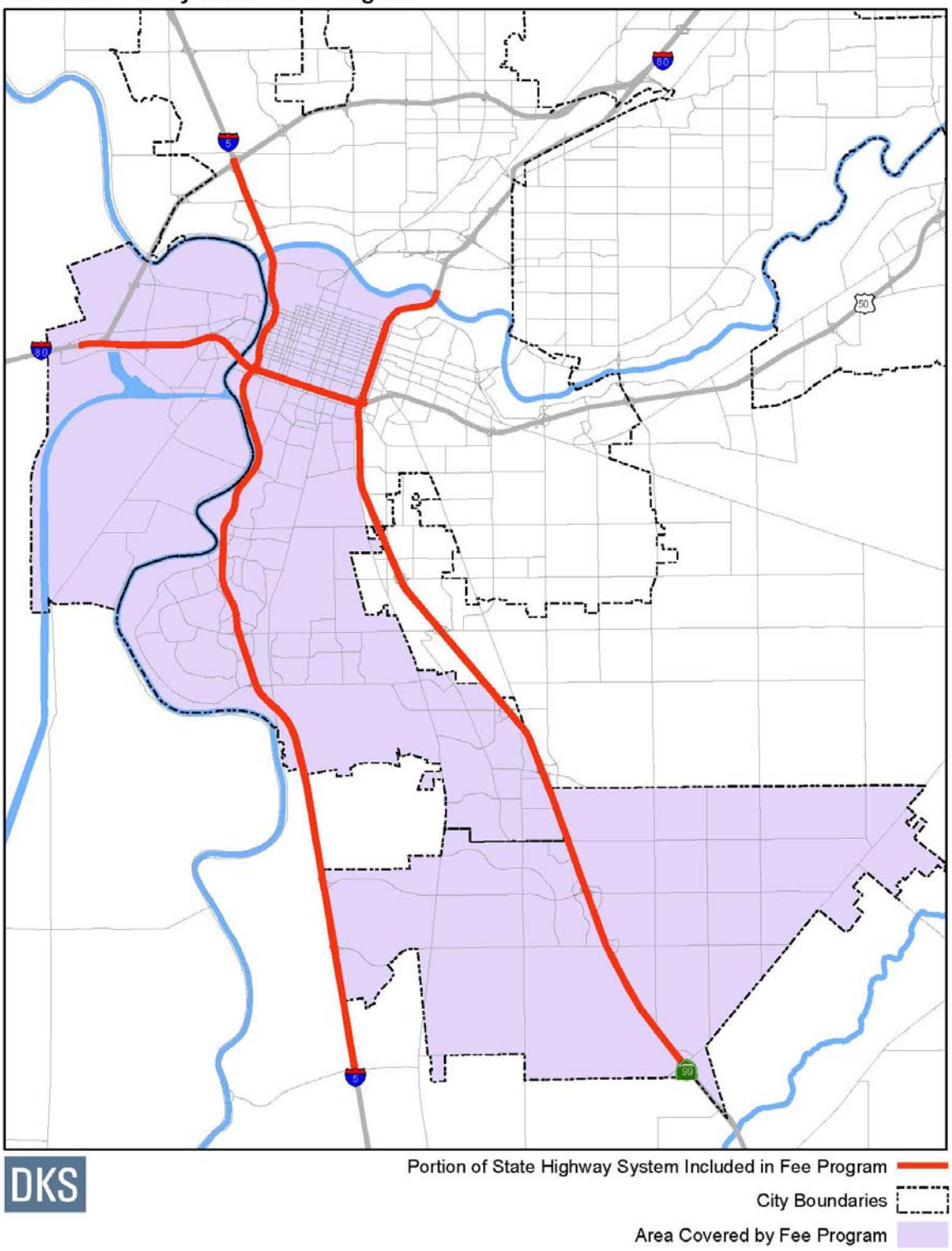
This Nexus Study report provides the necessary documentation to support adoption of the SCMP Fee Program by the three cities. After describing the need for the program and the nexus between new development and the selected projects needed to mitigate development impacts on the freeway system, this report calculates the maximum justifiable fee that may be levied for each land use type in each of four fee districts. Finally this report documents the funding levels and resulting fee rates that have been proposed by the SCMP "Working Group" along with key implementation elements for the fee programs adopted by each City.

1.2. Need for Subregional Corridor Mitigation Program

Individual development projects, in most cases, add limited amounts of traffic to the State Highway System. Yet studies show that the cumulative effects of regional development over a period of 10 to 20 years are significant increases in traffic volumes on the State Highway System, resulting in substantial increases in travel delay on an already burdened freeway system that serves everyone in the region. While local jurisdictions have been effective at using CEQA to mitigate development's traffic impacts on the local roadway system, it has been more difficult to address impacts on the State Highway System, and improve issues related to the CEQA review process, cost uncertainty and schedule delays for development projects.

The SCMP Fee Program will advance the Cities' implementation of improvements that will mitigate development's impact on the State Highway System because 1) there will be agreement between local jurisdictions and Caltrans on the policies used in traffic impact studies, 2) the SCMP Fee Program will define appropriate and feasible mitigation measures, 3) the SCMP Fee Program will establish the mechanism for development funding of improvements either to the State Highway System or which benefit the freeway by providing local roadway and transit alternatives, and 4) the SCMP Fee Program will improve both the prospects of the proposed improvements being constructed and being delivered in a shorter time period.

Figure 1
Area Covered by SCMP Fee Program



In 2007, a Working Group was formed to develop appropriate strategies and a preliminary study was prepared, titled "Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System" (DKS, April 2009). The recommended solution to the shortcomings in current practices involves the following elements:

- Moving away from "standards of significance" that focus on the level of service ("LOS") of individual freeway segments and instead adopting standards related to impacts on overall delay on the freeway "system."
- Having local governments recognize that all but small developments would have some impact on overall delay of the freeway "system" that serves the region and thus most development projects should participate in funding improvements that reduce system delay on a fair-share basis.
- Defining a feasible package of improvements that would be effective in reducing overall travel delay on the regional freeway system.
- Recognizing that having a feasible and effective method to actually implement a package of improvements that would provide clear overall benefits to the regional freeway system is better than the current methods that attempt to solve most individual freeway LOS impacts.
- Agreeing on fair-share development contributions to implement the defined set of mitigation measures and having the Cities of West Sacramento, Elk Grove and Sacramento adopt a fee program to collect this funding.
- Having Caltrans' review, acknowledge, and agree that payment of the adopted fees would adequately mitigate a development project's impact on the State Highway System under CEQA.

1.3. Purpose of this Nexus Study

As a development impact fee, the SCMP Fee Program can only be charged to new development (projects requiring discretionary approvals) and must be based on the impact of the development on public facilities infrastructure – in this case the freeway system within the subregion called the "Fee Program Area" (see **Figure 1**). The purpose of this report is to demonstrate the nexus (or reasonable relationship) between development that occurs in the Fee Program Area and the need for additional improvements and facilities as a result of the development.

This Nexus Study includes transportation improvements that would reduce congestion (delay) on the portion of the State Highway System within the Fee Program Area. Some of these improvements are not on the freeway mainlines, but are parallel roadway or transit facilities that serve to reduce the number of vehicles traveling on the mainline, and thus help mitigate impacts on the State Highway System.

This study serves as the basis for the Cities of West Sacramento, Elk Grove and Sacramento to adopt development impact fees for a specific purpose (the I-5 Subregional Corridor Mitigation Program) under Assembly Bill (AB) 1600 legislation, as codified by the Mitigation Fee Act (California Government Code sections 66000 *et* seq.). This section of the Mitigation Fee Act sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition.

Required Nexus Findings

- Identify the purpose of the fee.

- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

These findings are addressed throughout this Nexus Study, and more specifically in **Section 6**.

1.4. Summary of SCMP Fee Program

The "causes" method was selected for the I-5 Subregional Corridor Mitigation Program since it fits the uniqueness of the program's purpose, geography and facility usage/needs. Under this method, development within the Fee Program Area should pay a reasonable share of a selected set of improvements based on both the level of traffic delay reduction those improvements would cause on the State Highways System and that development's share of the total year 2036 delay on the State Highway System. Based on this Nexus Study, new development's share would be less than 10% of the overall improvement plan cost.

The selected method recognizes that there are "existing deficiencies" (i.e. LOS F conditions) on the State Highway System within the Fee Program Area. Since the cost share that is paid by "new development in the Fee Program Area" is based on its percentage share of total year 2036 delay on the State Highway System, delay caused by existing development is accounted for in the cost share for the proposed SCMP fee. Delay caused by growth outside the Fee Program Area is also accounted for in the cost share for the proposed SCMP fee.

The method used to estimate the cost share for new development in the Fee Program Area involves the following:

- Estimating the growth in development in the Fee Program Area (see Section 3.3)
- Estimating the total amount of delay on the State Highway System in the Fee Program Area under existing and 2036 conditions and determining how much of the growth in delay by 2036 is caused by growth within the Fee Program Area (see Section 3.4)
- Selecting transportation projects that would reduce delay on the State Highway System in the Fee Program Area (see Section 4)
- Estimating dwelling unit equivalent (DUE) rates that reflect both the type of development and its location based on its impact on delay on the State Highway System during peak periods (see Section 5.1)
- Estimating the growth in DUE's in the Fee Program Area (see Section 5.2)
- Estimating the maximum amount of funding and maximum fee rates that could be justified by the Nexus Study (see Section 5.3)

1.5. Recommended Fee Rates

The total cost of the twelve selected transportation projects is about $1.5 billion and about $1.3 billion is currently unfunded, but the projects are included in SACOG's Metropolitan Transportation

Plan/Sustainable Community Strategy (MTP/SCS) so they are eligible for future federal and state funding. The Nexus analysis indicates that the delay on the State Highway System that is due to growth in Fee Program Area is about 35 percent of total 2036 delay on the State Highway System. The maximum allowable funding from the SCMP Fee Program would be $1.3 billion x 35%, or about $448,664,000. With a growth of 47,860 DUEs in the Fee Program Area, the maximum cost per DUE would be $9,374. The maximum allowable fee rates by land use type, shown in **Tables 13 through 15.**

However, the Working Group has reviewed the maximum allowable fee rates and has determined that those rates are excessively high. Instead, the Working Group is recommending that the estimated level of funding that should be imposed on new development be at lower level ($135 million), with the balance of the required funding to construct the improvements would come from other sources as programmed by SACOG (as described in Appendix B) to provide funds needed for full mitigation. At this lower level, the cost per DUE is a maximum of $2,821. The fee rates that result from this cost per DUE for each City is shown in **Tables 16 through 18**.

1.6. Implementation of the Program

The SCMP Fee Program will be individually proposed for adoption by the Cities West Sacramento, Elk Grove and Sacramento, and there is a benefit in establishing consistency between the adopting resolutions and procedures implemented by each City. **Section 7** of this Nexus Study addresses the following implementation issues:

- Caltrans will need to amend and the Cities of West Sacramento, Elk Grove and Sacramento will need to adopt traffic impact guidelines for establishing a threshold of significance for impacts to the State Highway System in the subregion.
- This Nexus Study applies a 3 percent allowance to fund administration costs.
- The allocation of funds collected by the SCMP Fee Program is to be determined by each city, with the improvement projects within their jurisdiction having first priority for funding. The SCMP Fee Program will be subject to automatic annual inflation adjustments, potential periodic updates, and a 5-year review requirement, which are described in Section 7.4.

1.7. Organization of Report

This report is divided into six sections including this **Introduction and Executive Summary.**

- **Section 2** outlines the need for the I-5 Subregional Corridor Mitigation Program.
- **Section 3** describes the Nexus methodology and future development assumptions in this report.
- **Section 4** describes the transportation projects and costs to be funded by the SCMP Fee Program.
- **Section 5** provides the maximum allowable fee rates and the recommended fee rates from the Working Group.
- **Section 6** provides the nexus findings for the development impact fees.
- **Section 7** describes the Working Group's recommendations on implementation of the SCMP Fee Program.

2 NEED FOR SUBREGIONAL CORRIDOR MITIGATION PROGRAM

2.1 Background

CEQA requires that the transportation impacts of local development projects be identified and that significant impacts be mitigated, including impacts to the State Highway System, to the extent feasible. In most cases, individual traffic impact studies are prepared to determine a project's impact on the State Highway System, and then an analysis of improvements and costs that could be imposed as mitigation. This process requires an expense of time and money, as well as uncertainty, for the project applicant, cities, and Caltrans. Additional time and expense is required to determine whether there are possible improvements or monetary contributions to fully mitigate or lessen the severity of the identified impacts.

Individual development projects, in most cases, add limited amounts of traffic to the State Highway System. Yet studies show that the cumulative effects of regional development over a period of 10 to 20 years yield significant increases in traffic volumes on the State Highway System, resulting in substantial increases in travel delay on an already burdened freeway system that serves everyone in the region. A substantial portion of the freeway system is already congested and measures to reduce congestion, such as adding more lanes on many freeway segments, will be not be appropriate or feasible. Thus the Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS) includes improvements on only selected freeway mainline segments.

Rather than continuing down the current path, transportation professionals representing the Cities of West Sacramento, Sacramento and Elk Grove, plus Caltrans District 3, Caltrans Headquarters, Sacramento Area Council of Governments ("SACOG"), and Sacramento Regional Transit District were brought together to develop a better approach to mitigating impacts to the State Highway System by improving predictability and streamlining the process for project applicants and local agencies. The purpose of this Working Group was to create a systematic approach to mitigate impacts of new development on the State Highway System, which will be more cost effective, consistent, equitable, and predictable by providing more certainty for project applicants, participating cities and Caltrans.

The Working Group defined a set of recommendations to resolve those issues, including the following:

- Definition of a set of feasible improvements that would significantly reduce overall travel delay on the portion of the State Highway System that serves the Fee Program Area.
- The need to provide a simple method to calculate the "fair share" funding contribution that a development should pay to help implement the improvements necessary to mitigate the impacts.
- Caltrans' agreement that payment of the fee will adequately mitigate a development project's impact on the State Highway System under CEQA.
- That the Cities of Sacramento, West Sacramento and Elk Grove should modify their transportation guidelines on the evaluation and mitigation of impacts on the State Highway System in the Fee Program Area as necessary to be consistent with the SCMP Fee Program.

Caltrans reviews local development projects and land use change proposals for their potential impact to State highway facilities based on traffic impact studies (TIS) prepared by local governments under CEQA. To facilitate its review, Caltrans has prepared a *"Guide for the Preparation of Traffic Impact Studies"* (December 2002) to provide a starting point and a consistent basis in which Caltrans evaluates traffic impacts to State highway facilities. Some key points related to this Guide are:

- The Guide defines thresholds, based on the amount of project traffic assigned to a State highway facility, to determine when a Traffic Impact Study ("TIS") is needed. The Guide does not have separate thresholds for a "significant impact" to the State highway facility.
- The Guide implies that if a development project adds any traffic (even one car) to a State Highway that is or in the future will be operating at an unacceptable level of service (LOS) without the project, it would cause a significant impact. Caltrans' Transportation Concept Reports (TCRs) define the acceptable Concept LOS for each segment of the State Highway System.
- A substantial portion of the State Highway System covered by the Fee Program Area already operates at the unacceptable Concept LOS or worse conditions, and a larger portion would operate at unacceptable conditions under typical "cumulative conditions" used in environmental documents studying development impacts.
- Since most development projects in the Fee Program Area would add at least one car to a State Highway that is operating at an unacceptable Concept LOS (at least under cumulative conditions), it could be inferred from Caltrans' Guide that all future development projects would cause a significant impact, triggering the need for a traffic study and evaluation of feasible mitigation.

Local governments also have guidelines for traffic impact studies which define thresholds for when a traffic study is required, and define standards for when a project causes a significant impact on various components of the transportation system, including the State Highway System. The TIS guidelines for the Cities of Sacramento, West Sacramento and Elk Grove differ from Caltrans Guide, as well as from each other. However, it is neither equitable nor feasible for a project adding minimal trips to the State Highway System (and considered to be causing a significant impact under CEQA) to pay for the traffic study and pay to construct the improvements necessary to bring the impact to a less than significant level.

The TIS guidelines used by Caltrans and by the Cities of Sacramento, West Sacramento and Elk Grove for this subregional area should be revised to reflect the 100 AM or PM peak hour vehicle trip-ends as the threshold of significance for impacts to the State's freeway system.

2.2 Shortcomings of Current Practice

Current practices are not leading to the implementation of improvements to the State Highway System that will mitigate development's impact because 1) there is disagreement between local jurisdictions and Caltrans on the metrics used in traffic impact studies, 2) it has been difficult to define appropriate and feasible mitigation measures, 3) there is no mechanism in place to fund improvements to the State Highway System or local improvements that will mitigate traffic impacts on the State Highway System, and 4) prospects of improvements on many freeway segments within this subregion ever being constructed by Caltrans remains uncertain.

There is disagreement between the local jurisdictions and Caltrans on the guidelines used in a Traffic Impact Study, particularly on the "standards of significance" that should be used to define a significant impact to the State Highway System. Local jurisdictions believe that the thresholds/standards used by Caltrans are too low and overstate impacts. As a result, local governments have been applying a different "standards of significance" for impacts on the State Highway System.

Due to Caltrans' low "standard of significance" for impacts on the State Highway System, there are often cases where an EIR is prepared for a development project for the sole reason of a "significant" impact on the State Highway System.

When a TIS identifies that a development project would cause a traffic impact on the mainline freeway

system, it is often difficult to define an appropriate mitigation measure for the following reasons:

- The evaluation and mitigation practice related to the State Highway System focuses on the analysis and mitigation of individual segments of the State Highway System, which usually means evaluating the level of service (LOS) on a freeway segment between two interchanges including the level of service at the "merge and diverge" points where traffic using ramps flow onto or off of the freeway.
- Caltrans and SACOG do not have approved plans to add lanes to many freeway segments. Widening many freeway segments does not appear to be appropriate and/or feasible. The Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS) includes improvements on only selected freeway mainline segments.
- There has been insufficient information and uncertainty on which to base a feasible and viable mitigation measure to address the project's impact on the State Highway System.
- There is no fee or other funding mechanism currently in place for future funding of improvements to the State Highway System.
- The prospects of improvements on many freeway segments ever being constructed remains uncertain due to funding priorities and on-going policy developments that may favor other approaches to addressing freeway congestion.

For these reasons, local jurisdictions have often concluded that appropriate mitigation measures cannot be defined and/or are speculative. Thus local agency CEQA documents may define the impacts of a development project on the State Highway System as "significant and unavoidable."

3 NEXUS METHODOLOGY AND LAND USE ASSUMPTIONS

This section describes the rationale for the method that was selected to estimate development fees for the I-5 Subregional Corridor Mitigation Program.

3.1 Overview of Methodology

The two general ways of estimating "fair share" of improvement costs in a transportation fee program are:

1) Use of improvements or "usage" method is commonly used to determine "fair shares" of the cost for individual improvements. The use of each new or improved facility by trips from each "fee district" and from areas outside the area covered by the fee program is estimated (with separate estimates of trips from existing and new development) and the percentages of trips from each district are used to allocate costs.

The "usage" method does not appear appropriate for the I-5 Subregional Corridor Mitigation Program since the set of improvements that would reduce congestion on the State Highway System includes new or improved parallel transportation facilities (both roadway and transit) that are off the State Highway System. If the "usage" method is applied to allocate the cost of these "off-system" projects, then the cost allocation may not reflect how various types of development in each district would increase congestion on the State highway segments. The resulting fees may pose problems to selection of improvement projects and/or the acceptability of how fees differ by district.

2) Cause for improvements or "causes" method focuses on how various types of development in each district would cause the need for new or improved facilities. In the case of the I-5 Subregional Corridor Mitigation Program, it focuses on how development would cause increased congestion levels on the State Highway System. It requires techniques to calculate the relative difference in impact on the State Highway System for each development type and the location of that development

The "causes" method was selected for the I-5 Subregional Corridor Mitigation Program since it fits the uniqueness of the program's purpose, geography and facility usage/needs. The I-5 Subregional Corridor Mitigation Program is different than most transportation fee programs, even those involving multiple jurisdictions, for the following reasons:

- The selected State highway segments that are the focus of the mitigation program are only a portion of the transportation system in the area covered by the SCMP Fee Program. They are also regional/inter-regional facilities and the increases in traffic on these highway segments will stem from growth over an area substantially larger than the Fee Program Area.
- Congestion already exists on the selected State highway segments but the cumulative effect of development within the Fee Program Area over the next 20 years will be significant increases in traffic volumes on the State Highway System, resulting in substantial increases in travel delay on an already burdened freeway system that serves everyone in the region.
- A set of improvements that could fully mitigate the impact of growth on the selected State highways would have a substantial cost and some direct improvements to that system may not be feasible. Therefore, the selected improvement package for the SCMP Fee Program will likely not fully mitigate the increase in congestion levels due to growth.
- The Working Group for I-5 Subregional Corridor Mitigation Program wants the fee calculations to not only reflect the typical trip generation differences between residential, commercial and industrial uses but also include the impact of smart growth and jobs/housing balancing.

Using a "causes" method, development in the Fee Program Area should pay a reasonable share of a selected set of improvements based on both the level of traffic delay reduction those improvements would provide on the State Highways System and that development's share of the total 2036 delay on the State Highway System.

The selected method recognizes that there are "existing deficiencies" (i.e. LOS F conditions) on the State Highway System within the Fee Program Area. Since the cost share that is paid by "new development in the Fee Program Area" is based its percent share of total 2036 delay on the State Highway System, delay caused by existing development is accounted for. Delay caused by growth outside the Fee Program Area is also accounted for.

The method for estimating the cost share for new development in the Fee Program Areas involves the following:

- Estimating the growth in development in the Fee Program Area (see Section 3.3)
- Estimating the total amount of delay on the State highway System in the Fee Program Area under existing and 2036 conditions and determining how much of the growth in delay by 2036 is caused by growth with the Fee Program Area (see Section 3.4)
- Selecting transportation projects that would reduce delay on the State highway System in the Fee Program Area (see Section 4)
- Estimating dwelling unit equivalent (DUE) rates that reflect both the type of development and its location based on its impact on delay on the State highway system during peak periods (see Section 5.1)
- Estimating the growth in DUE's in the Fee Program Area (see Section 5.2)
- Estimating the maximum amount of funding and maximum fee rates that could be justified by the Nexus Study (see Section 5.3)

3.2 Land Use Assumptions

Estimates of future development levels by type of development are significant variables used to determine how growth will impact congestion on the State Highway system and to calculate fee rates in this Nexus Study. The future development assumptions used in this Nexus Study represent latest development forecasts prepared by the Sacramento Area Council of Governments (SACOG) that are being used for update of the Metropolitan Transportation Plan / Stainable Community Strategy (MTP/SCS).

The Fee Program Area, shown in Figure 1, is a large area. As described in this Nexus Study, residential development in one portion of this area can have a different impact on congestion on the State Highway System than residential development in another portion of this area. This is also true for non-residential development. Therefore, the Fee Program Area has been divided into the four "districts," shown in **Figure 2**, which cover the following:

- **District 1** is the central City of Sacramento plus portions of West Sacramento near the Sacramento River (i.e. West Sacramento's Washington, Bridge and Pioneer Bluff districts)
- **District 2** is the City of West Sacramento except for the portion of the City included in District 1
- **District 3** is the portion of the City of Sacramento that is west of State Route 99 and south of

the Central City (i.e. south of Broadway)

- **District 4** is the entire City of Elk Grove

Table 1 shows development estimates in each of the four districts for 2012, the "base year" for the new MTP/SCS), while **Table 2** shows projected development levels by district for 2036, the "horizon year" for the new 2016 MTP/SCS). The horizon year for the 2012 MTP/SCS was 2035. **Table 3** shows the projected growth in housing units and employment between 2012 and 2036.

Table 1: 2012 Land Use

	Residential Units			Employment					
District[1]	SF	MF	Total	Retail	Office	Medical	Industrial	Educ	Total
1	2,444	17,356	19,800	9,103	53,783	11,931	15,336	186	90,340
2	14,013	4,575	18,588	4,834	5,696	516	11,069	1,001	23,116
3	54,662	16,971	71,633	13,546	10,849	5,775	6,647	4,853	41,669
4	46,353	5,428	51,781	14,692	7,908	742	5,327	3,137	31,804
Total	**117,472**	**44,330**	**161,802**	**42,175**	**78,235**	**18,964**	**38,378**	**9,177**	**186,928**

Source: SACOG Draft 2016 MTP/SCS See **Figure 2** for Fee District boundaries

Table 2: 2036 Land Use

	Residential Units			Employment					
District	SF	MF	Total	Retail	Office	Medical	Industrial	Educ	Total
1	9,433	40,005	49,438	15,876	91,930	14,967	23,553	495	146,822
2	18,726	8,687	27,413	8,107	15,224	1,581	14,614	1,751	41,277
3	60,035	26,052	86,087	17,240	13,903	6,648	7,743	5,474	51,008
4	56,610	9,845	66,455	21,318	13,337	5,156	8,037	3,820	51,668
Total	**144,804**	**84,589**	**229,393**	**62,540**	**134,394**	**28,353**	**53,948**	**11,540**	**290,775**

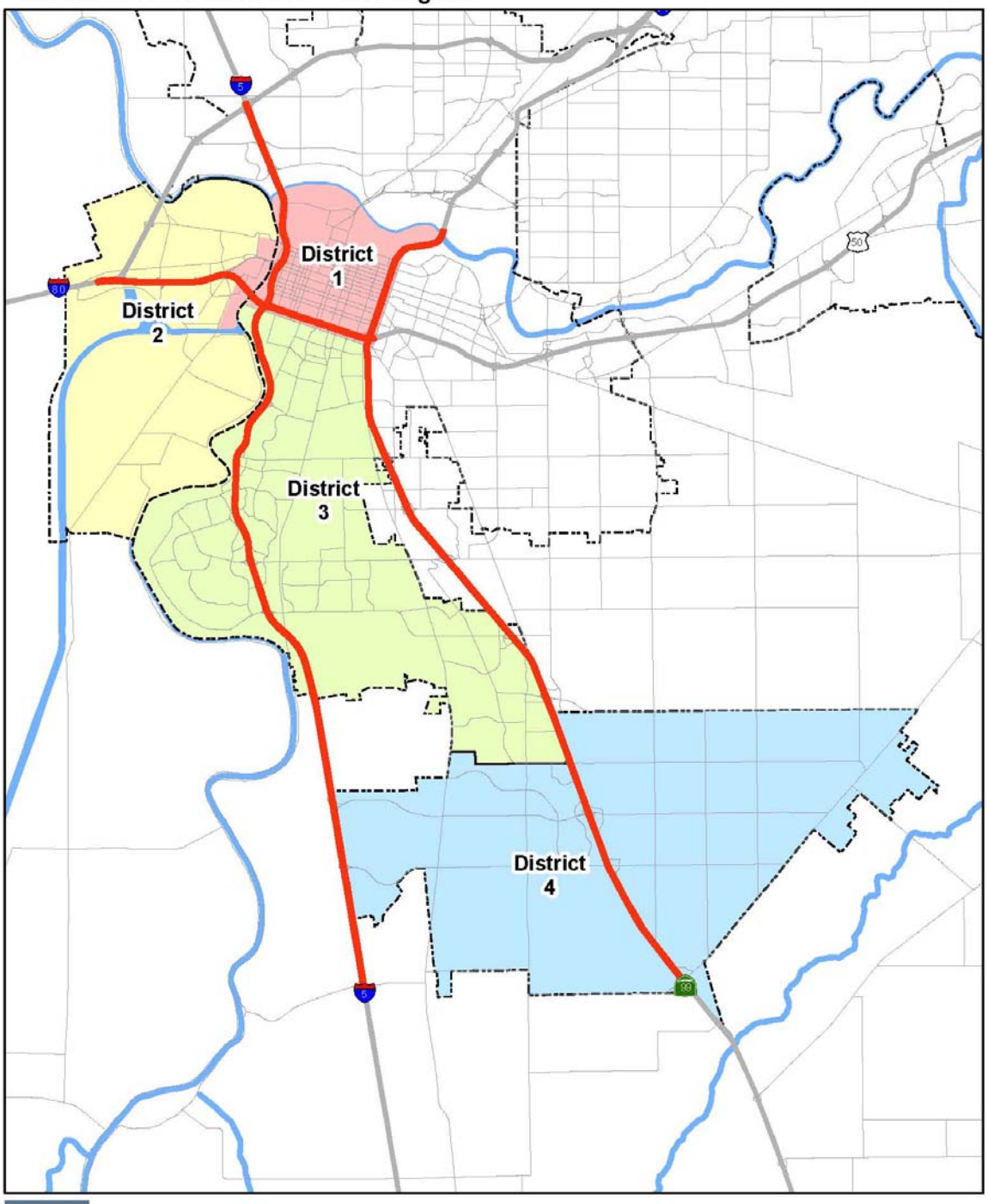
Source: SACOG Draft 2016 MTP/SCS See **Figure 2** for Fee District boundaries

Table 3: 2012 to 2036 Growth

	Residential Units			Employment					
District	SF	MF	Total	Retail	Office	Medical	Industrial	Educ	Total
1	6,989	22,649	29,638	6,772	38,148	3,037	8,217	309	56,482
2	4,713	4,112	8,825	3,273	9,528	1,065	3,545	750	18,162
3	5,374	9,081	14,455	3,695	3,054	873	1,097	621	9,339
4	10,257	4,417	14,674	6,626	5,430	4,415	2,711	683	19,864
Total	**27,333**	**40,259**	**67,592**	**20,366**	**56,159**	**9,389**	**15,570**	**2,363**	**103,848**

Source: SACOG Draft 2016 MTP/SCS See **Figure 2** for Fee District boundaries

Figure 2
Fee Districts For the SCMP Fee Program



Development impact fees for non-residential uses are based on the square footage of new buildings, not estimated employment. Thus SACOG's estimated employment growth needs to be converted into an estimate of the growth in building square feet.

During the recent recession, particularly between 2008 and 2012, vacancy rates for retail, office and industrial uses increased significantly. As the economy improves, a significant amount of growth in employment will occur as "backfill" in vacant building space. Development impact fees can only be charged on new development and when there is a change of use and/or expansion of existing buildings. Therefore, an estimate of the percent of employment growth that will occur as backfill and the percent that will occur in new buildings is required. SACOG staff assisted in estimating the percentage of 2012 to 2036 employment growth that would occur as backfill. Those estimates are shown in **Table 4**.

Table 4: Percent of Growth that is Backfill

	Residential Units		Employment				
District	Single Family	Multi Family	Retail	Office	Medical	Industrial	Education
1	0%	0%	89%	51%	0%	45%	53%
2	0%	0%	8%	31%	33%	100%	0%
3	0%	0%	0%	100%	13%	100%	100%
4	0%	0%	0%	0%	1%	22%	52%

Source: SACOG See **Figure 2** for Fee District boundaries

The estimated percent of backfill (**Table 4**) was applied to the estimated employment growth (**Table 3**) to estimate the employment growth in new buildings (see **Table 5**). Then estimates of average square feet per employee were applied to the estimated employment growth to project the amount of square footage that would occur by development type in each district – which is shown in **Table 6.**

Table 5: 2012 to 2036 Growth Adjusted for Backfill

	Residential Units			Employment				
District	Single Family	Multi Family	Total	Retail	Office & Medical	Industrial	Education	Total
1	6,989	22,649	29,638	748	21,698	4,498	147	27,090
2	4,713	4,112	8,825	3,022	7,310	0	750	11,082
3	5,374	9,081	14,455	3,695	756	0	0	4,451
4	10,257	4,417	14,674	6,626	9,779	2,117	327	18,849
Total	**27,333**	**40,259**	**67,592**	**14,091**	**39,543**	**6,614**	**1,224**	**61,472**

Source: DKS Associates, 2015 See **Figure 2** for Fee District boundaries

3.3 Travel Demand Model

SACOG's travel demand model was used to analyze 1) how development of various types and location would impact traffic delay on a selected portion of the State Highway System and 2) how various transportation projects would help reduce congestion on that selected portion of the State Highway System.

Table 6: 2012 to 2036 Growth with Employment converted to square feet

District	Residential Units			1,000 square feet (KSF)			Assumed Employment Density	
	Single Family	Multi Family	Total	Retail	Office & Medical	Industrial	Land Use	Sq. Ft. per Employee
1	6,989	22,649	29,638	374	6,075	2,699	Retail	500
2	4,713	4,112	8,825	1,511	2,047	0	Office/Med	280
3	5,374	9,081	14,455	1,847	212	0	Industrial	600
4	10,257	4,417	14,674	3,313	2,738	1,270		
Total	**27,333**	**40,259**	**67,592**	**7,045**	**11,072**	**3,969**		

Notes:
Non-residential building area estimated from square feet per employee assumptions
See **Figure 2** for Fee District boundaries

Source: DKS Associates, 2015

SACOG's primary model is the "Sacramento Regional Activity-Based Simulation Model" or "SACSIM."

SACSIM covers the six- county SACOG region and includes four sub-models for predicting travel demand. The major sub-model is "DAYSIM," which is an advanced-practice, activity-based tour sub-model for predicting household-generated travel. DAYSIM is a state-of-the-art demand micro-simulation, which represents travel activities as "tours" or series of trips connecting the activities a person engages in during the course of a normal day. DAYSIM allows for much more detailed representation of key factors influencing household-generated travel, such as detailed characteristics of land use in the region, age of residents, household income, cost of fuel, and other factors.

SACSIM also includes a more conventional, state-of-practice sub-model for predicting commercial vehicle travel. Two classes of commercial vehicles are modeled: 2-axle commercial vehicles, and 3-plus-axle commercial vehicles. Two-axle commercial vehicles include a wide range of vehicles, ranging from a passenger vehicle, which might be used to transport a computer repair person and their tools and equipment to an office to perform a repair, to a relatively small truck delivering produce to a restaurant or store. Three-plus-axle commercial vehicles also include a wide array of vehicles, ranging from medium-sized delivery trucks to large, 5-axle tractor-trailer combinations. The common element tying these vehicles together is that they are used to transport goods and services, and are not used for personal travel (household-generated) travel.

SACSIM also includes state-of-practice sub-models for predicting air passenger ground access to the Sacramento International Airport, and for predicting external travel (including travel by residents of the region to locations outside the region, residents outside the region traveling to locations within the region, and travel which goes through the region, but does not stop within the region).

Travel demand (vehicle or passenger trips) estimated using SACSIM are combined for assignment to detailed computer representations of the regions highway and transit networks using state-of-practice software and programs. The resulting assignments are used for evaluation of VMT on roadways, and evaluation of congested travel.

The analysis period of SACSIM is a "typical weekday." A typical weekday is intended to represent weekday conditions during a non-summer month (i.e., a time period when most workers are at work, rather than on vacation, and when schools are normally in session). Where annual or other time periods

are required, typical weekday estimates of travel are scaled up to represent those time periods. Within the typical weekday, are four demand periods: AM peak period (7:00-10:00AM); midday period (10:00AM to 3:00PM); PM peak period (3:00-6:00PM); and the late evening/overnight period (6:00PM to 7:00AM).

An overview of the SACSIM is included in Appendix C-4 of the MTP/SCS, with comprehensive documentation available at SACOG during the comment period. This model, used by numerous agencies in the six- county SACOG region, uses inputs such as land use, social economic factors, roadway networks, distance and congestion to generate traffic forecasts.

3.4 Vehicle Delay

Average travel speeds on a typical freeway segment are insensitive to the volume on the segment under low to moderate flows rates (i.e., LOS A, B and C conditions) and then gradually reduce to about 50 mph as traffic volumes increase and the LOS on that freeway worsens to LOS E conditions. When the traffic volume (and the "density of vehicles") on typical freeway segment gets close to its capacity, where LOS F conditions begin, travel speeds experience a steep decline and approach about 35 mph. Once traffic volumes (and the "density of vehicles") exceed capacity, "stop-and-go" conditions cause much lower average travel speeds and a small amount of additional vehicles can add a significant amount of delay for all vehicles traveling on that segment of freeway.

"Delay" in general refers to time wasted traveling on congested facilities. However, to quantify that delay requires some presumption of what time it should take to travel on a particular route, or a standard travel time which drivers and passengers should expect. Setting a standard by which delay can be quantified is a subjective exercise. For example, some might define a standard travel time as "free-flow" or totally uncongested conditions. The standard for freeways by this definition might be 60 mph or higher, and the "standard" travel time would be 1 minute for a one-mile stretch of freeway. If the actual travel speed, with congestion, was 40 mph, the travel time would be 1.5 minutes, and the delay for each driver and passenger in that condition would be 30 seconds. Others may define the standard as modest or "tolerable" level of congestion. For the same one-mile stretch of freeway, 35 mph could be used as the standard for measurement of delay. With the same 40 travel speed in the previous example, no delay would be experienced, because the actual speed is higher than the standard.

SACOG defines congestion as conditions where the volume on a roadway is equal to or greater than its capacity (i.e., the volume-to-capacity ratio is 1.0 or greater), which is LOS F conditions. On a freeway, average travel speeds in LOS F conditions are typically below 35 mph.

Vehicle-hours of delay (VHD) is a measure of congestion where the average delay per vehicle (typically during an hour period) for roadway segment is multiplied by the number of vehicles traveling on that segment. For this Nexus Study, vehicle-hours of delay on the freeway system within the Fee Program Area were estimated for delay beyond conditions where a freeway segment is at its capacity (i.e., the beginning of Level of Service F conditions, when the volume-to-capacity ratio equals 1.0).

The analysis of delay was based on the SACSIM model used for the adopted 2012 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), which has a horizon year of 2035.

Table 7 shows the estimated total amount of delay on the State highway System within the Fee Program Area under existing and 2035 conditions. It also shows how much of the total growth in delay by 2035 is caused by growth within the Fee Program Area (2,180 / 2,983 = 73%).

Construction of all the selected transportation improvements would reduce delay on the State Highway

System within the Fee Program Area by approximately the amount of delay caused by new development within the Fee Program Area. The amount of delay on the State Highway System caused by projected development within the Fee Program Area represents about 35 percent of the total delay in 2035 from all sources – including existing land uses and projected new development outside the Fee Program Area. This is shown in the following calculation:

2,180 / 6,283 = 35%

Recognizing that there are "existing deficiencies" (i.e. LOS F conditions) on the State Highway System within the Fee Program Area but new development adds to existing system delay, it is logical that new development could pay up to 35 percent of the cost of the improvements that would reduce delay on the State Highway System.

Table 7: Delay on State Highway System within the Fee Program Area

	Vehicle-Hours of Delay
Existing delay	3,300
Total 2035 delay (without selected transportation improvements)	6,283
Increase in delay by 2035 due to regional growth	2,983
Increase in delay by 2035 due to growth in Fee Program Area	2,180
Decrease in 2035 delay due to implementation of selected improvements	-1,944

Source: DKS Associates, 2015

4 SELECTED IMPROVEMENT PROJECTS

This section summarizes the selected improvements projects, their costs, vehicle-hours of delay benefits and the level of funding provided by the SCMP Fee.

4.1 Selected Improvement Projects

The transportation projects that were selected to be included in SCMP Fee Program are listed in **Table 8.** All of these improvements are included within the MTP/SCS. The SCMP Fee Program would not fully fund the improvements, so other revenue sources would need to be secured before any transportation improvement project could be implemented. As shown in Appendix B, SACOG has a Financial Plan to fully fund the 2016 Metropolitan Transportation Plan /Sustainable Communities Strategy (MTP/SCS) using a variety of revenue assumptions including development contributions and future voter approved tax measures. This Plan outlines how all of the improvements in MTP/SCS, including all of the improvements in the SCMP Fee Program, could be financed by 2036. Nonetheless, by creating an additional source of funding, the SCMP Fee Program would result in the SCMP transportation improvements being implemented more quickly than they might be without the SCMP Fee Program, thus mitigating for development project impacts on the State Highway System.

The estimated costs and amount of funding from other funding sources were provided by the Cities of West Sacramento, Elk Grove, and Sacramento. The twelve transportation improvement projects are estimated to cost about $1.5 billion. Known funding sources would fund about $200 million of these improvements and the remaining $1.3 billion is to be funded by future federal and state sources, as identified in the MTP/SCS.

4.2 Benefits of the Improvement Projects

While the selected transportation improvements may have a variety of benefits, the improvements listed in **Table 8** are selected for this SCMP Fee Program because they would improve overall performance on the affected State Highway System by (1) diverting traffic to new parallel roadways and bridges, (2) attracting trips to new parallel transit facilities/services and (3) improving freeway capacity/operations through new HOV and auxiliary lanes and ramp metering. The reason each improvement was selected is summarized in **Table 9**.

The twelve improvements to be funded by the SCMP were selected based on their ability to reduce congestion on the freeway system within the Project Area. The analysis of individual improvements indicates that eleven of the selected improvements would, by themselves, reduce delay on the freeway in the Project Area during peak periods (see **Table 10**).

Table 8: MTP/SCS Improvement Projects to Be Funded by SCMP Fee Program			
Project	Description	Total Cost ($ million)	Assumed Funding from Fee Program ($million)
Transit			
DNA-MOS2	Extend Rail from Richards Blvd to Natomas Center	561	6.3
Street Car	Streetcar network connecting the Intermodal Terminal in Downtown Sacramento to West Sacramento (Phase 1); South to R Street and Broadway corridors (Phase 2).	135	20
Elk Grove Intercity Rail Station	Construct parking lot, platform and passenger shelter for intercity passenger station	26	6
Hi Bus from CRC to Elk Grove	Enhanced bus corridor 8.5 miles along Bruceville Rd to Big Horn to Kammerer at SR 99	37.8	10
Local Roadway			
Kammerer Rd	Construct 4 lane parkway from I-5 to Highway 99	86	12
American River Crossing	New bridges across the American River	150	6.3
Richards/ Railyards	Reconstruct I-5/ Richards Blvd interchange plus feasibility & pre-environmental studies for I-5/ Richards Blvd interchange, 7th St. widening and 6th St. extension to Richards Blvd1	100	9.4
Sacramento River Crossings	New two bridges across the Sacramento River	190	30
Freeway			
I-5 HOV	HOV Lanes from Elk Grove Blvd to US 50	200	35
I-5 Ramp Meters & Detection	Ramp Meters from Elk Grove Blvd to Sutterville Road	11.4	
I-5 Auxiliary/ Transition Lane	Aux Ln. Florin to Pocket; Aux Ln. U.S. 50 connector-ramp to Sutterville Rd off-ramp; Aux Ln. U.S. 50 entrance to P St. on-ramp; Trans Lane Garden Hwy off-ramp to Garden Hwy on-ramp	19.9	
SR 99 Auxiliary/ Transition Lanes	SB Aux Lane Laguna Blvd to Elk Grove Blvd; NB Trans Lane Florin Rd to 47th Ave; NB Trans Lane 47th Ave to Fruitridge Rd; SB Trans. Lane MLK Blvd to 47th Ave	15	
	Total	**1,532**	**135**
Sources: Cities of West Sacramento, Elk Grove and Sacramento, 2015			

Table 9: Reasons Why Selected Improvements would Reduce Delay on State Highway System	
Improvement Project	**Reason for Benefit to State Highway System**
Transit	
DNA-MOS2	These transit routes parallel Project Area freeways. Their riders will reduce auto travel on Project Area freeways as well as some local roadways with the Project Area
Street Car	
Elk Grove Intercity Rail Station	
Hi Bus from CRC to Elk Grove	
Local Roadways	
Kammerer Rd	Provides new connection between I-5 and SR 99, which will reduce congestion on the Project Area freeways
American River Crossing	This new connection, parallel to I-5, will reduce traffic volumes and congestion on I-5 between I-80 and US 50
Richards / Railyards	These improvements will reduce traffic congestion on I-5 near Richards Blvd
Sacramento River Crossings	The new connections will reduce traffic volumes and congestion on US 50 on/near the Pioneer Bridge
Freeways	
I-5 HOV	HOV lanes will increase ridesharing during peak periods and increase capacity on I-5, which will reduce delay on I-5, shift some traffic from parallel roadways and thereby also reduce delay on SR 99
I-5 Ramp Meters & Detection Station	Improve traffic operations and thus reduce delay on I-5
I-5 Auxiliary Lanes & Transition Lane	Improve traffic operations and thus reduce delay on I-5, shifting some traffic from parallel roadways and thereby also reducing delay on SR 99
SR 99 Auxiliary/Transition Lanes	Improve traffic operations and thus reduce delay on SR 99, shifting some traffic from parallel roadways and thereby also reducing delay on I-5
Source: DKS Associates, 2015.	

Table 10: Change in Delay on Freeway System during Peak Periods Due to Selected Transportation Improvements to be Funded by the SCMP

Year	Scenario		Vehicle-Hours of Delay on Project Area Freeways					
			In Level of Service F			Beyond Free-flow		
			Delay	Change from 2008 Baseline	Change from 2035 Baseline	Delay	Change from 2008 Baseline	Change from 2035 Baseline
2008	Baseline		3,269			13,845		
2035	Baseline (Without Selected Improvements)		6,283	3,015			7403	
	With All Selected Improvements		4,340	1,071	-1,944	18,269	4,424	-2,979
	With Individual Selected Improvements	DNA-MOS2	6,271	3,003	-12		7,393	-10
		Street Car	6,235	2,966	-48		7,353	-50
		Hi Bus from CRC to Elk Grove	6,218	2,950	-65		7,297	-106
		Kammerer Rd	6,274	3,005	-10		7,358	-45
		American River Crossing	6,212	2,944	-71		7,310	-93
		Richards/ Railyards	6,216	2,947	-68		7,332	-71
		Sacramento River Crossings	5,300	2,031	-983		6,167	-1,236
		I-5 HOV	5,709	2,441	-574		6,298	-1,105
		I-5 Auxiliary Lanes	6,161	2,892	-122		7,221	-182
		I-5 Ramp Meters	6,266	2,997	-17		7,361	-42
		SR 99 Auxiliary Lanes	6,260	2,992	-23		7,383	-20

Notes:

- See Figure 1 for Fee Program Area boundary and freeway segments within Fee Program Area
- Peak Periods are 7 AM to 10 AM and 3 PM to 6 PM
- Construction of the Elk Grove Intercity Rail Station is one of the selected improvements but the SACSIM regional model cannot provide forecasts of transit services that travel in/out of the region.

Source: DKS Associates, 2015.

5 FEE RATE CALCULATIONS

5.1 DUE Rates

A "dwelling unit equivalent" or "DUE" rate is assigned to each type of development within each fee district. For the "causes" analysis, DUE rates are numerical measures of how the combination of development type and location contribute to peak period delay on portions of the State Highway System with the Fee program Area.

SACOG has two travel demand models: SACMET, a state-of-the-practice four-step model that has been used by SACOG for developing the regional transportation plan since the early 1990's and SACSIM, a state-of-the-art activity-based model that SACOG recently developed.

For the purpose of the DUE rate analysis, SACOG's activity-based travel forecasting model (SACSIM) was used because of the model's ability to predict and distinguish the primary purpose of a trip "tour" from intermediate stops within a tour. Unlike the SACMET model, SACSIM is a "tour-based" model that tracks trips from primary origin to primary destination, including stops along the way.

For example, stopping for coffee on one's way to work would be an intermediate stop; whereas the primary purpose of the trip is defined` as a home-to-work trip. Similar to the concept of "pass by trips", the DUE calculation assumes that most intermediate stops would not add vehicle-miles of travel (VMT) to the State Highway System. Each primary trip purpose was identified at SACOG's "parcel" level by trip origin and trip destination for three basic classifications (residential, retail, and non-retail). Standard ITE PM Peak trip generation rates were then used to split residential into single-family or multi-family housing and to proportion non-retail into office and industrial/other categories.

Peak period (3 hours in both the AM and PM peak commute periods) vehicle hours of delay on the selected portion of the State Highway System were tracked for all trip origin-destination combinations. Vehicle delay was calculated using the SACSIM model. Existing year roadway and transit networks were used to capture the impacts from growth on today's State Highway System.

To isolate the impacts by development type and the location of development, separate model runs were made, adding a set quantity of new development in each run. For example, one run could measure the impact of adding 100 dwelling units to District 1 and subsequent runs would add the same number of dwelling units to each of the other districts. Those runs were followed by four model runs that add 100 retail employees to one of the four districts and four runs that add 100 office/industrial employees to each district.

The advantage of a delay calculation is its ability to quantify impacts based not only on trip length but also trip direction. For example, an AM commute trip from Elk Grove to Downtown Sacramento would have a heavier impact to the State Highway System than an AM commute trip from Downtown Sacramento to Elk Grove, yet both commute trips have approximately the same travel distance on the State Highway System. The heavier impact is due to the freeway's congestion being a directional problem on many of the selected freeway segments. The DUE rate also captures the effects of a district having an over or under supply of retail or total jobs for the number of houses in that district.

The estimate DUE rates are shown in **Table 11**. DUE rates were scaled such that a single family dwelling unit in the Elk Grove District (District 4) is equal to 1.00. **Table 11** shows that a residential unit in Elk Grove has a higher impact on the State Highway System, and thus higher DUE rate, than a residential unit

in the Sacramento Central City. Conversely, 1,000 square feet of office space in Elk Grove has a lower impact on the State Highway System, than 1,000 square feet of office space in the Sacramento Central City.

Table 11: DUE Rates
I-5 Subregional Corridor Mitigation Program (SCMP)

Land Uses		Unit	DUE Rates			
			District 1	**District 2**	**District 3**	**District 4**
			Sacramento Central City & West Sacramento Riverfront	Remainder of West Sacramento	Land Park/ South Sacramento/ Pocket	Elk Grove
Residential	Single Family	DU	0.49	0.43	0.71	**1.00**
	Multi-family	DU	0.30	0.26	0.44	0.62
Retail	General Commercial	ksf	0.93	0.74	0.81	0.34
Office	General Office	ksf	0.92	0.66	0.59	0.23
Industrial	General Light Industrial	ksf	0.65	0.46	0.41	0.16

Notes:
See **Figure X** for Fee District boundaries
KSF = 1,000 square feet

Source: DKS Associates, 2015.

5.2 Estimated Growth in DUEs

The DUE rates in **Table 11** were applied to the estimated growth in development by land use type to estimate the growth in DUEs through 2035, which is shown in **Table 12.** It shows that a growth of about 47,860 DUEs is expected by 2035.

5.3 Maximum Allowable Fee Rates

The total cost of the twelve selected transportation projects is about $1.532 billion and about $1.307 billion is unfunded. The Nexus analysis indicates that the delay on the State Highway System that is due to growth in Fee Program Area is about 35 percent of total 2035 delay on the State Highway System. The maximum allowable funding from the SCMP Fee Program would be $1.307 billion x 35%, or about $448,664,000. With a growth of 47,860 DUEs in the Fee Program Area (see **Table 12**), the maximum cost per DUE would be $9,374. The maximum allowable fee rates by land use type, shown in **Tables 13 through 15,** is based on the estimated DUE rates (see **Table 11**).

The Cities of West Sacramento and Elk Grove have existing fee programs and the City of Sacramento will soon adopt its own. The land use categories used by each city in their fee programs are different. It would be difficult for a city to use different land use categories for a subregional fee program then the city's fee program. Therefore, it was decided that each city can use the same land use categories as its own citywide fee program as long as the DUE rates for each land use category are consistent with the DUE rates that were estimated using the SACSIM model for the basic land use categories (residential, retail, and non-retail)

Table 12: Estimated Growth in DUEs						
		Residential (DU)		Non-Residential (KSF)		
	District	Single Family	Multi-Family	Retail	Office & Medical	Industrial
Units	1	6,989	22,649	374	6,075	2,699
	2	4,713	4,112	1,511	2,047	0
	3	5,374	9,081	1,847	212	0
	4	10,257	4,417	3,313	2,738	1,270
	Total	**27,333**	**40,259**	**7,045**	**11,072**	**3,969**
DUE per Unit	1	0.49	0.30	0.93	0.92	0.65
	2	0.43	0.26	0.74	0.66	0.46
	3	0.71	0.44	0.81	0.59	0.41
	4	1.00	0.62	0.34	0.23	0.16
DUEs	1	3,425	6,795	348	5,589	1,754
	2	2,027	1,069	1,118	1,351	0
	3	3,815	3,996	1,496	125	0
	4	10,257	2,738	1,126	630	203
	Total	**19,524**	**14,598**	**4,089**	**7,695**	**1,957**
	All Uses	**47,863**				
Source: DKS Associates, 2015						

Table 13: Maximum Allowable Fee Rates – City of West Sacramento (Districts 1 and 2)
I-5 Subregional Corridor Mitigation Program
(with Cost per DUE = $9,374)

Land Uses		Unit	District 1		District 2	
			DUE Rate	Fee Rate	DUE Rate	Fee Rate
Residential	700 sq. ft. or less	DU	0.30	$2,812	0.26	$2,437
	701 to 1,110 sq. ft.		0.43	$4,031	0.38	$3,562
	1,101 to 2,500 sq. ft.		0.49	$4,593	0.43	$4,031
	Greater than 2,500 sq. ft.		0.57	$5,343	0.50	$4,687
Retail	100,000 sq. ft. or less	1,000 sq. ft.	0.62	$5,812	0.49	$4,593
	Greater than 100,000 sq. ft.		0.93	$8,718	0.74	$6,937
	Heavy Commercial		0.40	$3,750	0.32	$3,000
	Furniture Store		0.19	$1,781	0.15	$1,406
	Restaurant		0.66	$6,187	0.53	$4,968
	Restaurant with drive thru		2.29	$21,466	1.82	$17,061
Recreational	Movie Theater		0.64	$5,999	0.51	$4,781
	Health Club		0.62	$5,812	0.49	$4,593
Lodging	Hotel/Motel	Room	0.26	$2,437	0.21	$1,969
Office	150,000 sq. ft. or less	1,000 sq. ft.	0.92	$8,624	0.66	$6,187
	150,001 to 300,000 sq. ft.		1.13	$10,593	0.81	$7,593
	Greater than 300,000 sq. ft.		1.26	$11,811	0.90	$8,437
Medical	Hospital		0.92	$8,624	0.66	$6,187
	Nursing Home/ Congregate Care		0.18	$1,687	0.13	$1,219
Institutional	Schools	Student	0.01	$94	0.01	$94
	Day Care		0.01	$94	0.01	$94
	Church	1,000 sq. ft.	0.05	$469	0.02	$187
Industrial / Other	Light Industrial		0.65	$6,093	0.46	$4,312
	Heavy Industrial		0.45	$4,218	0.32	$3,000
	Warehousing		0.31	$2,906	0.22	$2,062

Source: DKS Associates, 2015

Table 14: Maximum Allowable Fee Rates – City of Elk Grove (District 4)
I-5 Subregional Corridor Mitigation Program
(with Cost per DUE = $9,374)

Land Uses		Units	DUE Rate	Fee Rate
Residential	Single-Family (1-2 units)	DU	1.00	$9,374
	Single-Family Age Restricted		0.39	$3,656
	Single Family TOD		0.90	$8,437
	Multi-Family		0.62	$5,812
	Multi-Family Age Restricted		0.32	$3,000
	Multi Family TOD		0.46	$4,312
Commercial	Commercial[3]	1,000 sq. ft.	0.34	$3,187
	Commercial TOD		0.32	$3,000
	Car Sales		0.25	$2,344
Office	Office		0.23	$2,156
	Office TOD		0.21	$1,969
Industrial	Industrial		0.16	$1,500
Institutional	Assembly Use		0.02	$187
	Day/Child Care		0.06	$562
	Private School		0.02	$187
Miscellaneous	Congregate Care Facility		0.02	$187
	Health Club		0.16	$1,500
	Library		0.05	$469
	Gas Station	Fuel Position	0.35	$3,281
	Hotel/Motel	Room	0.09	$844

Source: DKS Associates, 2015

Table 15: Maximum Allowable Fee Rates – City of Sacramento (Districts 1 and 3)
I-5 Subregional Corridor Mitigation Program
(with Cost per DUE= $9,374)

Land Uses		Unit	District 1		District 3	
			DUE Rate	Fee Rate	DUE Rate	Fee Rate
Residential	Single-Family	DU	0.49	$4,593	0.71	$6,656
	Multi-Family		0.30	$2,812	0.44	$4,125
	Senior (Age-restricted)		0.08	$750	0.11	$1,031
Retail	General Retail	1,000 sq. ft.	0.93	$8,718	0.81	$7,593
	Restaurant		0.66	$6,187	0.57	$5,343
Office/Med	Office		0.92	$8,624	0.59	$5,531
	Hospital		0.92	$8,624	0.59	$5,531
Schools	Primary		0.03	$281	0.02	$187
	Secondary		0.03	$281	0.02	$187
	College		0.03	$281	0.02	$187
Industrial	Light Industrial		0.65	$6,093	0.41	$3,843
	Heavy Industrial		0.49	$4,593	0.31	$2,906
	Warehouse		0.31	$2,906	0.02	$187
Miscellaneous	Church/Assembly		0.02	$187	0.02	$187
	Movie Theater		0.93	$8,718	0.81	$7,593
	Gas Station	Fuel Position	0.66	$6,187	0.58	$5,437
Lodging	Hotel/Motel	rooms	0.26	$2,437	0.23	$2,156

Source: DKS Associates, 2015

5.4 Proposed Fee Rates

The Working Group has reviewed the maximum allowable fee rates shown in **Tables 13 through 15** and have determined that those rates are excessively high. Thus they have decided that the estimated level of funding that would be raised from the maximum allowable rates ($449 million) cannot be achieved. Instead, the Working Group is recommending that the estimated level of funding that should be imposed on new development be at a lower level ($135 million) and the balance of the required funding to construct the improvements would come from other sources as programmed by SACOG to provide funds needed for full mitigation. Appendix B provides SACOG's Financial Plan for the 2016 Metropolitan Transportation Plan /Sustainable Communities Strategy (MTP/SCS), which outlines how all of the improvements in MTP/SCS, including all of the improvements in the SCMP Fee Program, could be financed by 2036 using a variety of revenue assumptions including development contributions and future voter approved tax measures.

Therefore, Caltrans and the Cities of West Sacramento, Elk Grove and Sacramento have identified the minimum level of acceptable funding ($135 million) from the SCMP Fee Program, which is shown in in **Table 8**.

The cost per DUE that would provide this level of funding is $2,821. The fee rates that result from this cost per DUE for each city is shown in **Tables 16 through 18**.

5.5 Program Equity

The SCMP Fee Program will collect fees in three jurisdictions and will help fund transportation improvements in those three jurisdictions. The Working Group raised a concern that the funding collected in a jurisdiction would go to fund improvements in another jurisdiction and/or that the funding collected in a jurisdiction was larger than the benefits received by that jurisdiction.

To address this concern, **Table 19** was prepared that compares the estimated improvement funding that would come to each jurisdiction to estimated SCMP fees that would be collected by that jurisdiction. Some of the improvement projects (such as streetcar and Sacramento River crossings) are shared between the Cities of Sacramento and West Sacramento. Improvements on the State Highway System would benefit all three jurisdictions, even if they are located in the adjacent City.

Table 19 shows that the estimated amount of fees collected in each jurisdiction should be about equal to the funding / benefits received each jurisdiction. Thus the SCMP Fee Program has an equitable level of funding by jurisdiction.

It should be noted that the estimated percent of fees collected from each jurisdiction is the same as the estimated percent of State Highway System delay that will be caused by the projected level of development in each jurisdiction. That is, the projected level of development in the Cities of West Sacramento, Elk Grove and Sacramento will cause 20%, 31% and 49% of the total State Highway System delay, respectively.

Table 16: Proposed Fee Rates – City of West Sacramento (Districts 1 and 2)
I-5 Subregional Corridor Mitigation Program
(with Cost per DUE = $2,821)

Land Uses		Unit	District 1		District 2	
			DUE Rate	Fee Rate	DUE Rate	Fee Rate
Residential	700 sq. ft. or less	DU	0.30	$846	0.26	$733
	701 to 1,110 sq. ft.		0.43	$1,213	0.38	$1,072
	1,101 to 2,500 sq. ft.		0.49	$1,382	0.43	$1,213
	Greater than 2,500 sq. ft.		0.57	$1,608	0.50	$1,411
Retail	100,000 sq. ft. or less	1,000 sq. ft.	0.62	$1,749	0.49	$1,382
	Greater than 100,000 sq. ft.		0.93	$2,624	0.74	$2,088
	Heavy Commercial		0.40	$1,128	0.32	$903
	Furniture Store		0.19	$536	0.15	$423
	Restaurant		0.66	$1,862	0.53	$1,495
	Restaurant with drive thru		2.29	$6,460	1.82	$5,134
Recreational	Movie Theater		0.64	$1,805	0.51	$1,439
	Health Club		0.62	$1,749	0.49	$1,382
Lodging	Hotel/Motel	Room	0.26	$733	0.21	$592
Office	150,000 sq. ft. or less	1,000 sq. ft.	0.92	$2,595	0.66	$1,862
	150,001 to 300,000 sq. ft.		1.13	$3,188	0.81	$2,285
	Greater than 300,000 sq. ft.		1.26	$3,554	0.90	$2,539
Medical	Hospital		0.92	$2,595	0.66	$1,862
	Nursing Home/Congregate Care		0.18	$508	0.13	$355
Institutional	Schools	Student	0.01	$28	0.01	$28
	Day Care		0.01	$28	0.01	$28
	Church	1,000 sq. ft.	0.05	$141	0.02	$56
Industrial / Other	Light Industrial		0.65	$1,834	0.46	$1,298
	Heavy Industrial		0.45	$1,269	0.32	$903
	Warehousing		0.31	$875	0.22	$621

Source: DKS Associates, 2015

Table 17: Proposed Fee Rates – City of Elk Grove (District 4)
I-5 Subregional Corridor Mitigation Program
(with Cost per DUE = $2,821)

Land Uses		Units	DUE Rate	Fee Rate
Residential	Single-Family (1-2 units)	DU	1.00	$2,821
	Single-Family Age Restricted		0.39	$1,100
	Single Family TOD		0.90	$2,539
	Multi-Family		0.62	$1,749
	Multi-Family Age Restricted		0.32	$903
	Multi Family TOD		0.46	$1,298
Commercial	Commercial[3]	1,000 sq. ft.	0.34	$959
	Commercial TOD		0.32	$903
	Car Sales		0.25	$705
Office	Office		0.23	$649
	Office TOD		0.21	$592
Industrial	Industrial		0.16	$451
Institutional	Assembly Use		0.02	$56
	Day/Child Care		0.06	$169
	Private School		0.02	$56
Miscellaneous	Congregate Care Facility		0.02	$56
	Health Club		0.16	$451
	Library		0.05	$141
	Gas Station	Fuel Position	0.35	$987
	Hotel/Motel	Room	0.09	$254

Source: DKS Associates, 2015

Table 18: Proposed Fee Rates – City of Sacramento (Districts 1 and 3)
I-5 Subregional Corridor Mitigation Program
(with Cost per DUE= $2,821)

Land Uses		Unit	District 1		District 3	
			DUE Rate	Fee Rate	DUE Rate	Fee Rate
Residential	Single-Family	DU	0.49	$1,382	0.71	$2,003
	Multi-Family		0.30	$846	0.44	$1,241
	Senior (Age-restricted)		0.08	$226	0.11	$310
Retail	General Retail	1,000 sq. ft.	0.93	$2,624	0.81	$2,285
	Restaurant		0.66	$1,862	0.57	$1,608
Office/Med	Office		0.92	$2,595	0.59	$1,664
	Hospital		0.92	$2,595	0.59	$1,664
Schools	Primary		0.03	$85	0.02	$56
	Secondary		0.03	$85	0.02	$56
	College		0.03	$85	0.02	$56
Industrial	Light Industrial		0.65	$1,834	0.41	$1,157
	Heavy Industrial		0.49	$1,382	0.31	$875
	Warehouse		0.31	$875	0.02	$56
Miscellaneous	Church/Assembly		0.02	$56	0.02	$56
	Movie Theater		0.93	$2,624	0.81	$2,285
	Gas Station	Fuel Position	0.66	$1,862	0.58	$1,636
Lodging	Hotel/Motel	rooms	0.26	$733	0.23	$649

Source: DKS Associates, 2015

Table 19: Comparison of Estimated Improvement Funding to Estimated Fees Collected by Jurisdiction

Project	Assumed Project Funding from Fee Program ($million)	Percent of Funds from SCMP Fee Program			Funding ($ million) from SCMP Fee Program		
		Sacramento	West Sacramento	Elk Grove	Sacramento	West Sacramento	Elk Grove
Transit							
DNA-MOS2	6.3	100%			6.3	0	0
Streetcar	20	67%	33%		13.4	6.6	0
Elk Grove Intercity Rail Station	6			100%	0	0	6.0
Hi Bus from CRC to Elk Grove	10			100%	0	0	10.0
Local Roadway							
Kammerer Rd	12			100%	0	0	12.0
American River Crossing	6.3	100%			6.3	0	0
Richards/ Railyards	9.4	100%			9.4	0	0
Sacramento River Crossings	30	50%	50%		15.0	15.0	0
Freeway							
I-5 HOV I-5 Ramp Meters & Detection I-5 Auxiliary/ Transition Lane SR 99 Auxiliary/ Transition Lanes	35	45%	15%	40%	15.75	5.25	14.00
Total	**135**	**49%**	**20%**	**31%**	**66**	**27**	**42**
Estimated Amount of Fees Collected by 2036[1]		**49%**	**20%**	**31%**	**66**	**27**	**42**

[1] Based on estimated growth (see Table 6) and recommended fee rates (see Tables 13A through 13C)

Source: DKS Associates, 2015

6 NEXUS FINDINGS

6.1 Authority

This report has been prepared to establish the SCMP Fee Program in accordance with the procedural guidelines established in AB1600, which is codified in California Government Section 66000 et seq. This code section sets forth the procedural requirements for establishing and collecting development impact fees. The procedures require that a "reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition."[1] [1]Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- Demonstrate 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.

6.2 Summary of Nexus Findings

The development impact fee to be collected for each new development is calculated based on the impact that development will have on increasing delay on a selected portion of the State Highway System based on the type of development and it location (district) within the area covered by the SCMP Fee Program. With this approach, the following findings are made concerning the nexus between the amount of the fee and impacts it serves to mitigate:

Purpose of Fee

The purpose of the proposed SCMP Fee Program is:

> To help fund a set of transportation improvements in the Metropolitan Transportation Plan / Sustainable Community Strategy (MTP/SCS) that would reduce delay on the State Highway System and thereby help mitigate the impacts of new development on congestion levels on the State Highway System

Use of Fees

The fees charged to new development will be used to fund transportation improvements that will reduce traffic delay on the State Highway System and thus accommodate future traffic projected as a result of new development. All of the improvement projects that would be funded by the SCMP Fee Program are part of the Metropolitan Transportation Plan / Sustainable Community Strategy (MTP/SCS).

[1] Public Needs & Private Dollars; (July 1993), William Abbott, Marian E. Moe, and Marilee Hanson, page 109.

Relationship between Use of Fees and Type of Development

New development in the Fee Program Area will have both a direct and a cumulative impact on delay and congestion on the State Highway System within the Fee Program Area. Construction of the selected transportation projects will reduce delay on this portion of the State Highway System and thereby help reduce the impact caused by new development in the Fee Program Area.

Relationship between Need for Facility and Type of Project

Each new residential and nonresidential development project in the Fee Program Area will add an incremental amount of delay to traffic on the State Highway System during peak periods, and each of the selected transportation improvements will decrease the delay on the State Highway System caused by new development.

Relationship between Amount of Fees and Cost of or Portion of Facility Attributed to Development on Which Fee is Imposed

Currently, the State Highway System within the Fee Program Area is congested during peak periods and thus has existing deficiencies. However, new growth will cause additional delay on the State Highway System and should pay a fair share of improvements that could reduce delay - but no more than existing delay levels.

Construction of all the selected transportation improvements would reduce delay on the State Highway System within the Fee Program Area by approximately the amount of delay caused by new development within the Fee Program Area. All the improvements in the SCMP Fee Program are included in Metropolitan Transportation Plan /Sustainable Communities Strategy (MTP/SCS), While SACOG's Financial Plan for the MTP/SCS (see Appendix B) shows how these improvements could be funded by 2036 (using a variety of revenue assumptions including development contributions and future voter approved tax measures), by creating an additional source of funding, the SCMP Fee Program would result in the SCMP transportation improvements being implemented more quickly than they might be without the SCMP Fee Program, thus mitigating for development project impacts on the State Highway System.

The amount of delay on the State Highway System caused by projected development within the Fee Program Area represents about 35 percent of the total delay in 2036 from all sources – including existing land uses and projected new development outside the Fee Program Area. It is logical that new development could pay up to 35 percent of the cost of the improvements that would reduce delay on the State Highway System.

SACOG's SACSIM travel demand model identified the amount of delay that each land use type in each fee district would cause on the State Highway System within the Fee Program Area. This information allowed DUE rates to be established where the delay for each land use type in each district was compared to single family dwelling unit in District 4 (Elk Grove), which was assigned a DUE rate of 1.0. The DUE rates allowed calculation of a maximum justifiable fee for each unit of new residential development and for each 1,000 square feet of new nonresidential development in each district that reflects the relative traffic impact on the State Highway System.

7 IMPLEMENTATION

7.1 CEQA Analyses

Caltrans and the Cities of West Sacramento, Elk Grove and Sacramento will need to amend their traffic impact guidelines as necessary to recognize the agreements reached as part of the I-5 Subregional Corridor Mitigation Program, (SCMP).

Under a voluntary fee program, a project applicant whose project traffic reaches the "threshold of significance" (discussed below) may choose to pay the fee in lieu of preparing a traffic model analysis of the mainline freeway impacts, or (ii) as a mandatory development impact fee pursuant to the Mitigation Fee Act (Government Code section 66000 et seq.). If a City adopts a mandatory program, the analysis of freeway impacts will follow Method 1, described below. If a City adopts a voluntary program, a development project applicant could choose between the two methods to evaluate and mitigate impacts on the freeway mainline. These methods are outlined below.

Method 1: Pay Subregional Freeway Mitigation Fee

Under this method, a development project located within the Fee Program Area would use the following "standard of significance" for impacts on the State's freeway mainline:

> The development project would cause a significant impact on the freeway mainline if it causes a significant increase in total peak period travel delay on the State's freeway system within the subregion. A significant increase in freeway system delay would be caused by development projects that would generate a net increase of at least 100 AM or PM peak hour vehicle trip-ends. Project's that would generate fewer than 100 peak hour vehicle trip-ends would not cause a significant congestion impact on the State's mainline freeway system.

A development project within the Project Area that generates this level of new traffic demand will add some traffic to the freeway mainline with the Project Area, thereby contributing to the overall peak period travel delay on the freeway system.

The analysis of the selected projects for the SCMP Fee Program (see Section 4) shows that these projects would reduce total peak period travel delay on the State's freeway system within the subregion. Therefore, Caltrans would consider the fees as an adequate mitigation for freeway mainline impacts under both existing and cumulative conditions.

If a development project elects to pay the fees, Caltrans agrees that the development project applicant would not be required to conduct a detailed analysis of freeway mainline impacts, including freeway mainline LOS analysis, "merge and diverge" analysis and weaving analysis on the mainline under either existing and cumulative conditions. Caltrans would further agree that payment of the fee constitutes adequate mitigation.

With the selected threshold (a net increase of 100 AM or PM peak period vehicle trip-ends), a traffic impact study (TIS) would be required under the traffic impact guidelines for all three cities. In the TIS, the development project applicant would still be required to evaluate and mitigate significant impacts to intersections where freeway ramps meet local roadways, including the following:

- Intersection LOS impacts;
- Determining if traffic added by a development project would cause off-ramp traffic to back-up onto the freeway mainline; and

- Determining if the development project would cause a significant safety issue in the vicinity of the intersection.

Caltrans agrees that payment of the SCMP fee under this program would adequately mitigate a development project's impact on the mainline portion of the State Highway System under CEQA with the exception of potential significant impacts that could be identified at intersections where freeway ramps meet local roadways (as discussed above).

Before any transportation project funded by the SCMP Fee Program is developed, the impacts of that improvement project would be subject to environmental review under CEQA and possibly NEPA for projects with a federal nexus.

Method 2:

As an alternative to paying the SCMP fee, a development project applicant could instead elect to evaluate traffic impacts in a detailed traffic impact study (TIS) that covers impacts on the freeway mainline. Under this method, the TIS must follow Caltrans' guidelines, which currently are outlined in the "Guide for the Preparation of Traffic Impact Studies" (December 2002). Under the current guidelines, a development project that generates more than 100 peak hour trips assigned to the State freeway system would need to include a detailed analysis of impacts on the State's freeway mainline, (including freeway mainline LOS analysis, "merge and diverge" analysis and, if appropriate, weaving analysis on the mainline) in a development project's traffic impact study. The City where the development project is located would consult with Caltrans regarding the scope of the traffic analysis.

As with Method 1, an evaluation of intersections where freeway ramps meet local roadways would need to be conducted including an LOS analysis and determining if traffic added by a development project would cause off-ramp traffic to back-up onto the freeway mainline and/or a significant a safety issue in the vicinity of the intersection.

Under Method 2, a significant impact would be mitigated by identifying a feasible measure acceptable to Caltrans that would lessen the identified impacts. The City where the development project is located may consult with Caltrans regarding the applicable mitigation measure(s) if the resulting analysis demonstrates that the project's impacts could create potentially significant adverse impact on the freeway mainline operations. The City will consider imposing such mitigation measures as part of the conditions of approval for the project at the time the project and the CEQA document is approved.

7.2 Administration Charge

Development impact fee programs may include the cost of administering the program that funds the construction of public facilities necessary to serve new development, including these:

- The administrative costs of assessing, collecting, cost-accounting, and public reporting of the
- The cost of justification analyses, legal support, and other costs of annual, periodic and five- year updates to the
- Costs associated with the establishment and on-going administration of an effective system of fee credits and cash reimbursements.

Administration charges typically range from 1.0 percent up to 5.0 percent. This Nexus Study

applies a 3 percent allowance to fund administration costs.

7.3 Allocation of Fees

The process that will be used to allocate funds collected from the SCMP Fee Program is outlined in the MOU and summarized below.

Annually, after adoption of the SCMP Fee Program, each City will prepare an annual report and provide a copy to all of the other cities which includes the amount of the fees that the City has collected and its proposed allocation of such funding for projects in the SCMP.

It may take many years to collect enough fees to assist in funding the costs of a project in the SCMP and many projects in that plan may not be ready for construction for a period of time after fees have been collected due to the need to secure additional funding. In addition, there may be delays in construction of the projects included in the SCMP due to the need to prepare engineering plans and undertake environmental review. For these and other reasons, a City may propose in its annual report to continue to accumulate the fees for a specified period of time and not to expend the funds that have been collected.

The first priority for each City in allocating fees it has collected is to apply those funds towards construction of SCMP projects which are located within the jurisdictional boundaries of that City, or closest thereto, so as to benefit the new developments within that City which either paid the fee in accordance with the provisions of the Mitigation Fee Actor voluntarily.

Cities acknowledge that some of the projects in the SCMP are to be constructed by another City, Caltrans, or Regional Transit. The working group shall meet annually to make recommendations on the allocation of the fees collected for projects. Each City will consider those recommendations and determine whether to allocate all or a portion of the fees it has collected to another City, Caltrans, or Regional Transit to assist in funding a project within their respective jurisdiction. If there are no projects or no remaining projects in the SCMP in a City, that City must nonetheless allocate the fees it has collected to another City, Caltrans or Regional Transit to fund a project in the SCMP. Transfer of such funding may require those parties to enter into a project improvement agreement to specify the terms for transfer of such funds, or a City may transmit such funds to SACOG for appropriation for a project in another City, Caltrans or to Regional Transit which is included in the SCMP.

7.4 Fee Program Update

The SCMP Fee Program will be subject to automatic annual inflation adjustments, potential periodic updates, and a 5-year review requirement. The purpose of each update is described in this section.

Automatic Annual Inflation Adjustment

The cost estimates presented in this report are in "constant" 2015 dollars. That is, the costs of improvements that will be constructed in the future do not include estimated increases from 2015 costs to reflect inflation. To remain consistent, the Cities of West Sacramento, Elk Grove, and Sacramento will automatically each year adjust the costs and fees to account for inflation (or deflation) of construction, right-of-way acquisition, and environmental or design costs in accordance with their own ordinances.

Periodic Fee Updates

The SCMP Fee Program presented in this report is based on the improvement cost estimates, funding source information, administrative cost estimates, and land use information available at this time. After the fees presented in this report are established, the Cities of West Sacramento, Elk Grove, and Sacramento should conduct periodic reviews of the assumptions used as the basis of this Nexus Study to determine if any updates to the fees are warranted.

Periodic Updates of the SCMP fees would need to be agreed upon by all three cities and are subject to each City's approval of a revised Nexus Study. Any changes to the fee based on the periodic update will be presented to each City Council for approval before an increase or decrease in the fee.

Five-Year Review

Fees will be collected from new development in each City immediately; use of these funds, however, may need to wait until a sufficient fund balance can be accrued. According to Government Code Section 66006, a City is required to deposit, invest, account for, and expend the fees in a prescribed manner. The fifth fiscal year following the first deposit into the Fee account or fund and every 5 years thereafter, the City is required to make all of the following findings with respect to that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be put.
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete plan area improvements.
- Designate the approximate dates on which the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

The City must refund the unexpended or uncommitted revenue portion of the fee for which a need could not be demonstrated in the above findings, unless the administrative costs exceed the amount of the refund.

7.5 Implementing Ordinances/Resolutions

The proposed fee would be adopted by each City through one or more ordinances or resolutions authorizing collection of the fee and through one or more fee resolutions establishing the fee. The fee in each City will be effective per the timing adopted in the ordinances or resolutions. The new ordinances or resolutions should reference the automatic inflation adjustment factor discussed in this section.

7.6 Fee Administration

The SCMP Fee will be collected from new development in areas subject to the fee at the time of the building permit issuance; use of these funds may need to wait until a sufficient fund balance can be accrued. According to Government Code Section 66000, the Cities of West Sacramento, Elk Grove, and Sacramento are required to deposit, invest, account for, and expend the fees in a prescribed manner.

7.7 Exemptions, Reimbursements and Credits

Under a voluntary fee program, a development project that does not reach the "threshold of significance" (a net increase of 100 AM or PM peak period vehicle trip-ends) would be exempt from the SCMP Fee. This threshold is equivalent to the traffic volume generated by the net increase of about 100 single-family dwelling units. Most minor construction activities, such as replacement/reconstruction of a one residential unit or additions/alterations to one residential unit would not meet this threshold.

Other exemptions may be permitted in accordance with state and local laws, and each City's adopted ordinances and policies.

Other Land Uses

The SCMP Fee Program identifies fee rates for the major land use categories identified in the fee programs used by each City. Specialized land uses may have unique trip generation rates and/or impacts on the State Highway System. In these cases, the City may require a project-specific traffic study, or will calculate the appropriate fee based on information derived from the SACOG's SACSIM model. Each City will identify who will review the specialized development and decide on an applicable fee.

Reimbursement to Developers

Cities may enter into agreements to reimburse a developer for eligible expenses for covered facilities in the improvement plan that they construct in accordance with each City's own policies.

APPENDIX A: MEMORANDUM OF UNDERSTANDING

C-14-254

MEMORANDUM OF UNDERSTANDING

Implementation Plan for the I-5 Freeway Subregional Corridor Mitigation Program

This MEMORANDUM OF UNDERSTANDING ("Agreement") is made and entered into this 25 day of June, 2014 , ("Execution Date") by and between the City of Sacramento, a municipal corporation ("Sacramento"), the City of West Sacramento, a municipal corporation ("West Sacramento"), and the City of Elk Grove, a municipal corporation ("Elk Grove"), which are referred to herein individually as "City" and collectively as "Cities;" and the California Department of Transportation, a state agency ("Caltrans") and the Sacramento Area Council of Governments, a joint powers entity ('SACOG). All of the foregoing entities are referred to herein individually as "Party" and collectively as "Parties."

RECITALS

A. Due to the concerns of all the Parties regarding the projected future cumulative mainline freeway traffic impacts from new developments located within the jurisdictional boundaries of Cities along the Interstate 5 freeway ("Freeway Subregional Corridor"), staff from Cities and Caltrans (the "working group") met over a four year period and Cities collectively funded a study by DKS Associates dated April 30, 2009, titled: "Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System" (the "Freeway Subregional Corridor Study"), regarding measures to mitigate potential impacts.

B. The Freeway Subregional Corridor extends generally from the American River on the north, the western boundary of the City of West Sacramento on the west, the southern boundary of the City of Elk Grove on the south and Highway 99 on the east. The study area was divided into four districts, with territory within Sacramento (District 1 and 3), West Sacramento (District 2) and Elk Grove (District 4).

C. DKS Associates modeled the cumulative mainline traffic impacts on the I-5 freeway from future developments within the Freeway Subregional Corridor. Based on this information, the working group identified planned transportation improvements in SACOG's Regional Transportation Plan ("RTP") which would best relieve traffic congestion within the Freeway Subregional Corridor. Caltrans has not adopted plans to add lanes to the I-5 freeway in this corridor to expand capacity, other than adding high occupancy vehicles lanes (the "Freeway Improvements") to encourage carpooling and use of bus transit. The Freeway Subregional Corridor Study identified roadway and river crossing projects (the "Local Roadway Improvements") as planned by the Cities

and set out in the RTP, and the Sacramento Regional Transit District's ("Regional Transit") proposed extension of its light rail system to Natomas (the "Transit Improvements"), all of which will serve as alternative routes for intra-city and inter-city travel. The selected Freeway, Local Roadway and Transit Improvements are referred to herein as the "Subregional Improvement Plan."

D. The Freeway Subregional Corridor Study, with input from the working group and SACOG, evaluated the estimated costs and anticipated funding sources for all of the projects included in the Subregional Improvement Plan, identified the funding shortfall, determined the fair share cost of these projects caused by the additional traffic from new development, and recommended mitigation fees (the "Subregional Impact Fee") to fund such fair share costs based on the development project's location and type of land uses.

E. On July 13, 2009, Caltrans, through its District 3 Director, approved the recommendations set out in the Freeway Subregional Corridor Study. Caltrans' letter stated that the recommended Subregional Impact Fee to help fund the costs of the projects in the Subregional Improvement Plan would lessen the cumulative mainline traffic impacts caused by new development located within the Freeway Subregional Corridor, and that Caltrans anticipates that it would accept such fees as adequate freeway congestion mitigation for cumulative traffic impacts under the California Environmental Quality Act ("CEQA"), subject to its review and acceptance of the EIR as referenced below.

F. SACOG and the working group will conduct environmental review of the Subregional Improvement Plan and Subregional Impact Fee to analyze whether implementation of such projects would mitigate the cumulative mainline freeway traffic impacts from new development within the Freeway Subregional Corridor.

NOW, THEREFORE, based on the Recitals set forth above and the Parties' desire to undertake efforts in a cooperative manner to implement the Subregional Improvement Plan and address how the identified projects are to be funded with the Subregional Impact Fee collected by each City, the Parties agree as follows:

AGREEMENT

1. Modification of Subregional Improvement Plan. The Parties shall meet to determine if there needs to be any changes to the Freeway, Local Roadway and Transit Improvements included in the Subregional Improvement Plan based on current information with regard to the status and funding of the projects in that plan. The refined

Subregional Improvement Plan will be used as the project definition for preparation of the Environmental Impact Report (EIR).

2. Preparation of EIR. SACOG will be responsible as a lead agency for preparation of a program-level Environmental Impact Report in compliance with CEQA for the Subregional Improvement Plan. The purpose of the EIR is to analyze whether the Subregional Impact Fee is an appropriate measure to mitigate cumulative impacts of new development on the State Highway System. Each Party shall cooperate with SACOG in providing information and reviewing the administrative draft EIR for accuracy. The costs of the EIR preparation shall be shared equally by Cities, subject to approval of the SACOG's budget for the EIR preparation. An EIR cost sharing agreement between the Cities and SACOG will be needed before the EIR is prepared. After certification of the EIR by SACOG, Sacramento, West Sacramento and Elk Grove shall rely on the EIR as a responsible agency in supporting that Party's actions to fund the Subregional Improvement Plan if they adopt the Subregional Impact Fee.

3. Plan Approval and Fee Adoption. If SACOG certifies the EIR for the Subregional Improvement Plan, each City may individually take action to approve the Subregional Improvement Plan and adopt the Subregional Impact Fee. The Subregional Impact Fee may be adopted either: (i) as a voluntary measure, where a project applicant whose project traffic reaches the threshold of significance may choose to pay the fee in lieu of preparing a traffic model analysis of the cumulative mainline freeway impacts, or (ii) as a mandatory development impact fee pursuant to the Mitigation Fee Act (Government Code section 66000 *et seq.*).

A. Regardless of whether the Subregional Impact Fee is adopted as a voluntary measure or mandatory development impact fee, the fee would only apply to those development projects which: (i) may generate mainline traffic volumes on the I-5 freeway system within the Freeway Subregional Corridor which would exceed the threshold of significance as adopted by each City, in reliance on Caltrans guidance, and (ii) are not exempt from environmental review or traffic impact analysis under the CEQA Guidelines (CA Code of Regulations, Title 14 Chapter 3). If a project does not meet the thresholds, then no mitigation is required, the fee program does not apply. Caltrans agrees that: (i) if the Cities comply with the terms of this Agreement and a project applicant complies with the fee program for a particular project, or (ii) a project does not trigger the thresholds and therefore is not required to pay a fee, Caltrans will not challenge the lack of a cumulative mainline traffic impact study or the adequacy of the mitigation for such impacts for that project.

B. If a City adopts the Subregional Impact Fee as a voluntary measure and an applicant decides not to comply with the Subregional Impact Fee program, even though the project's traffic impacts will exceed the threshold of significance as adopted by that City, then the City will: (i) require a traffic model analysis of the cumulative mainline freeway impacts for that development project as part of the preparation of the applicable CEQA document for that project; (ii) consult with Caltrans regarding the scope of such traffic analysis and the applicable mitigation measures if the resulting analysis demonstrates that the project's impacts could create potentially significant adverse impacts on the freeway mainline operations under future cumulative conditions; and (iii) consider imposing such mitigation measures as part of the conditions of approval for the project at the time the project and the CEQA document is approved.

C. Each City may adopt the voluntary or mandatory Subregional Impact Fee in consideration of the information in the Freeway Subregional Corridor Study, as well as any additional information that it may rely upon. The City may adjust the amount of the fees from those in the Freeway Subregional Corridor Study based on: (i) the land use categories applicable within each City's zoning ordinance, and (ii) whether the City previously adopted development impact fees which already include the fair share costs of one or more of the projects in the Subregional Improvement Plan. In addition, the working group may recommend to each City to increase or decrease the amount of the fees on an annual basis to account for changes in construction costs, the scope of the project and its estimated costs, and changes in project funding from other sources, all in compliance with the provisions of the Mitigation Fee Act.

D. If the Subregional Impact Fee is paid by the project applicant, whether on a voluntary or mandatory basis, Caltrans will provide written verification to the City, upon request from that City, that the payment of the fee satisfies Caltrans as to that project's obligation under CEQA to mitigate its cumulative mainline traffic impacts on the State Highway System.

4. Allocation of Fees. Annually, after adoption of the Subregional Impact Fee as described in Section 2, above, each City will prepare an annual report and provide a copy to all of the other Parties which includes the amount of the fees that the City has collected and its proposed allocation of such funding for projects in the Subregional Improvement Plan.

A. The Parties acknowledge that it may take many years to collect enough fees to assist in funding the costs of a project in the Subregional Improvement Plan as set out in the Freeway Subregional Corridor Study, and that many projects in that plan may not be ready for construction for a period of time after fees have been collected

due to the need to secure additional funding. In addition, there may be delays in construction of the projects included in the Subregional Improvement Plan due to the need to prepare engineering plans and undertake environmental review. For these and other reasons, the Parties acknowledge that a City may propose in its annual report to continue to accumulate the fees for a specified period of time and not to expend the funds that have been collected.

B. The Parties acknowledge that the first priority for each City in allocating fees it has collected is to apply those funds towards construction of projects in the Subregional Improvement Plan which are located within the jurisdictional boundaries of that City, or closest thereto, so as to benefit the new developments within that City which either paid the fee in accordance with the provisions of the Mitigation Fee Act or voluntarily.

C. Cities acknowledge that some of the projects in the Subregional Improvement Plan are to be constructed by another City, Caltrans, or Regional Transit. The working group shall meet annually to make recommendations on the allocation of the fees collected for projects. Each City will consider those recommendations and determine whether to allocate all or a portion of the fees it has collected to another City, Caltrans, or Regional Transit to assist in funding a project within their respective jurisdiction. If there are no projects or no remaining projects in the Subregional Improvement Plan in a City, that City must nonetheless allocate the fees it has collected to another City, Caltrans or Regional Transit to fund a project in the Subregional Improvement Plan. Transfer of such funding may require those Parties to enter into a project improvement agreement to specify the terms for transfer of such funds, or a City may transmit such funds to SACOG for appropriation for a project in another City, Caltrans or to Regional Transit which is included in the Subregional Improvement Plan.

D. SACOG may rely on the Cities' annual reports in determining funding allocations which may be needed when preparing its annual Metropolitan Transportation Improvement Plan for those projects which are included in the Subregional Improvement Plan, so as to facilitate construction of such projects which are supported by all of the other Parties.

4. Project Development. In regards to the delivery of projects included in the Subregional Improvement Plan, the Parties agree as follows:

A. Each Party will encourage public awareness and undertake public outreach efforts to involve the public in the planning and environmental review processes in which the Parties are engaged for their respective projects included in the

Subregional Improvement Plan which are to be approved and/or constructed by that Party.

B. Each Party may use the products of any technical studies and reports generated by another Party in a manner consistent with its respective obligations. Each Party is responsible for making its own determination as to the usefulness or as to the propriety of its use of or reliance upon the work product of the other Party. Neither Party represents or warrants that its work product is or will be sufficient for the purposes to which another Party may wish to apply that work product. This Agreement does not reduce, expand, transfer, or alter in any way any of the statutory or regulatory authorities or responsibilities of any Party hereto. Neither Party is delegating any rights, duties, or responsibilities to any other Party under this Agreement.

5. Term. This Agreement is effective after execution by all of the Parties and shall continue in effect until terminated by all of the Parties through mutual agreement. Any Party may terminate this Agreement in regards to respective obligations of that Party under this Agreement upon providing 30 days' advance written notice delivered to the other Parties.

6. Other Provisions. This Agreement may be executed in counterparts. This Agreement does not create a joint venture, partnership, or any other relationship of association among the Parties. Nothing contained herein is intended, nor shall this Agreement be construed, as an agreement to benefit any third parties. This Agreement embodies the entire agreement of the Parties in relation to the matters contained herein, and no other understanding whether verbal, written or otherwise exists among the Parties.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the last date set out below:

CITY OF SACRAMENTO

By: _____
Name:
Title:

Date: 6-18-14

Approved as to Form:

_____
City Attorney

ATTEST

_____
City Clerk 7-22-14

CITY OF WEST SACRAMENTO

By: _____

Name:

Title:

Date: 6/18/2014

Approved as to Form:

_____

City Attorney

ATTEST

_____

City Clerk

CITY OF ELK GROVE

By: Laura S. Gill

Name: Laura S. Gill

Title: City Manager

Date: 6/26/14

Approved as to Form:

_____

City Attorney

CITY OF ELK GROVE INCORPORATED July 1, 2000 STATE OF CALIFORNIA

ATTEST

_____

City Clerk, Jason Lindgren

DATED: June 27, 2014

CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: Jody Jones
Name:
Title: District 3 Director

Date: 5/22/14

Approved as to Form:

Attorney

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

By:
Name: Mike McKeever
Title: CEO

Date: 8/20/14

Approved as to Form:

Attorney

ATTEST

Clerk

APPENDIX B: SACOG'S FINANCIAL PLAN FOR THE METROPOLITAN TRANSPORTATION PLAN & SUSTAINABLE COMMUNITIES STRATEGY

All the improvements in the SCMP Fee Program are included in Metropolitan Transportation Plan /Sustainable Communities Strategy (MTP/SCS), As stated in the SACOG's Financial Plan for the MTP/SCS, provided in this appendix, "the MTP/SCS must be financially constrained, meaning that the amount of funding programmed must not exceed the amount of funding estimated to be reasonably available within the planning period", which is 2036. To meet this requirement, the revenue assumptions in SACOG's Financial Plan are based on existing federal and state sources of funding and existing or SACOG Board-approved sources of local funding for transportation purposes.

Appendix B-1

Financial Plan

2016 Metropolitan Transportation Plan & Sustainable Communities Strategy

Plan Finances

The funding to support the transportation investments in the MTP/SCS comes from a number of federal, state, and local sources, each with specific purposes and restrictions. The dollar amounts are presented in both current year (2015) dollars and nominal or "year of expenditure" values. The MTP/SCS provides current year dollars to illustrate the magnitude of investments in terms of the 2015 fiscal year. However, federal statute requires regional transportation plans to provide costs and revenues in "year of expenditure" dollars. Accordingly, the discussions below provide dollar values first in current year terms, followed in parentheses by "year of expenditure" (YOE) values.

In total, SACOG forecasts $35.0 billion in revenues ($46.7 billion YOE) over the planning period. On average, this comes out to approximately $1.6 billion ($2.1 billion YOE) per year over 22 years.

Conversion between Current Year (2015) and Year of Expenditure (YOE) Dollars

The federal Moving Ahead for Progress in the 21st Century Act (MAP-21) requires that all cost estimates be escalated to year of expenditure or nominal values to reflect both the decrease in purchasing power of today's dollar and the increase in costs for maintaining and building the transportation system over time. The average rate of inflation used in the MTP/SCS is 2.7 percent. The first five years of the plan uses an inflation rate consistent with the California Legislative Analyst's Office assumptions used in the 2014-15 Budget: California's Fiscal Outlook. Following fiscal year 2020, the MTP/SCS assumes a slight increase in the inflation rate annually until reaching the historical average of 3.2 percent and then maintains this average through the rest of the planning period. Table 1.1 below illustrates the inflation rate assumptions for each year of the MTP/SCS.

Table B1.1. MTP/SCS Inflation Rate Assumptions

	2015	2016-2019	2020	2021-2026	2027-2036
Inflation rate	1.7%	1.9%	2.0%	Previous year + 0.2%	3.2%

2015 through 2020 based on California Legislative Analyst's Office assumptions in *The 2014-15 Budget: California's Fiscal Outlook*

On the revenue side, the nominal rate of growth for each funding source is determined by extrapolating recent trends, either on a straight line basis or in some cases using a trend curve. This methodology yields revenues in YOE dollars, which are then de-escalated using the inflation rates described above to yield current year dollars.

On the expenditure side, project sponsors provide SACOG with project costs in current year dollars, which are then uniformly escalated to YOE dollars using the inflation rate described above through the assumed completion timeframe for the project.

Summary of Revenue Sources and Assumptions

The MTP/SCS must be financially constrained, meaning that the amount of funding programmed must not exceed the amount of funding estimated to be reasonably available within the planning period. To meet this requirement, the revenue assumptions in the plan are based on existing federal and state sources of funding and existing or SACOG Board-approved sources of local funding for transportation purposes. Each funding source is extrapolated at historic rates of growth or by reasonable assumptions about future trends to determine the total amount of that source that will be available for implementation of the MTP/SCS. Attachments A and B describe the available revenues for each funding source over five and six year increments throughout the planning period. In developing the MTP/SCS, SACOG has taken into consideration both transportation funding revenues and the costs of building, operating, and maintaining the regional transportation system over 22 years (Federal FFY 2014-15 through FY 2035-36).

Federal Funding

Federal funding assumptions are derived from the annual apportionments provided to SACOG by the federal government or from historical funding levels. MAP-21, which was signed into law in 2012, sets the program structure and distribution formulas for federal transportation funds. SACOG projects funding from both the Federal Highway Administration and Federal Transit Administration Programs listed below, with revenue assumptions outlined in Table B1.2.

Federal Highway Administration Programs

- Regional Surface Transportation Program (RSTP)
- Congestion Mitigation and Air Quality Program (CMAQ)
- Other federal discretionary programs

Federal Transit Administration Programs

- Section 5307 Urbanized Area Formula Program
- Section 5309 Fixed-Guideway Capital Investment Grants
- Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities
- FTA 5311 Formula Grants for Rural Area
- FTA 5337 State of Good Repair Grants
- FTA 5339 Bus and Bus Facilities

Table B1.2. Federal Revenue Sources and Assumptions

Federal Source	MTP/SCS
Congestion Mitigation and Air Quality (CMAQ)	**Base Year:** 2015 **Key Assumptions:** SACOG region will continue to receive CMAQ funds in a manner consistent with historical apportionments. **Growth:** 5% annual growth.
Regional Surface Transportation Program (RSTP)	**Base Year:** 2015 **Key Assumptions:** SACOG region will continue to receive RSTP funds in a manner consistent with historical apportionments. **Growth:** 5% annual growth.
FTA Funds: 5307, 5310, 5311, 5337, 5339	**Base Year:** 2015 **Key Assumptions:** SACOG region will continue to receive FTA funds in a manner consistent with historical apportionments. **Growth:** 4% annual growth.
FTA 5309 Fixed-Guideway Capital Investment Grants	**Base Year:** N/A **Key Assumptions:** Presume continuation of FTA grants for rail expansion projects at 50% of new rail capital project costs.

State Funding

Senate Bill 45 (SB 45) establishes the program structure and distribution formulas for most state transportation funds. The MTP/SCS assumes state funding will continue in a manner consistent with SB 45. Additionally, every two years, the California Transportation Commission (CTC) approves a STIP Fund Estimate that details the distribution of funding for state transportation programs that pass through the State Highway Account over a six-year period. The MTP/SCS's assumptions for state revenues, shown in Table B1.3, are derived primarily from the 2014 State Transportation Improvement Program Fund Estimate (STIP-FE).

The state funding programs assumed in the MTP/SCS include:

- State Highway Operations and Protection Program - (SHOPP)
- State Transportation Improvement Program - (STIP) including;
  - Interregional - ITIP
  - Regional - RTIP
- State Cap and Trade Program
- State Transit Assistance - (STA)

- Intercity Rail
- State Highway Maintenance
- Proposition 1B- Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA)

Table B1.3. State Revenue Sources and Assumptions

State Source	MTP/SCS
State Highway Operations and Protection Program (SHOPP)	**Base Year:** 2014 **Key Assumptions:** Based on transfers from the State Highway Account (SHA), Federal Trust Fund, and the new excise tax on gasoline. Includes adjustments resulting from ABX8 6 and ABX8 9 (Gas Tax Swap) including 12% of the revenues generated by the new excise tax on gasoline following transfers for bond debt service. **Growth:** 1.3% average annual growth
Interregional Transportation Improvement Program (STIP- ITIP)	**Base Year:** 2014 **Key Assumptions:** ITIP will continue to receive 25% of the total STIP allocations from the Federal Highway Trust Fund, State Highway Account, Public Transportation Account **Growth:** 5.6% average annual growth
Regional Transportation Improvement Program (STIP- RTIP)	**Base Year:** 2014 **Key Assumptions:** RTIP will continue to receive 75% of the total STIP allocations from the Federal Highway Trust Fund, State Highway Account, Public Transportation Account and the new excise tax on gasoline. **Growth:** 5.6% average annual growth
State Cap and Trade Program	**Base Year: 2015** **Key Assumptions:** Cap and Trade revenues are made up of the 35% of auction proceeds that are allocated to Affordable Housing & Sustainable Communities, Intercity Rail, and Low Carbon Transit Programs. The region's capture of these revenues assumes SACOG member agencies receive revenues roughly equivalent the region's share of statewide population **Growth:** 5% average annual growth
State Transit Assistance	**Base Year:** 2014 **Key Assumptions:** STA will continue to receive funding from sales

	taxes on diesel fuels consistent with current funding formulas. **Growth:** 5% average annual growth
Intercity Rail (Operations)	**Base Year:** 2013 **Key Assumptions:** ITIP portion of Intercity Rail capital revenues included in the ITIP assumptions above. Intercity Rail Operations based on historical share of state resources to CCJPA and San Joaquin. **Growth:** 4.9% average annual growth
State Highway Maintenance	**Base Year:** 2014 **Key Assumptions:** State Highway Maintenance will continue to receive transfers from the State Highway Account at an escalating rate indexed to inflation. **Growth:** 2.8 % average annual growth.
Highway Bridge Program	**Base Year:** 2015 **Key Assumptions:** The region will continue to receive highway bridge program reimbursements for eligible activities that rehabilitate and replace structurally deficient bridges.
State Discretionary	**Base Year:** N/A **Key Assumptions:** Assumes the region will capture roughly 5% of statewide competitive discretionary program funding. **Growth:** 2.5% average annual growth

Local Funding

Local revenues are based on historical funding from local sources for each city, county, transportation commission, and transit operator in the region. Local funding sources provide the majority of the funds that support the MTP/SCS and include:

- Local Transportation Fund (LTF)
- Sacramento County Measure A - (1/2-cent)
- Sacramento County Measure B - (1/2-cent)
- Placer County Sales Tax – (1/2 cent)
- Gas Tax Subventions
- Gas Tax Swap (Excise Tax Subventions)
- Local Streets and Roads

- Developer In-Kind
- Transit Fares

Note on Local-Option County Sales Tax in the MTP/SCS

All of the local revenues assumed in the MTP/SCS are based on the continuation of existing funding mechanisms with the exception of two new local option countywide sales tax measures in Sacramento County and Placer County. Measure B would institute a new ½-cent sales tax equivalent to support road maintenance and transit operations within the county of Sacramento. Placer County is also pursuing a new ½ cent sales tax measure to support transportation investments in that county. While one or both of these local option measures may go forward in 2016 or 2018, the draft MTP/SCS takes a conservative approach by not including any new revenue in the plan assumptions until 2020 and then continuing through the end of the planning horizon in 2036.

Table B1.4. Local Revenue Sources and Assumptions

	MTP/SCS
Local Transportation Fund (LTF)	**Base Year:** 2014 **Key Assumptions:** ¼-percent general sales tax for transportation will remain in place at existing rate. **Growth:** 3.5% annual average growth
Measure A	**Base Year:** 2014 **Key Assumptions:** ½-cent general sales tax in Sacramento County will remain in place at existing rate. **Growth:** 3.5% annual average growth
Measure B	**Base Year:** N/A **Key Assumptions:** Equivalent of 1/2-percent general sales tax will begin in 2020 and last through 2036. **Growth:** 3.5% annual average growth
Placer ½ cent sales tax	**Base Year:** N/A **Key Assumptions:** Equivalent of 1/2-percent general sales tax will begin in 2020 and last through 2036. **Growth:** 3% annual average growth
Gas Tax Subventions	**Base Year:** 2014

	Key Assumptions: Subventions will continue to flow to cities and counties based on existing formulas. **Growth:** Revenues remain flat
Price-based Gasoline Excise Tax Subventions	**Base Year:** 2014 **Key Assumptions:** 44% of the revenues generated by the new excise tax on gasoline (after reductions for debt service payments) will flow to local streets and roads. The state will adjust the excise tax annually to compensate for the loss of the gasoline sales tax. **Growth:** 6% average annual growth
Local Streets and Roads	**Base Year:** 2012 **Key Assumptions:** Based on 10-year historical average of budget information provided by local jurisdictions to the California State Controller. Contains all revenues from local sources dedicated to local streets and roads. **Nominal Growth Rate:** 2% average annual growth
Developer In-Kind	**Base Year:** 2012 **Key Assumptions:** Developer investments in new roadways keep pace with housing growth over the life of the plan. **Growth:** 5% annual average growth
Transit Fare revenues	**Base Year:** 2012 **Key Assumptions:** Based on SACOG ridership projections and average fare per rider. Assumes future fare increases keep pace with inflation. Average fare per rider increases as more choice riders that pay closer to full fares increases from $1.08 in 2012 to $1.24 in 2036 (in 2015 dollars). The regional farebox recovery rate increases from 25% in 2012 to 38% in 2036 based on the increases in average fare per rider and a shift in transit mode share from 1.2% in 2012 to 2.9% in 2036.

Attachment A: Revenue Projections (in millions of nominal dollars)

Federal	FFY 2015-2020	FFY 2021-2025	FFY 2026-2030	FFY 2031-2036	Total
Federal Highway & Other	**$509**	**$528**	**$674**	**$1,059**	**$2,771**
-Congestion Mitigation and Air Quality - (CMAQ)	$177	$184	$235	$369	$964
-Regional Surface Transportation Program - (RSTP)	$165	$166	$212	$333	$876
-Federal Discretionary Programs	$167	$178	$228	$358	$931
Federal Transit	**$361**	**$272**	**$517**	**$922**	**$2,072**
-FTA 5307 - Urbanized Area Formula Program	$163	$163	$199	$296	$821
-FTA 5309 - Fixed-Guideway Capital Investment Grants	$89	$0	$186	$430	$705
-FTA 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities	$20	$20	$24	$36	$101
-FTA 5311 - Formula Grants for Rural Area	$10	$10	$12	$18	$49
-FTA 5337 - State of Good Repair Grants	$62	$62	$76	$113	$312
-FTA 5339 - Bus and Bus Facilities	$17	$16	$20	$30	$83
Federal Subtotal	**$870**	**$800**	**$1,191**	**$1,981**	**$4,843**
State	**FFY 2015-2020**	**FFY 2021-2025**	**FFY 2026-2030**	**FFY 2031-2036**	**Total**
State Highway Operaions and Protection Program - (SHOPP)	**$922**	**$791**	**$870**	**$1,154**	**$3,737**
State Transportation Improvement Program - (STIP)	**$305**	**$377**	**$521**	**$827**	**$2,030**
-Interregional - IIP	$73	$91	$125	$199	$489
-Regional - RIP	$231	$287	$396	$628	$1,542
State Cap and Trade Program	**$239**	**$332**	**$332**	**$399**	**$1,303**
State Transit Assistance - (STA)	**$107**	**$110**	**$143**	**$244**	**$605**
Intercity Rail	**$196**	**$213**	**$270**	**$422**	**$1,101**
State Highway Maintenance	**$489**	**$460**	**$535**	**$763**	**$2,247**
PTMISEA	**$40**	**$0**	**$0**	**$0**	**$40**
Highway Bridge Program	**$148**	**$166**	**$193**	**$275**	**$782**
State Discretionary	**$196**	**$192**	**$223**	**$314**	**$925**
State Subtotal	**$2,643**	**$2,641**	**$3,087**	**$4,399**	**$12,770**

Local	FFY 2015-2020	FFY 2021-2025	FFY 2026-2030	FFY 2031-2036	Total
Sales Tax	**$1,291**	**$2,333**	**$2,757**	**$3,994**	**$10,375**
-Local Transportation Fund (LTF)	$459	$461	$548	$797	$2,265
-Sacramento County Measure A - (1/2%)	$675	$674	$801	$1,165	$3,315
-Sacramento County Measure B - (1/2%)	$61	$674	$801	$1,165	$2,701
-Placer County Sales Tax - (1/2%)	$97	$523	$607	$867	$2,094
Gas Tax Subventions	**$387**	**$313**	**$315**	**$376**	**$1,391**
Gas Tax Swap (Excise Tax Subventions)	**$214**	**$278**	**$409**	**$681**	**$1,583**
Local Streets and Roads	**$1,820**	**$1,691**	**$1,867**	**$2,499**	**$7,878**
Developer In-Kind	**$841**	**$926**	**$1,193**	**$1,894**	**$4,853**
Transit Fares	**$335**	**$450**	**$779**	**$1,460**	**$3,024**
Local Subtotal	**$4,890**	**$5,990**	**$7,320**	**$10,903**	**$29,104**
Federal, State, and Local Total	**$8,402**	**$9,431**	**$11,598**	**$17,170**	**$46,602**

Attachment B: Revenue Projections (in millions of 2010 dollars)

Federal	FFY 2015-2020	FFY 2021-2025	FFY 2026-2030	FFY 2031-2036	Total
Federal Highway & Other	**$485**	**$446**	**$490**	**$646**	**$2,067**
-Congestion Mitigation and Air Quality - (CMAQ)	$169	$155	$170	$225	$719
-Regional Surface Transportation Program - (RSTP)	$157	$140	$154	$203	$654
-Federal Discretionary Programs	$159	$151	$165	$218	$694
Federal Transit	**$344**	**$229**	**$371**	**$563**	**$1,508**
-FTA 5307 - Urbanized Area Formula Program	$156	$138	$144	$181	$619
-FTA 5309 - Fixed-Guideway Capital Investment Grants	$85	$0	$131	$263	$479
-FTA 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities	$19	$17	$18	$22	$76
-FTA 5311 - Formula Grants for Rural Area	$9	$8	$9	$11	$37
-FTA 5337 - State of Good Repair Grants	$59	$52	$55	$69	$235
-FTA 5339 - Bus and Bus Facilities	$16	$14	$15	$18	$62
Federal Subtotal	**$830**	**$675**	**$861**	**$1,210**	**$3,575**
State	**FFY 2015-2020**	**FFY 2021-2025**	**FFY 2026-2030**	**FFY 2031-2036**	**Total**
State Highway Operaions and Protection Program - (SHOPP)	**$880**	**$668**	**$633**	**$706**	**$2,888**
State Transportation Improvement Program - (STIP)	**$290**	**$318**	**$378**	**$505**	**$1,491**
-Interregional - IIP	$70	$77	$91	$121	$359
-Regional - RIP	$220	$241	$287	$383	$1,132
State Cap and Trade Program	**$239**	**$281**	**$242**	**$244**	**$1,007**
State Transit Assistance - (STA)	**$102**	**$93**	**$104**	**$149**	**$447**
Intercity Rail	**$187**	**$179**	**$196**	**$257**	**$820**
State Highway Maintenance	**$466**	**$389**	**$389**	**$466**	**$1,710**
PTMISEA	**$39**	**$0**	**$0**	**$0**	**$39**
Highway Bridge Program	**$141**	**$140**	**$140**	**$168**	**$589**
State Discretionary	**$187**	**$162**	**$162**	**$192**	**$703**

State Subtotal	$2,532	$2,230	$2,244	$2,688	$9,694
Local	**FFY 2015-2020**	**FFY 2021-2025**	**FFY 2026-2030**	**FFY 2031-2036**	**Total**
Sales Tax	**$1,223**	**$1,970**	**$2,004**	**$2,439**	**$7,636**
-Local Transportation Fund (LTF)	$437	$390	$398	$487	$1,712
-Sacramento County Measure A - (1/2%)	$643	$569	$582	$711	$2,506
-Sacramento County Measure B - (1/2%)	$55	$569	$582	$711	$1,918
-Placer County Sales Tax - (1/2%)	$88	$442	$442	$530	$1,501
Gas Tax Subventions	**$370**	**$265**	**$230**	**$230**	**$1,094**
Gas Tax Swap (Excise Tax Subventions)	**$204**	**$234**	**$297**	**$416**	**$1,150**
Local Streets and Roads	**$1,735**	**$1,429**	**$1,358**	**$1,529**	**$6,052**
Developer In-Kind	**$801**	**$781**	**$866**	**$1,155**	**$3,602**
Transit Fares	**$319**	**$379**	**$563**	**$890**	**$2,150**
Local Subtotal	**$4,652**	**$5,056**	**$5,318**	**$6,658**	**$21,685**
Federal, State, and Local Total	**$8,014**	**$7,961**	**$8,423**	**$10,556**	**$34,955**

C-14-254

MEMORANDUM OF UNDERSTANDING

Implementation Plan for the I-5 Freeway Subregional Corridor Mitigation Program

This MEMORANDUM OF UNDERSTANDING ("Agreement") is made and entered into this 25 day of June, 2014 , ("Execution Date") by and between the City of Sacramento, a municipal corporation ("Sacramento"), the City of West Sacramento, a municipal corporation ("West Sacramento"), and the City of Elk Grove, a municipal corporation ("Elk Grove"), which are referred to herein individually as "City" and collectively as "Cities;" and the California Department of Transportation, a state agency ("Caltrans") and the Sacramento Area Council of Governments, a joint powers entity ('SACOG). All of the foregoing entities are referred to herein individually as "Party" and collectively as "Parties."

RECITALS

A. Due to the concerns of all the Parties regarding the projected future cumulative mainline freeway traffic impacts from new developments located within the jurisdictional boundaries of Cities along the Interstate 5 freeway ("Freeway Subregional Corridor"), staff from Cities and Caltrans (the "working group") met over a four year period and Cities collectively funded a study by DKS Associates dated April 30, 2009, titled: "Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System" (the "Freeway Subregional Corridor Study"), regarding measures to mitigate potential impacts.

B. The Freeway Subregional Corridor extends generally from the American River on the north, the western boundary of the City of West Sacramento on the west, the southern boundary of the City of Elk Grove on the south and Highway 99 on the east. The study area was divided into four districts, with territory within Sacramento (District 1 and 3), West Sacramento (District 2) and Elk Grove (District 4).

C. DKS Associates modeled the cumulative mainline traffic impacts on the I-5 freeway from future developments within the Freeway Subregional Corridor. Based on this information, the working group identified planned transportation improvements in SACOG's Regional Transportation Plan ("RTP") which would best relieve traffic congestion within the Freeway Subregional Corridor. Caltrans has not adopted plans to add lanes to the I-5 freeway in this corridor to expand capacity, other than adding high occupancy vehicles lanes (the "Freeway Improvements") to encourage carpooling and use of bus transit. The Freeway Subregional Corridor Study identified roadway and river crossing projects (the "Local Roadway Improvements") as planned by the Cities

and set out in the RTP, and the Sacramento Regional Transit District's ("Regional Transit") proposed extension of its light rail system to Natomas (the "Transit Improvements"), all of which will serve as alternative routes for intra-city and inter-city travel. The selected Freeway, Local Roadway and Transit Improvements are referred to herein as the "Subregional Improvement Plan."

D. The Freeway Subregional Corridor Study, with input from the working group and SACOG, evaluated the estimated costs and anticipated funding sources for all of the projects included in the Subregional Improvement Plan, identified the funding shortfall, determined the fair share cost of these projects caused by the additional traffic from new development, and recommended mitigation fees (the "Subregional Impact Fee") to fund such fair share costs based on the development project's location and type of land uses.

E. On July 13, 2009, Caltrans, through its District 3 Director, approved the recommendations set out in the Freeway Subregional Corridor Study. Caltrans' letter stated that the recommended Subregional Impact Fee to help fund the costs of the projects in the Subregional Improvement Plan would lessen the cumulative mainline traffic impacts caused by new development located within the Freeway Subregional Corridor, and that Caltrans anticipates that it would accept such fees as adequate freeway congestion mitigation for cumulative traffic impacts under the California Environmental Quality Act ("CEQA"), subject to its review and acceptance of the EIR as referenced below.

F. SACOG and the working group will conduct environmental review of the Subregional Improvement Plan and Subregional Impact Fee to analyze whether implementation of such projects would mitigate the cumulative mainline freeway traffic impacts from new development within the Freeway Subregional Corridor.

NOW, THEREFORE, based on the Recitals set forth above and the Parties' desire to undertake efforts in a cooperative manner to implement the Subregional Improvement Plan and address how the identified projects are to be funded with the Subregional Impact Fee collected by each City, the Parties agree as follows:

AGREEMENT

1. Modification of Subregional Improvement Plan. The Parties shall meet to determine if there needs to be any changes to the Freeway, Local Roadway and Transit Improvements included in the Subregional Improvement Plan based on current information with regard to the status and funding of the projects in that plan. The refined

Subregional Improvement Plan will be used as the project definition for preparation of the Environmental Impact Report (EIR).

2. Preparation of EIR. SACOG will be responsible as a lead agency for preparation of a program-level Environmental Impact Report in compliance with CEQA for the Subregional Improvement Plan. The purpose of the EIR is to analyze whether the Subregional Impact Fee is an appropriate measure to mitigate cumulative impacts of new development on the State Highway System. Each Party shall cooperate with SACOG in providing information and reviewing the administrative draft EIR for accuracy. The costs of the EIR preparation shall be shared equally by Cities, subject to approval of the SACOG's budget for the EIR preparation. An EIR cost sharing agreement between the Cities and SACOG will be needed before the EIR is prepared. After certification of the EIR by SACOG, Sacramento, West Sacramento and Elk Grove shall rely on the EIR as a responsible agency in supporting that Party's actions to fund the Subregional Improvement Plan if they adopt the Subregional Impact Fee.

3. Plan Approval and Fee Adoption. If SACOG certifies the EIR for the Subregional Improvement Plan, each City may individually take action to approve the Subregional Improvement Plan and adopt the Subregional Impact Fee. The Subregional Impact Fee may be adopted either: (i) as a voluntary measure, where a project applicant whose project traffic reaches the threshold of significance may choose to pay the fee in lieu of preparing a traffic model analysis of the cumulative mainline freeway impacts, or (ii) as a mandatory development impact fee pursuant to the Mitigation Fee Act (Government Code section 66000 *et seq.*).

A. Regardless of whether the Subregional Impact Fee is adopted as a voluntary measure or mandatory development impact fee, the fee would only apply to those development projects which: (i) may generate mainline traffic volumes on the I-5 freeway system within the Freeway Subregional Corridor which would exceed the threshold of significance as adopted by each City, in reliance on Caltrans guidance, and (ii) are not exempt from environmental review or traffic impact analysis under the CEQA Guidelines (CA Code of Regulations, Title 14 Chapter 3). If a project does not meet the thresholds, then no mitigation is required, the fee program does not apply. Caltrans agrees that: (i) if the Cities comply with the terms of this Agreement and a project applicant complies with the fee program for a particular project, or (ii) a project does not trigger the thresholds and therefore is not required to pay a fee, Caltrans will not challenge the lack of a cumulative mainline traffic impact study or the adequacy of the mitigation for such impacts for that project.

B. If a City adopts the Subregional Impact Fee as a voluntary measure and an applicant decides not to comply with the Subregional Impact Fee program, even though the project's traffic impacts will exceed the threshold of significance as adopted by that City, then the City will: (i) require a traffic model analysis of the cumulative mainline freeway impacts for that development project as part of the preparation of the applicable CEQA document for that project; (ii) consult with Caltrans regarding the scope of such traffic analysis and the applicable mitigation measures if the resulting analysis demonstrates that the project's impacts could create potentially significant adverse impacts on the freeway mainline operations under future cumulative conditions; and (iii) consider imposing such mitigation measures as part of the conditions of approval for the project at the time the project and the CEQA document is approved.

C. Each City may adopt the voluntary or mandatory Subregional Impact Fee in consideration of the information in the Freeway Subregional Corridor Study, as well as any additional information that it may rely upon. The City may adjust the amount of the fees from those in the Freeway Subregional Corridor Study based on: (i) the land use categories applicable within each City's zoning ordinance, and (ii) whether the City previously adopted development impact fees which already include the fair share costs of one or more of the projects in the Subregional Improvement Plan. In addition, the working group may recommend to each City to increase or decrease the amount of the fees on an annual basis to account for changes in construction costs, the scope of the project and its estimated costs, and changes in project funding from other sources, all in compliance with the provisions of the Mitigation Fee Act.

D. If the Subregional Impact Fee is paid by the project applicant, whether on a voluntary or mandatory basis, Caltrans will provide written verification to the City, upon request from that City, that the payment of the fee satisfies Caltrans as to that project's obligation under CEQA to mitigate its cumulative mainline traffic impacts on the State Highway System.

4. Allocation of Fees. Annually, after adoption of the Subregional Impact Fee as described in Section 2, above, each City will prepare an annual report and provide a copy to all of the other Parties which includes the amount of the fees that the City has collected and its proposed allocation of such funding for projects in the Subregional Improvement Plan.

A. The Parties acknowledge that it may take many years to collect enough fees to assist in funding the costs of a project in the Subregional Improvement Plan as set out in the Freeway Subregional Corridor Study, and that many projects in that plan may not be ready for construction for a period of time after fees have been collected

due to the need to secure additional funding. In addition, there may be delays in construction of the projects included in the Subregional Improvement Plan due to the need to prepare engineering plans and undertake environmental review. For these and other reasons, the Parties acknowledge that a City may propose in its annual report to continue to accumulate the fees for a specified period of time and not to expend the funds that have been collected.

B. The Parties acknowledge that the first priority for each City in allocating fees it has collected is to apply those funds towards construction of projects in the Subregional Improvement Plan which are located within the jurisdictional boundaries of that City, or closest thereto, so as to benefit the new developments within that City which either paid the fee in accordance with the provisions of the Mitigation Fee Act or voluntarily.

C. Cities acknowledge that some of the projects in the Subregional Improvement Plan are to be constructed by another City, Caltrans, or Regional Transit. The working group shall meet annually to make recommendations on the allocation of the fees collected for projects. Each City will consider those recommendations and determine whether to allocate all or a portion of the fees it has collected to another City, Caltrans, or Regional Transit to assist in funding a project within their respective jurisdiction. If there are no projects or no remaining projects in the Subregional Improvement Plan in a City, that City must nonetheless allocate the fees it has collected to another City, Caltrans or Regional Transit to fund a project in the Subregional Improvement Plan. Transfer of such funding may require those Parties to enter into a project improvement agreement to specify the terms for transfer of such funds, or a City may transmit such funds to SACOG for appropriation for a project in another City, Caltrans or to Regional Transit which is included in the Subregional Improvement Plan.

D. SACOG may rely on the Cities' annual reports in determining funding allocations which may be needed when preparing its annual Metropolitan Transportation Improvement Plan for those projects which are included in the Subregional Improvement Plan, so as to facilitate construction of such projects which are supported by all of the other Parties.

4. Project Development. In regards to the delivery of projects included in the Subregional Improvement Plan, the Parties agree as follows:

A. Each Party will encourage public awareness and undertake public outreach efforts to involve the public in the planning and environmental review processes in which the Parties are engaged for their respective projects included in the

Subregional Improvement Plan which are to be approved and/or constructed by that Party.

B. Each Party may use the products of any technical studies and reports generated by another Party in a manner consistent with its respective obligations. Each Party is responsible for making its own determination as to the usefulness or as to the propriety of its use of or reliance upon the work product of the other Party. Neither Party represents or warrants that its work product is or will be sufficient for the purposes to which another Party may wish to apply that work product. This Agreement does not reduce, expand, transfer, or alter in any way any of the statutory or regulatory authorities or responsibilities of any Party hereto. Neither Party is delegating any rights, duties, or responsibilities to any other Party under this Agreement.

5. Term. This Agreement is effective after execution by all of the Parties and shall continue in effect until terminated by all of the Parties through mutual agreement. Any Party may terminate this Agreement in regards to respective obligations of that Party under this Agreement upon providing 30 days' advance written notice delivered to the other Parties.

6. Other Provisions. This Agreement may be executed in counterparts. This Agreement does not create a joint venture, partnership, or any other relationship of association among the Parties. Nothing contained herein is intended, nor shall this Agreement be construed, as an agreement to benefit any third parties. This Agreement embodies the entire agreement of the Parties in relation to the matters contained herein, and no other understanding whether verbal, written or otherwise exists among the Parties.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the last date set out below:

CITY OF SACRAMENTO

By: _____
Name:
Title:

Date: 6-18-14

Approved as to Form:

_____
City Attorney

ATTEST

_____
City Clerk 7-22-14

CITY OF WEST SACRAMENTO

By: _____

Name:

Title:

Date: 6/18/2014

Approved as to Form:

_____

City Attorney

ATTEST

_____

City Clerk

CITY OF ELK GROVE

By: Laura S. Gill

Name: Laura S. Gill

Title: City Manager

Date: 6/26/14

Approved as to Form:

_____

City Attorney

CITY OF ELK GROVE INCORPORATED July 1, 2000 STATE OF CALIFORNIA

ATTEST

_____

City Clerk, Jason Lindgren

DATED: June 27, 2014

CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: Jody Jones
Name:
Title: District 3 Director

Date: 5/22/14

Approved as to Form:

Attorney

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

By:
Name: Mike McKeever
Title: CEO

Date: 8/20/14

Approved as to Form:

Attorney

ATTEST

Clerk

Draft Supplement
to the
2012 MTP/SCS EIR

I-5 Freeway Subregional Corridor Mitigation Program

SCH # 2011012081

Prepared for:

SACOG

Prepared by:

Adrienne Graham, AICP, and DKS Associates

May 2015

Draft Supplement to the 2012 MTP/SCS EIR

I-5 Freeway Subregional Corridor Mitigation Program

SCH # 2011012081

Prepared for:

SACOG

Prepared by:

Adrienne Graham, AICP, and DKS Associates

May 2015

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1. INTRODUCTION

1. INTRODUCTION

OVERVIEW OF THE PROPOSED PROJECT

The Sacramento Area Council of Governments (SACOG) is the Lead Agency for the preparation of a Supplement to the Environmental Impact Report (EIR) to the 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy adopted in 2012 (MTP/SCS) for the I-5 Subregional Corridor Mitigation Program (SCMP or Proposed Project). Note that the Proposed Project was called "Development Fee Program" in the March 2015 Notice of Preparation for the DSEIR.

The SCMP consists of a voluntary development impact fee for new developments within the Interstate 5 corridor between Elk Grove, downtown Sacramento and West Sacramento that would be used to construct a set of transportation improvements identified in the MTP/SCS. The Proposed Project improvements would reduce impacts from new development that would cause vehicle delay and congested vehicle-miles of travel (VMT) on the portion of the State highway system within the Project Area. Under the SCMP, a project applicant whose project would generate vehicle trips over the threshold could choose to either pay the fee, which would constitute mitigation of that development project's impacts on the freeway mainline, or as part of a Traffic Impact Study, would evaluate that project's impacts on the freeway system and identify mitigation for those impacts. The SCMP would be implemented by the Cities of Sacramento, Elk Grove and West Sacramento, and would be relied upon by SACOG as a source of funding for the MTP projects.

A full description of the Proposed Project is provided in Chapter 3, Project Description.

ENVIRONMENTAL REVIEW OF THE PROPOSED PROJECT

Under CEQA Guidelines Section 15163, a Supplemental EIR may be prepared when there is new information of substantial importance regarding the project, impacts and/or mitigation addressed in the original EIR, and only minor additions or changes would be necessary to make the previous EIR adequately apply to the Proposed Project. The 2012 MTP/SCS EIR identified the various revenue sources that were anticipated to fund the MTP/SCS transportation improvements. "Contributions from developers for the construction of transportation infrastructure in and around new developments" (MTP/SCS DEIR, page 2-36) were listed as one source of funding. Therefore, the Proposed Project is a foreseeable subsequent program to implement the MTP/SCS. All of the improvements that would be funded by the Proposed Project were identified in the MTP/SCS and the construction and operational impacts of those improvements were evaluated in the 2012 MTP/SCS EIR at a programmatic level. Because the Proposed Project is intended to contribute toward the implementation of the MTP/SCS, and would apply only to development and transportation improvements addressed in the 2012 MTP/SCS EIR, a Supplement to that EIR is the appropriate CEQA document for analyzing the Proposed Project.

The Proposed Project would not alter the design, size or location of the improvements identified in the MTP/SCS, so the physical impacts of the improvements that would be funded by the SCMP have been adequately addressed in the 2012 MTP/SCS EIR, which is hereby incorporated by reference. These impacts are not re-evaluated in the Supplemental EIR. The only impacts that are evaluated are freeway traffic-related. Because the Proposed Project would not alter the ultimate land use patterns and transportation improvements of the MTP/SCS, the cumulative impacts of the

Proposed Project would not differ from those of the MTP/SCS. Similarly, because the Proposed Project is a subset of the MTP/SCS and anticipates ultimate buildout of the MTP/SCS, and because the Proposed Project would not result in significant and unavoidable impacts in and of itself, the 2012 MTP/SCS EIR analysis of alternatives is adequate, and no alternatives are analyzed in this SEIR.

Comments on the scope of the analysis should be limited to the information presented in this Supplemental EIR.

HOW TO USE THIS REPORT

This report includes four principal parts: Summary of Environmental Effects, Project Description, Environmental Analysis (Setting, Impacts, and Mitigation Measures) and Appendices.

The **Summary of Environmental Effects** (Chapter 2) presents an overview of the results and conclusions of the environmental evaluation. This section identifies impacts of the Proposed Project that are identified in Chapter 4.

The **Project Description** (Chapter 3) describes the objectives, location, and components of the Proposed Project, and includes a list of anticipated approvals needed to develop the Proposed Project.

Chapter 4, **Transportation,** includes an analysis of impacts that would or could result from implementation of the Proposed Project in those areas where the Proposed Project could result in new or substantially more severe impacts than those identified in the 2012 MTP/SCS EIR. As discussed above, the only anticipated impacts of the Proposed Project would be on the State highway system, so freeway traffic is the only issue that is analyzed in this SEIR. The traffic analysis is organized into two major subsections: Setting (existing conditions) and Impacts and Mitigation Measures.

The **Appendices** include the following:

Appendix A: Notice of Preparation (NOP)

Appendix B: 2014 Memorandum of Understanding

Appendix C: Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System (DKS, April 2009). Appendix A of this 2009 study outlines Caltrans' and the participating cities' thresholds for determining if a traffic impact study is required and the current "standards of significance" used by the cities to determine impacts on State highways. Appendix B of the 2009 study includes a preliminary study and initial calculations of fee rates. The Nexus Study prepared for the Proposed Project would supersede the 2009 calculations.

2. SUMMARY OF ENVIRONMENTAL EFFECTS

2. SUMMARY OF ENVIRONMENTAL EFFECTS

INTRODUCTION

This summary chapter provides an overview of the I-5 Subregional Corridor Mitigation Program (SCMP or Proposed Project), which is described in detail in Chapter 3, Project Description, and the conclusions of the environmental analysis, provided in detail in Chapter 4. Table 2-1, at the end of this chapter, provides a summary of the environmental effects of the Proposed Project identified in Chapter 4.

LOCATION

The MTP/SCS plan area is commensurate with the SACOG boundaries, and includes El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties, exclusive of the Tahoe Basin (see Figure 3-1). The SCMP Project Area is contained within the MTP/SCS plan area and includes all of the cities of West Sacramento and Elk Grove plus the portion of the City of Sacramento lying south of the American River and west of State Routes 51 and 99 (see Figure 3-2 in Chapter 3, Project Description).

PROJECT DESCRIPTION

The SCMP consists of a development impact fee for new developments within the Interstate 5 highway corridor between Elk Grove and downtown Sacramento that would be used to construct a set of transportation improvements identified in the MTP/SCS. As shown in Figure 3-2, the I-5 corridor is defined to include portions of Interstate 80 and State Route 99 within the SCMP Project Area. The Proposed Project improvements would reduce the impacts that new development would cause on vehicle delay and congested vehicle-miles of travel (VMT) on the State highway system within the Project Area. Under the SCMP, a project applicant could choose to either pay the fee, which would constitute mitigation of that development project's impacts on the freeway mainline, or prepare a Traffic Impact Study that would evaluate that project's impacts on the freeway system and identify mitigation for those impacts. The SCMP may be implemented by the Cities of Sacramento, Elk Grove and West Sacramento, and would be relied upon by SACOG as a source of funding for the set of MTP projects that were selected for the SCMP.

A full description of the Proposed Project is provided in Chapter 3, Project Description.

ENVIRONMENTAL IMPACTS AND MITIGATION

SACOG adopted the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) in 2012. The MTP/SCS is a long-range plan for transportation in the Sacramento region through 2035. The plan provides for improvements to existing transportation facilities, including roads, sidewalks, bike lanes and transit, and extension of transportation infrastructure to new growth areas. The EIR prepared for the MTP/SCS (SCH #2011012081) evaluates the environmental effects of the plan, including new and expanded transportation facilities, at a programmatic level.

Since adoption of the MTP/SCS, SACOG, the Cities of Sacramento, Elk Grove and West Sacramento and Caltrans have developed the Proposed Project focused on MTP/SCS improvements that would reduce vehicle delay and congested vehicle-miles traveled (VMT) on portions of the State highway system within the SCMP Project Area. Under the Proposed Project, new development within the Project Area, which encompasses the Cities of West Sacramento and Elk Grove and a portion of the City of Sacramento, could pay a fee commensurate with a project's proportionate contribution to increased vehicle delay on that portion of the State highway system. The payment of the fee would serve as mitigation for that project's impacts on State highways.

This Supplement to the 2012 MTP/SCS EIR focuses on the impacts of the proposed SCMP. The Proposed Project would fund a subset of the transportation improvements identified in the MTP and analyzed in the 2012 MTP/SCS EIR. Ultimately all of the MTP improvements are anticipated to be developed. Therefore, this SEIR focuses on the impacts on VMT and congested VMT of the improvements that would be funded by the Proposed Project. Changes to delay on the affected freeways and highways are also addressed in order to evaluate the benefits of the project to the highway system.

A Notice of Preparation was circulated from March 2 through April 6, 2015. No comments were received.

Impacts That Would Not Change Substantially

The 2012 MTP/SCS EIR fully evaluated the environmental effects of land uses and transportation improvements identified in the MTP/CSC in Chapters 3 through 17. Construction and operational impacts were evaluated for aesthetics, agriculture and forestry, air quality, biological resources, cultural and paleontological resources, energy and global climate change, geology, seismicity, soils and mineral resources, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, public services and recreation, transportation, and utilities and service systems. Mitigation measures were identified, where feasible, for significant impacts.

The Proposed Project would not alter the design, size or location of the improvements identified in the MTP/SCS, so the physical impacts of the improvements that would be funded by the SCMP have been adequately addressed in the 2012 MTP/SCS EIR, and are not re-evaluated in the Supplemental EIR. Because the Proposed Project would not alter the ultimate land use patterns and transportation improvements of the MTP/SCS, the cumulative impacts of the Proposed Project would not differ from those of the MTP/SCS.

Impacts that would Change as a Result of Project Revisions

The Proposed Project would not result in new or more severe significant impacts.

ALTERNATIVES

Because the Proposed Project is a subset of the MTP/SCS and anticipates ultimate implementation of the MTP/SCS, and because the Proposed Project would not result in significant and unavoidable impacts in and of itself, the 2012 MTP/SCS EIR analysis of alternatives is adequate, and no alternatives are analyzed in this SEIR.

POTENTIAL AREAS OF CONCERN OR CONTROVERSY

There are no known areas of concern or controversy.

UNRESOLVED ISSUES

No unresolved issues have been identified.

SUMMARY OF IMPACTS AND MITIGATION MEASURES

Table 2-1 provides a summary of the environmental impacts that would result from implementation of the Proposed Project, including potential mitigation measures, if any, and the level of significance of the environmental impacts before and after implementation of the proposed mitigation.

Table 2-1
Summary of Impacts and Mitigation Measures

Impact	Level of Significance	Mitigation Measures		Level of Significance After Mitigation
		2012 MTP/CSC EIR	SEIR	
Traffic				
TRN-1: Cause an increase in vehicle miles traveled (VMT) that exceeds the applicable baseline average.	LS	None.	None.	LS
TRN-2: Cause an increase in VMT on congested roadways (C-VMT) relative to the baseline for the Project Area and the region.[1]	LS	None	None.[1]	LS

Notes:

1. This SEIR focuses on regional impacts. The 2012 MTP/SCS EIR also evaluated impacts on VMT and C-VMT for different community types and Transit Priority Areas. The only significant impact occurred for C-VMT for developing communities. Mitigation Measure TRN-1 was identified specifically for that impact. Because SACOG could not compel the jurisdictions with land use authority in the Developing Communities, the impact was found to be significant and unavoidable. The SCMP would not alter this impact or significance finding.

LS = Less-than-Significant VMT=Vehicle Miles Traveled C-VMT=Congested Vehicle Miles Traveled

3. PROJECT DESCRIPTION

3. PROJECT DESCRIPTION

BACKGROUND

The Sacramento Area Council of Governments (SACOG) is the designated metropolitan planning organization (MPO) for the counties of Sacramento, Sutter, Yolo, and Yuba, and for Placer and El Dorado Counties except for the Lake Tahoe Basin. Figure 3-1 depicts SACOG's Metropolitan Planning Area. To receive federal or state funding, projects nominated by cities, counties, and agencies must be consistent with the Metropolitan Transportation Plan (MTP).

2035 MTP/SCS

The combined 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) is the long-range transportation plan that identifies the region's vision and plans for the metropolitan transportation system. The MTP/SCS sets policies to guide transportation decisions and proposes a program of capital, operational, and management improvements needed by 2035. SACOG is required to update the Metropolitan Transportation Plan every four years.

SACOG adopted the current 2035 MTP/SCS in 2012. The plan provides for improvements to existing transportation facilities, including roads, sidewalks, bike lanes and transit, and extension of transportation infrastructure to new growth areas. The EIR prepared for the MTP/SCS (SCH #2011012081) evaluates the environmental effects of the plan, including new and expanded transportation facilities, at a programmatic level.

2014 Memorandum of Understanding

On June 25, 2014, SACOG, Caltrans and the Cities of West Sacramento, Elk Grove and Sacramento entered into a Memorandum of Understanding (MOU) that they would collectively prepare the I-5 Freeway Subregional Corridor Mitigation Program (SCMP). The MOU defines the freeway subregional corridor as extending generally from the American River on the north, the western boundary of the City of Sacramento on the west, the southern boundary of the City of Elk Grove on the south and Highway 99 on the east[1]. As shown in Figure 3-2, this area includes portions of State Routes 51 and 99, Interstate 80 and United States Highway 50 as well as I-5. The MOU (see Appendix B) arose from concerns expressed by Caltrans regarding the effects of increased development on congestion on the I-5 mainline. A working group was formed to develop appropriate strategies and a preliminary study was prepared. The study, titled "Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System" (DKS, April 2009) identified transportation improvements that would have a positive effect on reducing congestion on the State highway system within the Project Area (see Appendix C). Some of these improvements were not on the freeway mainlines, but served to reduce the number of vehicles traveling on the mainline. The working group also estimated the costs of the

1. Memorandum of Understanding, Implementation Plan for the I-5 Freeway Subregional Corridor Mitigation Program, June 25, 2014, Recital B.

Figure 3-1
SACOG Planning Area

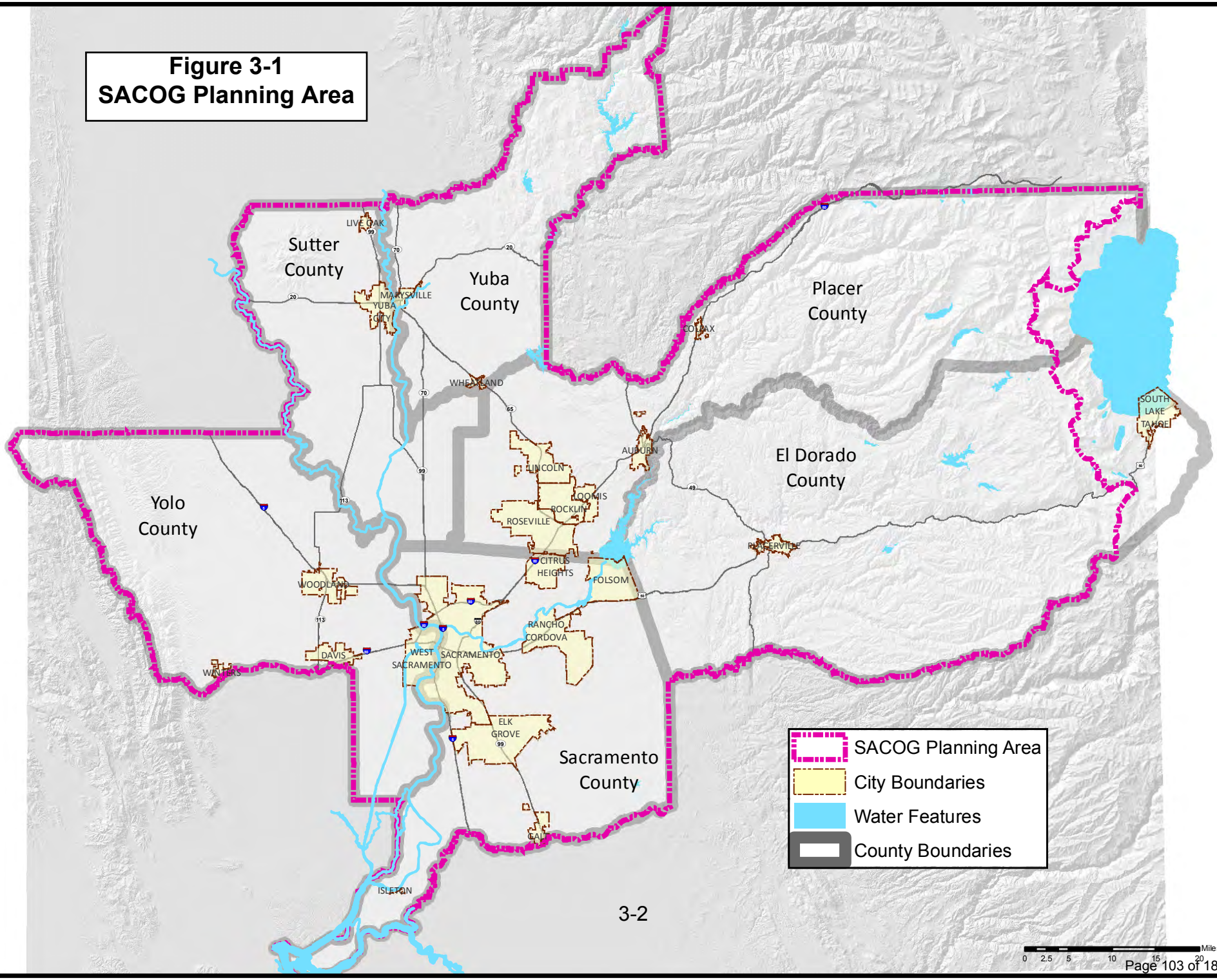
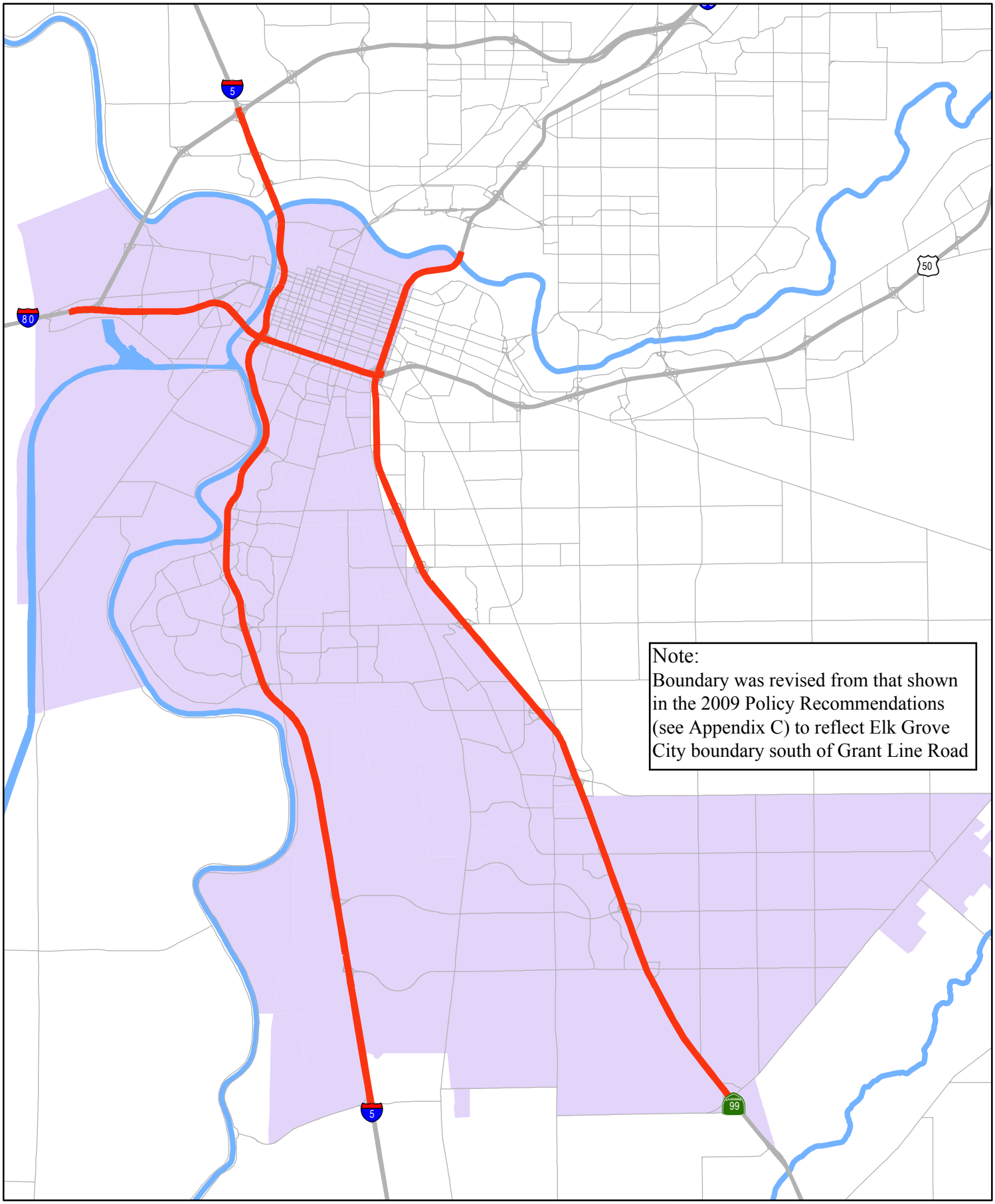


Figure 3-2
Area Covered by Fee Program



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proposed improvements and calculated development's proportionate contributions to those costs based on anticipated development of the Project Area. The fee rates also provide a "Smart Growth" consideration by setting fees proportionately higher for projects with higher vehicle-miles traveled (VMT) than those with lower VMT. Caltrans agreed to accept the payment of the fees as adequate mitigation for a project's contribution to freeway congestion[2].

The I-5 Subregional Corridor Mitigation Program (SCMP) is the fee program that resulted from the MOU. Since the MOU was originally signed, the fee program and the list of improvements that would be funded by the fee have been refined. A Nexus Study is being prepared to demonstrate the connection between the proposed fees and the impacts of the projects that could elect to pay the fees. The SCMP is the Proposed Project and is described in greater detail below.

Need for the Project

The transportation impacts of local development projects are typically identified during the CEQA process for a specific development project. When feasible, the significant impacts of a project must be mitigated, including impacts on the State highway system affected by the development project. Impacts on local roadways, particularly cumulative impacts, may be mitigated by payment of impact fees that fund improvements identified in the local jurisdiction's transportation plan. If an impact fee program has not been established, the project applicant may be required to fund that project's proportional share of the cost of improvements for the affected roadway or intersection (e.g., street widening and traffic signals). A similar impact fee mechanism often does not exist to either fund improvements to State highways or alternative projects that would reduce the level of traffic from the development project on the freeway system. If a project could have a significant impact on a State highway, the costs to fund the necessary highway improvements are usually too substantial to be borne by an individual project, so mitigation may be infeasible. Also, many segments of the State highway system in urban areas are already at their maximum right-of-way width and expanding those highway segments may not be feasible and/or would have significant impacts. As a result, there is a desire to provide a meaningful process for individual development projects to undertake transportation improvements within the Proposed Project Area (Project Area) for local trips, and to facilitate use of carpooling, transit, biking and walking, to avoid exacerbating freeway congestion. The Proposed Project would generate funding from new development in an amount that is feasible for the applicant to pay to fund transportation improvements that will offset impacts on the State highway system within the Project Area from that development project.

PROJECT LOCATION

The MTP/SCS plan area is commensurate with the SACOG boundaries, and includes El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties, exclusive of the Tahoe Basin (see Figure 3-1). The SCMP Project Area is contained within the MTP/SCS plan area south of the American River, and includes the Sacramento Central City and

2. Memorandum of Understanding, Implementation Plan for the I-5 Freeway Subregional Corridor Mitigation Program, June 25, 2015, signed by the Cities of Sacramento, Elk Grove and West Sacramento, SACOG and Caltrans.

portions the City of Sacramento south of the American River and west of State Routes 51 and 99, plus all the City of West Sacramento and all of the City of Elk Grove (see Figure 3-2).

PROPOSED PROJECT CHARACTERISTICS

Project Objectives

As explained on page 2-11 of the 2012 MTP/SCS Draft EIR, SACOG's mission is to "provide leadership and a dynamic, collaborative public forum for achieving an efficient regional transportation system, innovative and integrated regional planning, and a high quality of life within the greater Sacramento region." The intent of the adopted MTP/SCS is to accommodate the expected population growth and accompanying demand for transportation in the region through a multi-modal approach. The specific objectives of the MTP/SCS are found on pages 2-11 and 2-12 of the 2012 MTP/SCS EIR and repeated below.

Objectives Related to Land Use and Environmental Sustainability:

1. Support local land use authority with data, tools, incentives, and programs that reinforce the region's voluntary implementation of the Blueprint;

2. Support housing choice and diversity for all segments of the population that respond to changing economics and demographics in the region;

3. Support improved jobs-housing balance in subareas of the region and complete mixed-use communities;
4. Minimize direct and indirect land use and transportation impacts on agriculture and natural resources;

5. Meet regional air quality plans and goals;

6. Meet federal and state requirements for regional transportation plans, including SB 375 and AB 32;

7. Achieve the greenhouse gas reduction targets assigned to SACOG by the California Air Resources Board; and

8. Activate the CEQA streamlining benefits of SB 375.

Objectives Related to Financial Stewardship:

1. Support transportation investments that provide high performance benefits for all community types in the region;

2. Improve the condition of the existing transportation system through the maintenance of transportation corridors that can support various modes of travel;

3. Deliver cost-effective results from investments in each transportation mode and is feasible to construct and maintain;

4. Satisfy financial constraint requirements, such that all revenues reasonable to assume are used and matched to eligible projects; and

5. Deliver more productive and cost-effective public transit services.

Objectives Related to the Existing & Planned Transportation System:

1. Support transportation choice and diversity for all segments of the population through a balanced transportation system where investments in various modes complement each other and support the diversity of travel demand in various community types;

2. Reduce both VMT and congested VMT;

3. Broaden mobility options, as measured by an increase in the transit, bicycle and pedestrian travel mode share;

4. Connect workers to jobs across the region, as measured by reducing congestion levels and increasing the mode share of non-automobile travel options;

5. Support the economic vitality of the region through efficient goods movement that includes minimizing disruptions to the movement of agricultural products on rural roadways; and

6. Support safety and emergency preparedness, as demonstrated by land use and transportation changes that include capital investments in disaster-prone areas, transit services, and improved system maintenance.

The Proposed Project is intended to further these objectives by providing an additional funding source for a set of the transportation improvements identified in the MTP/SCS. As discussed in more detail below, the Proposed Project would also further these objectives by designing the fee program so that projects that generate greater VMT would pay proportionately higher fees than those projects with lower VMT. The Proposed Project has one additional objective:

- Provide a source of funding for those MTP improvements that would help to relieve congestion on the State highway system within the Project Area.

As discussed above, the SCMP was initiated due to concerns that the current approach to addressing the impacts of new development on I-5 subregional freeway corridor was not effective. The Proposed Project seeks to create a fee program that will fund improvements that will both improve congestion on State facilities within the Project Area and achieve SACOG's objectives regarding VMT and congested VMT.

List of MTP Projects to be Funded

The transportation projects that are anticipated to be included within the Proposed Project are listed in Table 3-1. All of these improvements are included within the MTP/SCS, so the Proposed Project would not result in any new or unanticipated transportation projects. Also, the Proposed Project would not fully fund the improvements, so other revenue sources (as identified in the MTP/SCS) would need to be secured before any transportation improvement project could be implemented.

Nonetheless, by creating an additional source of funding, the Proposed Project could result in certain transportation improvements being implemented more quickly than they might be without the fee, thus mitigating for development project impacts on the State highway system.

The improvements listed in Table 3-1 are intended to improve overall performance on the affected State highway facilities within the Project Area by (1) diverting traffic to new parallel roadways and bridges, (2) attracting trips to new parallel transit facilities/services and (3) improving freeway capacity/operations through new HOV and auxiliary lanes and ramp metering. The benefits of each improvement to the freeway system are identified in Table 3-2.

The Proposed Project would apply only to the freeway mainline impacts of development projects within the Project Area shown in Figure 3-2. This includes impacts that would be identified by freeway mainline LOS analysis and "merge and diverge" analysis where freeway ramps meet the freeway mainline. A development project applicant would still be required to evaluate and mitigate significant impacts to intersections where freeway ramps meet local roadways. Each development project would still be required to comply with CEQA and the applicable policies of the jurisdiction in which the development is located, including the preparation of appropriate traffic studies, and identification of impacts and mitigation measures on the local street system. Before any transportation project funded by the Proposed Project is developed, the impacts of that improvement project would be subject to environmental review under CEQA and possibly NEPA for projects with a federal nexus.

Proposed Fee Program

As discussed above, and in more detail the 2009 Policy Recommendations (see Appendix C), CEQA requires that the transportation impacts of local development projects be identified and that significant impacts be mitigated, including impacts to the freeway system. In most cases, individual traffic impact studies are prepared to determine a project's impact on the freeway system. This process requires an expense of time and money for the project applicant, cities, and Caltrans. Additional time and expense is then required to negotiate acceptable improvements or monetary contributions to mitigate identified impacts. As discussed above, even if a significant impact is identified, it may not be feasible to mitigate, either because the cost is too high for an individual project to bear, or there are physical constraints to increasing capacity on the mainline that is affected. The Proposed Project takes a different approach.

Table 3-1
MTP Projects to Be Funded by Proposed Project

Project	Description
Transit	
DNA-MOS2	Extend Rail from Richards Blvd to Natomas Center
Street Car	Streetcar network connecting the Intermodal Terminal in Downtown Sacramento to West Sacramento (Phase 1); South to R Street and Broadway corridors (Phase 2)
Elk Grove Intercity Rail Station	Construct parking lot, platform and passenger shelter for intercity passenger station
Hi Bus from CRC to Elk Grove	Enhanced bus corridor 8.5 miles along Bruceville Rd to Big Horn to Kammerer at SR 99
Local Roadway	
Kammerer Rd	Construct 4 lane parkway from I-5 to Highway 99
American River Crossing	New bridges across the American River
Richards/ Railyards	Reconstruct I-5/ Richards Blvd interchange plus feasibility and pre-environmental studies for I-5/ Richards Blvd interchange, 7th St. widening and 6th St. extension to Richards Blvd[1]
Sacramento River Crossings	Two new bridges across the Sacramento River
Freeway	
I-5 HOV	HOV Lanes from Elk Grove Blvd to US 50
I-5 Ramp Meters & Detection Station	Ramp Meters from Elk Grove Blvd to Sutterville Road
I-5 Auxiliary/ Transition Lanes	SB Aux Lane Florin Rd to Pocket Rd; SB Aux Lane U.S. 50 connector-ramp to Sutterville Rd off-ramp; NB Aux Lane U.S. 50 entrance to P St. on-ramp; SB Trans Lane Garden Hwy off-ramp to Garden Hwy on-ramp
SR 99 Auxiliary/ Transition Lanes	SB Aux Lane Laguna Blvd to Elk Grove Blvd; NB Aux Lane Elk Grove Blvd to Bond Rd; NB Trans Lane Florin Rd to 47th Ave; NB Trans Lane 47th Ave to Fruitridge Rd; SB Trans. Lane MLK Blvd to 47th Ave

1. Description modified from Notice of Preparation (NOP) to more accurately reflect the description in 2012 MTP/SCS

Source: SACOG, 2012; DKS Associates, 2014.

Table 3-2
Reasons that Selected Improvements Would Reduce Congested VMT and Delay on Project Area Freeways

Project	Reason for Benefit to Project Area Freewa
Transit	
DNA-MOS2	These transit routes parallel Project Area freeways. Their riders will reduce auto travel on Project Area freeways as well as some local roadways with the Project Area
Street Car	
Elk Grove Intercity Rail Station	
Hi Bus from CRC to Elk Grove	
Local Roadways	
Kammerer Rd	Provides new connection between I-5 and SR 99, which will reduce congestion on the Project Area freeways
American River Crossing	This new connection, parallel to I-5, will reduce traffic volumes and congestion on I-5 between I-80 and US 50
Richards / Railyards	These improvements will reduce traffic congestion on I-5 near Richards Blvd
Sacramento River Crossings	The new connections will reduce traffic volumes and congestion on US 50 on/near the Pioneer Bridge
Freeways	
I-5 HOV	HOV lanes will increase ridesharing during peak periods and increase capacity on I-5, which will reduce delay on I-5, shift some traffic from parallel roadways and thereby also reduce delay on SR 99
I-5 Ramp Meters & Detection Station	Would improve traffic operations and thus reduce delay on I-5
I-5 Auxiliary Lanes & Transition Lane	Would improve traffic operations and thus reduce delay on I-5, shifting some traffic from parallel roadways and thereby also reducing delay on SR 99
SR 99 Auxiliary Lanes & Transition Lanes	Would improve traffic operations and thus reduce delay on SR 99, shifting some traffic from parallel roadways and thereby also reducing delay on I-5

Source: DKS Associates, 2015.

Under the Proposed Project, applicants would have the option of paying a voluntary fee rather than analyzing a development project's impacts on the freeway mainlines and mitigating any impacts that are identified. The fee revenue would be used as one source of funds for improvements within the Project Area that would reduce overall congestion on the freeways within the Project Area. By creating a pool of collected fees, more money would be available for the specific improvements, making it more likely that they are constructed sooner than might otherwise be the case.

The 2014 MOU specified that the fee program would apply to cumulative impacts, but did not address project impacts under existing conditions. However, existing conditions on local freeways are often congested, and the same constraints for mitigation apply to project impacts. Therefore, the fee program would cover both project-specific (i.e., existing plus project) and cumulative impacts.

The Proposed Project includes the following components:

- Adoption of the I-5 Subregional Corridor Mitigation Program by the cities of Sacramento, Elk Grove and West Sacramento based on a Nexus Study, which will define the proportional share for development contributions to fund the selected set of improvements that benefit the freeway system in the subregion.

- An agreement between Caltrans and these three cities that payment of the fees would adequately mitigate freeway mainline impacts under both existing and cumulative conditions.

The SCMP is expected to be adopted as a voluntary program, although any of the cities could elect to adopt it as a mandatory program. The 2014 MOU does state that the fee could be either voluntary or mandatory. Because the improvements and eligible projects would be the same in either case, a mandatory fee would have the same environmental impacts described in this Draft SEIR as a voluntary program.

Under a voluntary fee program, a project applicant whose project traffic reaches the threshold of significance may choose to pay the fee in lieu of preparing a traffic model analysis of the mainline freeway impacts, or as a mandatory development impact fee pursuant to the Mitigation Fee Act (Government Code section 66000 et seq.). If a City adopts a mandatory program, the analysis of freeway impacts will follow Method 1, described below. If a City adopts a voluntary program, a development project applicant could choose between the two methods to evaluate and mitigate impacts on the freeway mainline. These methods are outlined below.

Method 1: Pay Subregional Freeway Mitigation Fee

Under this method, a development project located within the Subregion (shown in Figure 3-2) would use the following "standard of significance" for impacts on the State's freeway mainline:

> The development project would cause a significant impact on the freeway mainline if it causes a significant increase in total peak period travel delay on the State's freeway system within the subregion. A significant increase in freeway system delay would be caused by development projects that would generate a

net increase of at least 100 AM or PM peak hour vehicle trip-ends. Projects that would generate fewer than 100 peak hour vehicle trip-ends would not cause a significant congestion impact on the State's mainline freeway system.

This threshold is based on the requirements used to determine when a traffic impact study (TIS) is required for a development project. As discussed in Appendix B, the Cities of West Sacramento, Elk Grove and Sacramento each have guidelines for traffic impact studies, which include the criteria identified in Table 3-3 for when a traffic impact study is needed.

Table 3-3
City Criteria for Preparing Traffic Impact Studies

City	Criteria
West Sacramento	1. The project will generate at least 50 new peak hour vehicle trip-ends in Passenger Car Equivalents (PCE's), and/or generate at least 500 daily vehicle trip-ends. Phased projects must be evaluated as a whole assuming full build-out conditions. 2. Traffic generated by the project will likely affect an intersection or a roadway segment already identified as operating at an unacceptable level of service. 3. Traffic generated by the project will likely affect an intersection or a roadway segment already identified as operating at an unacceptable level of service.
Elk Grove	1. The project will generate at least 100 new AM or PM peak hour vehicle trip-ends 2. New project traffic will substantially affect an intersection or road segment already identified as operating at an unacceptable level of service 3. The project may create a hazard to public safety 4. The project will substantially change the off-site transportation system or connections to it.
Sacramento	1. The project generates at least 100 AM or PM peak hour trip-ends. 2. The project generates at least 50 AM or PM peak hour trips on facility likely to be on main route used by project traffic and facility is already operating at LOS D-F. 3. The project may create a hazard to public safety. 4. The project will substantially change the off-site transportation system or connections to it.

Source: Traffic Impact Guidelines and Traffic impact studies prepared by participating cities

A preliminary study and initial calculations of fee rates were prepared with the April 2009 study. The Nexus Study prepared for the Proposed Project would supersede the 2009 calculations.

It is desirable in the Nexus Study for the Proposed Project to have a common threshold throughout the Project Area for when there would be a significant impact on the freeway mainline and thus when an impact fee applies. A review of the criteria outlined above

shows that with the selected threshold (a net increase of 100 AM or PM peak period vehicle trip-ends), a TIS would be required to evaluate impacts on the freeway mainline under the traffic impact guidelines for all three cities. A development project within the Project Area that generates this level of new traffic demand will add some traffic to the freeway mainline with the Project Area, thereby contributing to the overall peak period travel delay on the freeway system. Each city's guidelines would still be used to determine whether a TIS would be necessary to evaluate other transportation impacts, such as those on the local roadway system.

The analysis of the selected projects for the Proposed Project (see Chapter 4) shows that these projects would reduce total peak period travel delay on the State's freeway system within the Project Area. Therefore, Caltrans would consider the fees as an adequate mitigation for freeway mainline impacts under both existing and cumulative conditions.

If a development project elects to pay the fees, the development project applicant would not be required to conduct a detailed analysis of freeway mainline impacts, including freeway mainline LOS analysis, "merge and diverge" analysis and weaving analysis on the mainline under either existing or cumulative conditions.

For a development project that requires a TIS, the development project applicant would still be required to evaluate and mitigate significant impacts to intersections where freeway ramps meet local roadways, including the following:

- Intersection LOS impacts;
- Determining if traffic added by a development project would cause off-ramp traffic to back-up onto the freeway mainline; and
- Determining if the development project would cause a significant safety issue in the vicinity of the intersection.

Method 2

As an alternative to paying fees, a development project applicant could elect to evaluate traffic impacts in a detailed traffic impact study (TIS) that covers impacts on the freeway mainline. Under this method, the TIS must follow Caltrans' guidelines, which currently are outlined in the "Guide for the Preparation of Traffic Impact Studies" (December 2002). Under the current guidelines (see Appendix C), a development project that generates more than 100 peak hour trips assigned to the State freeway system would need to include a detailed analysis of impacts on the State's freeway mainline (including freeway mainline LOS analysis, "merge and diverge" analysis and, if appropriate, weaving analysis on the mainline) in a development project's traffic impact study. The City where the development project is located would consult with Caltrans regarding the scope of the traffic analysis.

As with Method 1, an evaluation of intersections where freeway ramps meet local roadways would need to be conducted including an LOS analysis and determining if traffic added by a development project would cause off-ramp traffic to back-up onto the freeway mainline.

Under Method 2, a significant impact would be mitigated by identifying a feasible measure acceptable to Caltrans that would lessen the identified impacts. The City where the development project is located would consult with Caltrans regarding the applicable mitigation measure(s) if the resulting analysis demonstrates that the project's impacts could create a potentially significant adverse impact on the freeway mainline operations. The City would consider imposing such mitigation measures as part of the conditions of approval for the project at the time the project and the CEQA document is approved.

REQUIRED APPROVALS AND INTENDED USE OF THIS SEIR

As lead agency, SACOG would be required to take the following actions to approve the Proposed Project.

- Certification of the Supplement to the 2012 MTP/SCS EIR; and
- Adoption of the I-5 Subregional Corridor Mitigation Program.

Responsible and Trustee Agencies

The SCMP would also require approval by the participating cities and Caltrans. Therefore, the following actions would be required to fully implement the Proposed Project.

- Approval of a Nexus Study demonstrating the nexus between the proposed fee and the impacts of the eligible development projects;
- Adoption of the SCMP by the Cities of Sacramento, Elk Grove and West Sacramento; and
- Concurrence by Caltrans that payment of the SCMP fee would serve to mitigate impacts of a project on the freeway mainline.

Other Agencies

No other agencies would need to take action in order for the SCMP to be implemented. The transportation improvements that would receive funding from the SCMP would be subject to additional CEQA review, approval by the agency (or agencies) funding and/or constructing the particular improvements, and, in some cases, permitting or other actions by additional agencies (e.g., 404 permits obtained by the US Army Corps of Engineers for improvements that could result in fill of wetlands).

4. TRANSPORTATION

4. TRANSPORTATION

INTRODUCTION

This chapter analyzes the potential transportation impacts resulting from the Proposed Project. Chapter 16 of the 2012 MTP/SCS Draft EIR analyzed the impacts of the MTP/SCS on the local and regional transportation system, including state highways, local streets, transit, bike and pedestrian facilities. The impacts on highways and streets focused on the potential for the MTP/SCS to increase vehicle-miles travelled (VMT) per capita and/or VMT per capita on congested roadways. The potential to affect bicycle, walk and transit trips was also evaluated. The transportation impact analysis assumed both future growth in development and the improvements to roads, transit, bike and pedestrian facilities that were identified in the 2035 MTP/SCS.

As discussed in Chapters 1 and 3, the Proposed Project would not alter development patterns or future development levels and all of the transportation improvements that would be funded by the Proposed Project were identified in the 2012 MTP/SCS EIR. Therefore, the projected 2035 travel demand by travel mode, including the amount of traffic that would occur and the 2035 roadway configuration and capacity would not be altered by the Proposed Project. Nor would there be any change in the total number of transit, walk or bicycle trips. The only transportation impacts associated with the Proposed Project would result from the timing of the funded improvements and the determination that payment of the fee would fully mitigate development impacts on the freeway mainline within the plan area. Therefore, this section addresses potential interim changes in VMT and congested VMT on the State highway system. Changes in delay on the freeway system are also evaluated in this SEIR.

All other transportation impacts would be the same as those identified in Chapter 16 of the 2012 MTP/SCS EIR. Because the analysis of these issues in the MTP/SCS EIR is considered adequate to address the Proposed Project, these impacts are not addressed in this section. The Proposed Project is a subset of the MTP/SCS, and under cumulative conditions, the full MTP/SCS would be built out. Therefore, the Proposed Project would not alter the cumulative impacts analyzed in Chapter 19 of the 2012 MTP/SCS EIR.

No comments were received in response to the Notice of Preparation.

ENVIRONMENTAL SETTING

As discussed in Chapter 3, Project Description, and shown in Figure 3-1 in Chapter 3, Project Description, the MTP/SCS plan area covers six counties (El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba, except for the Tahoe Basin portions of El Dorado and Placer Counties). As shown in Figure 3-2 in Chapter 3, the Proposed Project, would fund improvements that would benefit a portion of the regional freeway system within the Project Area for the SCMP.

The 2012 MTP/SCS Draft EIR describes the transportation system for the full MTP/SCS plan area. This section focuses on transportation system elements affected by the Proposed Project within the Project Area, including freeways, local roadways and transit routes.

The components of the existing roadways and transit system within the Project Area are defined below.

Roadway System

The 2012 MTP/SCS Draft EIR describes the roadway system within SACOG's boundaries on pages 16-1 through 16-6. The roadway system is made up of freeways, expressways, surface streets, arterial roadways, collector streets and local streets. The Proposed Project includes improvements that would benefit the freeway system within the Project Area, which primarily includes improvements to the following roadway types:

- Freeways,
- High-Occupancy Vehicle (HOV) Lanes,
- Freeway Ramps and Connectors,
- Freeway Auxiliary Lanes,
- Expressways, and
- Arterial Roadways.

These facilities are described below.

- **Freeways**—A freeway may be defined as a divided highway with full control of access and two or more lanes for the exclusive use of high volumes of traffic in each direction. Intersections with other streets and roads are grade separated, and provide through ramps and connectors. Because of the grade-separations and access control, these facilities do not provide direct access to land. These types of facilities serve primarily regional through-trips and connect to other regional and interregional facilities. Within the "Freeway" classification, several sub-classifications are of interest and importance to the MTP/SCS, since the prevalence of freeway projects and improvements varies widely by these sub-classifications:

    - **High-Occupancy Vehicle (HOV) Lanes**—Lanes which are restricted to private vehicles with 2-or-more persons (exceptions are allowed for select partial or zero emission vehicles), motorcycles, and public transit vehicles during commute hours, but allow all private vehicles to use the lanes during non-commute hours. HOV lanes are intended to provide an incentive to commuters to carpool by providing faster travel speeds than the parallel mixed flow lanes during peak periods.
    - **Freeway Ramps and Connectors**—Lanes which provide connections between the region's surface street system and the freeway system, or connect from one designated freeway to another designated freeway, are ramps or connectors.
    - **Freeway Auxiliary Lanes**—Definitions of auxiliary lanes vary widely. For purposes of this document, the following definition is used: any freeway lane which is added at one on-ramp, and drops at the next upstream off-ramp. In some cases, such as locations where interchanges are closely spaced and no parallel local street is provided, a lane added at one on-ramp may pass through one or more interchanges, but still ultimately drops at an upstream off-ramp, so it may be considered an auxiliary lane. Auxiliary lanes are primarily intended to provide additional distance for vehicles to divert off or merge on to a freeway from a ramp or connector lane, and not to accommodate longer "through" trips.

- **Expressways**—An expressway facility intersects other roadways at-grade, but direct land access to the facility is very limited. Where allowed, driveways are usually consolidated (i.e., one driveway serves several fronting properties), or mediated through

frontage roadways. Spacing of signalized intersections is usually very wide, generally greater than one-half mile. Medians are raised, and midblock turns are disallowed.

- **Arterial Roadways**—Arterial facilities also limit direct land access, but are less restrictive than expressways. Intersection spacing is generally about one quarter mile and may be less. Arterials are usually multi-lane (i.e., two-or-more lanes per travel direction). Most arterial roadways have raised medians, but mid-block turns and two-way-left turn lanes are also common. Intersections usually include separate turning lanes.

As shown in Table 3-2 in Chapter 3, Project Description, the Proposed Project would fund improvements that would benefit a portion of the regional freeway system. The freeway system is under the jurisdiction of the California Department of Transportation (Caltrans). Below is a description of the four freeway segments that are located within the Project Area.

- **Interstate 5 (I-5)** is a 4- to 8-lane freeway that runs from north to south through the western portion of the MTP/SCS plan area and is the largest of the major regional facilities in the area. I-5 is a major federal interstate freeway and travels from the Canadian border to Mexico. The portion of I-5 from I-80 to Hood-Franklin Road is covered by the SCMP and thus is within the Project Area.

- **United States Highway 50 (US 50)** is a 4- to 10-lane east-west route that is part of the California State Highway system which predates the federal interstate system. US 50 traverses the MTP/SCS plan area from the eastern portion of Yolo County through Sacramento and El Dorado counties. The portion of US 50 from I-80 to SR 99 is covered by the SCMP and thus is within the Project Area.

- **State Route 99 (SR 99)** is the second largest regional facility in the MTP/SCS plan area. SR 99 is a 2- to 8-lane north-south highway and freeway that traverses the central portion of the MTP/SCS plan area through Sacramento and Sutter counties. SR 99 serves ten of the State's urbanized areas, making it an important corridor in the Central Valley. The route also serves as a main access between several small cities and urban areas in Sacramento County. The portion of SR 99 from US 50 to Kammerer Road/ Grant Line Road is covered by the SCMP and thus is within the Project Area.

- **Business 80,** which is designated as State Route 51 (SR 51), is a 6- to 10-lane freeway that connects US 50 and I-80. The portion of Business 80 from US 50 to the American River is covered by the SCMP and thus is within the Project Area.

High occupancy vehicle lanes (HOV) lanes currently exist on most of SR 99 (from US 50 to south of Elk Grove Boulevard) as well as on a portion of Business 80 (SR 51) north of US 50. HOV lanes are planned on I-5 within the Project Area but currently do not exist.

Transit System

The 2012 MTP/SCS EIR describes the types of transit services that are available within SACOG's jurisdiction on pages 16-6 through 16-11. Local transit service in the region is currently provided by 13 public transit operators and two private non-profit Consolidated Transportation Services agencies of varied size and type of service. These operators range

from very large systems, such as the Sacramento Regional Transit District (RT) that operates over 200 buses, 90 rail cars and 40 miles of track, to the very small systems.

The MTP/SCS budget supports a 98 percent increase of fixed-route transit service hours in the full MTP/SCS plan area between 2008 and 2035. This increase in transit service hours is comprised of existing services (LRT, express bus, fixed route bus, BRT, and community shuttle) as well as new transit service types that were not present in 2008. The new transit services with the SCMP Project Area include: streetcars in Sacramento and West Sacramento, BRT and community shuttles in various communities.

The Proposed Project includes improvements to the following transit service types:

- Intercity Rail,
- Light rail (LRT),
- Streetcar or Tram, and
- Bus Rapid Transit (BRT) or "High Bus".

Each of these service types is described below. Service type is defined according to unique combinations of right-of-way (e.g., exclusive vs. mixed with traffic), traction (rail/steel wheel vs. rubber tire), vehicle technology, and operational features like station or stop spacing and running speeds. As with roadway classifications, in some cases, actual transit service may include characteristics of more than one service type, and some "gray areas" between service types exist (e.g., between "light rail transit" and "streetcar/tram").

- **Intercity rail** service is an electric or diesel propelled railway for passenger train service that must be operated on a regular basis by Amtrak or under contract with a transit operator for the purpose of transporting passengers between and within urbanized and outlying areas. Such rail service is generally characterized by multi-trip tickets, specific station to station fares, railroad employment practices, and considerable distance between stations. Within the Project Area, there are two intercity rail services – the Capitol Corridor and the San Joaquin Corridor. The Capitol Corridor service operated by Amtrak is an intercity passenger train system serving Placer, Sacramento, and Yolo counties. It operates 32 trains daily carrying about 120,000 riders per month on average between Sacramento and Oakland, and is the fourth busiest Amtrak-operated route in the nation. Another intercity rail service in the region is the Amtrak San Joaquin Route, which provides intercity rail service between the Bay Area and Sacramento and Bakersfield, with bus connections to Los Angeles, Redding, Yosemite National Park and Las Vegas, Nevada.

- **Light Rail (LRT)** is rail system designed for operating in lighter-demand, urban environments, with passenger rail cars operating up-to-four two-car consists (trains), on fixed rails in an exclusive right-of-way in some locations, or mixed with street vehicle traffic in others. Light rail vehicles (LRVs) are typically driven electrically with power being drawn from an overhead electric line via a trolley or a pantograph. In general, LRT operates with station spacing one-half mile or more, and with maximum running speeds of about 55 miles-per-hour.

- **Streetcar or Tram** is another form of urban rail transit service, similar in some ways to LRT. Similarities to LRT are that they are both generally operated on rails with steel wheel traction; capable of operating either within roadway and mixed with vehicle traffic,

or on exclusive right-of-way; and operated with fixed stops and schedules. Characteristics which distinguish streetcar or tram from LRT are: generally closer station/stop spacing, usually less than one-half mile; slower running speeds; shorter train consists (more singles and doubles than four-car trains); and more likely to run in roadways and mixed with vehicle traffic. Streetcar vehicles are typically shorter and narrower than LRVs. Streetcars may be older cars that are refurbished (vintage trolley cars) or newer cars are built to look like older cars (heritage trolley cars), or they may be modern LRV-type vehicles of smaller dimensions.

- **Bus Rapid Transit (BRT)** is a type of limited-stop bus service that relies on technology to help speed up travel times. Limited-stop BRT service is a hybrid between local and express service, where the stops may be several blocks to a mile or more apart to speed up the trip. BRT can operate in exclusive transit ways or in mixed-flow lanes along local streets. A BRT line typically runs along high traffic volume arterial corridors with land uses that are transit supportive. BRT systems often include intelligent transportation systems technology to improve the efficiency and operations of the service. BRT is sometimes referred to as "high bus" due to its frequent service and higher operating speed than local bus service.

Existing Conditions: Transportation Performance Measures

Regional conditions for a number of key performance measures formed the basis for the transportation impacts analysis presented in the 2012 EIR for the MTP/SCS. These measures included vehicle-miles traveled (VMT), roadway congestion, shares of transit and non-motorized trips, transit productivity, and miles of bicycle and pedestrian routes. These performance measures were important to the development of the MTP/SCS and all relate directly to the performance of the region's transportation system.

For this Draft SEIR, a subset of these measures was selected to focus on the purpose and potential impacts of the Proposed Project. Since the transportation improvements in the Proposed Project were selected to benefit the portion of the freeway system within the Project Area, the performance measures for the SEIR focus on the performance of the transportation system within the Project Area. VMT is estimated for both region-wide and for the Project Area due to its importance to the MTP/SCS.

Like the EIR on the MTP/SCS, the SEIR measures the performance of the transportation system measured on a daily basis. However, most of the benefit (reduction in congestion) of the set of selected improvements for the SCMP would occur during peak weekday travel periods (6 AM to 9 AM and 3 PM to 6 PM). To show how each of the selected projects would individually benefit the freeway system within the Project Area transportation system, the performance of the transportation system focuses on the six hours during the peak travel periods.

The key measures used the SEIR are outlined in Table 4-1 and are described below.

Vehicle-Miles Traveled (VMT)

A "VMT" is one vehicle traveling on a roadway for one mile. Regardless of how many people are traveling in the vehicle, each vehicle traveling on a roadway within the Sacramento region

Table 4-1
Performance Measures for the SEIR

Performance Measures	With and Without		See Table
	All Projects	Individual Projects	
Region-wide Vehicle-Miles of Travel (VMT)			
Daily	X		4-4
Peak Periods (6 AM to 9 AM and 3 PM to 6 PM)	X	X	4-5
Regional Household-Generated VMT per Capita	X		4-4
Congested VMT on Project Area Freeways			
Daily	X		4-6
Peak Periods (6 AM to 9 AM and 3 PM to 6 PM)	X	X	4-7
Congested VMT on All Project Area Roadways			
Daily	X		4-6
Peak Periods (6 AM to 9 AM and 3 PM to 6 PM)	X	X	4-7
Vehicle-Hours of Delay (VHD) on Project Area Freeways			
Daily	X		4-6
Peak Periods (6 AM to 9 AM and 3 PM to 6 PM)	X	X	4-8

generates one VMT for each mile it travels. VMT has been a primary indicator of travel for policy-makers and transportation professionals for decades. For the purposes of the EIR, VMT is estimated and projected for a typical weekday using the following measures:

- Regional household-generated VMT per capita; and
- Total VMT from all sources (household-generated, commercial vehicles and external trips) on the regional roadway system (added measure for SEIR).

The 2012 MTP/SCS EIR found that the 2035 MTP/SCS would increase total vehicle-miles traveled due to the anticipated development growth that would occur between the 2008 baseline and 2035. However, the total VMT per capita and the household generated VMT would be reduced. Household-generated VMT per capita is projected to decline from 19.3 miles to 17.6 miles per weekday, a reduction of 8.8 percent (see Table 4-2).[1]

The decline in VMT is the result of changes to both land use and transportation found within the 2035 MTP/SCS. Specifically:

- The 2035 MTP/SCS promotes compact land uses across the region which can be more effectively served by transit, support potentially higher rates of walking and biking, and generate less vehicle travel. In addition to compact development, the amount of

1. SACOG, Draft Environmental Impact for the Metropolitan Transportation Plan/Sustainable Communities Strategy for 2035, November 2011, page 16-36.

Table 4-2
Regional Vehicle-Miles Traveled Per Capita

Variable	Baseline (2008)	2035 MTP/SCS
Household-Generated VMT		
Household-Gen. VMT [1]	42,644,700	54,218,000
Population	2,215,000	3,086,200
HH-Gen VMT per Capita	19.3	17.6
% Change from Baseline		**8.8%**

Notes:
1. Includes household-generated VMT for all residents of the SACOG region, for travel within the region. This is a subset of total VMT.

Estimates and forecasts from SACSIM regional travel demand model.

Source: SACOG, MTP/SCS 2035 Draft EIR, Table 6.7, November 2011.

complementary, mixed-use development in the 2035 MTP/SCS further supports shorter vehicle trips and higher rates of non-motorized travel. Further benefit results from concentrating development in high-quality transit corridors, where residents are more likely to use available transit.

- The MTP/SCS places an emphasis on transit service and complete streets near transit, walk, and bicycle supportive land uses with higher density and a mix of uses most likely to generate a mix of travel modes. Road and highway projects concentrate on alleviating major bottlenecks and congestion points while other Blueprint supportive programs and transportation systems management (TSM) strategies, including technology and demand management programs, allow for greater optimization of existing transportation infrastructure.[2]

Congested VMT

Roadway congestion is an indicator with a much less specific and determined definition than VMT. In general, congestion occurs on roadways when the number of drivers who wish to use a particular route exceeds the capacity of that route. This condition leads to a reduction in travel speed below the free-flow or posted speed on the roadway. For freeways, typical signs of congestion are stop-and-go driving conditions or long queues at freeway on-ramp meters waiting to enter the freeway. On the local arterial and collector system, congestion is most commonly experienced as waiting at traffic signals and accompanied by driver and passenger frustration.

2. SACOG, Draft Environmental Impact for the Metropolitan Transportation Plan/Sustainable Communities Strategy for 2035, November 2011, page 16-36.

"Delay" in general refers to time wasted traveling on congested facilities. However, to quantify that delay requires some presumption of what time it should take to travel on a particular route, or a standard travel time which drivers and passengers should expect. Setting a standard by which delay can be quantified is a subjective exercise. For example, some might define a standard travel time as "free-flow" or totally uncongested conditions. The standard for freeways by this definition might be 60 miles per hour (mph) or higher, and the "standard" travel time would be 1 minute for a one-mile stretch of freeway. If the actual travel speed, with congestion, was 40 mph, the travel time would be 1.5 minutes, and the delay for each driver and passenger in that condition would be 30 seconds. Others may define the standard as modest or "tolerable" level of congestion. For the same one-mile stretch of freeway, 35 mph could be used as the standard for measurement of delay. With the same 40 travel speed in the previous example, no delay would be experienced, because the actual speed is higher than the standard.

For this and other reasons, SACOG has always focused more on the presence of congestion on roadways rather than amount of delay. Specifically, SACOG estimates and tracks how much of the total VMT occurs on roadways that are at or above an assigned capacity threshold. SACOG defines a congested VMT (C-VMT) as VMT that occurs on roadways with volume-to-capacity (V/C) ratios of 1.0 or greater. Capacity in this calculation is based on values used in the regional travel demand model (SACSIM) for trip assignment purposes and that vary by roadway functional classification (i.e., freeway lane capacities are higher than arterial lanes).

Similar to total VMT, total C-VMT per capita is projected to decrease from 1.49 miles to 1.39 miles per weekday under the MTP/SCS, a reduction of 6.9%. Household-generated C-VMT per capita is projected to decline from 1.19 miles to 1.07 miles per weekday, a reduction of 10.4% (see Table 4-3).[3]

Table 4-3
Regional Congested VMT Per Capita

Geography/Variable	Baseline (2008)	2035 MTP/SCS
Weekday Household-Generated Congested VMT		
Cong. VMT (HH-Gen)	2,632,600	3,287,800
Population	2,215,000	3,086,200
Cong. VMT per Capita	1.19	1.07
% Change from 2008		**10.4%**
Source: SACOG, MTP/SCS 2035 Draft EIR, Table 6.15, November 2011.		

Vehicle-hours of Delay (VHD)

Another measure of congestion is vehicle-hours of delay (VHD). The 2012 MTP/SCS EIR did not evaluate VHD. This Draft SEIR does address VHD, because the "nexus analysis" for the SCMP bases the difference in fee rates (both by location and by development type) on how development affects peak period delay on the freeway system within the Project Area. The

3. SACOG, Draft Environmental Impact for the Metropolitan Transportation Plan/Sustainable Communities Strategy for 2035, November 2011, page 16-42.

vehicle-hours of delay were estimated both for delay beyond free-flow (uncongested) conditions and beyond conditions where a freeway is at capacity (within Level of Service F conditions).

REGULATORY SETTING

A full description of the regulatory setting for the 2012 MTP/SCS is provided on pages 6-16 through 6-20 of the 2012 MTP/SCS Draft EIR, including the following elements.

Federal
- Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)
- National Environmental Policy Act (NEPA)

State
- California Transportation Commission Regional Transportation Plan Guidelines
- Senate Bill 375

Regional and Local
- 2012 Metropolitan Transportation Plan
- Regional Transportation Planning Agencies and Other Sub-Regional Agencies
- Local Agency General Plans

The traffic thresholds provided in the Traffic Impact Guidelines for the Cities of Elk Grove, West Sacramento and Sacramento are described in the "Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System" (DKS, April 2009). This 2009 study (see Appendix C) outlines the participating cities' thresholds for determining if a traffic impact study is required and the current "standards of significance" used by the cities to determine impacts on State highways.

The proposed SCMP and Draft SEIR consider two additional regulatory issues. First, the Proposed Project involves a al fee program, which is regulated by state law (Assembly Bill 1600). Second, it has been determined by Caltrans that payment of fees under the proposed SCMP would fully mitigate "freeway mainline impacts" from development projects within the plan area, which is regulated by Caltrans' Traffic Impact Guidelines.

Assembly Bill (AB) 1600

Development impact fee programs in California are regulated by AB 1600 legislation, as codified by the Mitigation Fee Act (California Government Code sections 66000 et seq.). This section of the Mitigation Fee Act sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition. A "nexus study" for a fee program must address the following findings:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed; and

- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

Caltrans Traffic Impact Guidelines

Caltrans reviews local development projects and land use change proposals for their potential impact to State highway facilities based on traffic impact studies (TIS) prepared by local governments under CEQA. To facilitate their review, Caltrans has prepared a *"Guide for the Preparation of Traffic Impact Studies"* (December 2002) to provide a starting point and a consistent basis in which Caltrans evaluates traffic impacts to State highway facilities. The Guide defines thresholds, based on the amount of project traffic assigned to a State highway facility, to determine when a TIS is needed. It does not have separate thresholds for a "significant impact" to the State highway facility. The Guide implies that if a development project adds any traffic to a State Highway that would be operating at an unacceptable level of service (LOS) without the project, it would cause a significant impact. Caltrans' Transportation Concept Reports (TCRs) define the acceptable LOS for each segment of the State Highway System. A substantial portion of the State highway system covered by the Proposed Project already operates at the Concept LOS or worse conditions and a larger portion would operate at unacceptable conditions under typical "cumulative conditions" used in environmental documents studying development impacts. Since most development projects in the Subregion would add at least one car to a State Highway that is operating at an unacceptable LOS (at least under cumulative conditions), it could be inferred from Caltrans' Guide that this would cause a significant impact.

IMPACTS AND MITIGATION MEASURES

Methods and Assumptions

2012 MTP/SCS EIR

The methods and assumptions used to evaluate the 2035 MTP/SCS are described on pages 16-26 through 16-35 of the 2012 MTP/SCS EIR. SACOG used its regional travel demand model to compare the MTP/SCS for 2035 conditions to the 2008 baseline conditions. SACOG's primary model is the "Sacramento Regional Activity-Based Simulation Model" or "SACSIM." SACOG periodically updates and improves SACSIM, and releases versions of the model and data for use by member agencies when the MTP is adopted, with versions numbered according to the year the version was finalized. The SACSIM model is described in more detail below.

The 2012 MTP/SCS EIR analysis addressed the combined effects of land use and transportation projects. Land use factors that were taken into account include regional accessibility, street pattern/urban design, mix of use, distance to transit and residential density. Forecasting tools were used to account for demographic characteristics such as age, income, household size and number of workers; household transportation costs; characteristics of travel in neighboring regions; and geographic features such as rivers that separate or divide areas. Land use growth allocations were prepared for the entire SACOG region. The MTP/SCS transportation projects were also included in the modeling. Based on the model, the following transportation characteristics were calculated:

- Total vehicle-miles travelled,
- Vehicle-miles traveled (VMT) per capita,

- Total vehicle-miles traveled on congested roadways,
- Congested VMT per capita,
- Person trips by bicycle, walk or transit modes in total and per capita,
- Transit passenger boardings per vehicle service hour,
- Connectivity of the region's pedestrian and bicycle system, and
- Movement of agricultural and farm products on rural roadways.

As discussed in previous chapters, the Proposed Project is based on the same land use assumptions as the 2012 MTP/SCS EIR, and the set of improvements that could be funded by the proposed SCMP are included in the MTP project list evaluated in the 2012 MTP/SCS. The Proposed Project could result in changes to the timing of improvements, but the 2035 conditions would be the same as the 2012 MTP/SCS. The primary effect would be on the State highway system within the SCMP. Several transit projects are on the list of SCMP projects, so the timing of increases in transit ridership might be advanced, which would be a benefit. Therefore, transit ridership is not addressed in this SEIR. There would be no change to the pedestrian and bicycle system or rural roadways, so these issues are not addressed in this SEIR.

Proposed Project

Like the 2012 MTP/SCS EIR, SACOG's regional travel demand model was used to compare the 2035 conditions with and without the Proposed Project to the existing conditions for the 2008 base year. SACOG's primary model is the "Sacramento Regional Activity-Based Simulation Model" or "SACSIM." SACSIM11 was used for the analysis of the existing MTP/SCS adopted in 2012 as well as for this SEIR.

SACSIM includes four sub-models for predicting travel demand. The major sub-model is "DAYSIM," which is an advanced-practice, activity-based tour sub-model for predicting household-generated travel. DAYSIM is a state-of-the-art demand micro-simulation, which represents travel activities as "tours" or series of trips connecting the activities a person engages in during the course of a normal day. DAYSIM allows for much more detailed representation of key factors influencing household-generated travel, such as detailed characteristics of land use in the region, age of residents, household income, cost of fuel, and other factors.

SACSIM also includes a more conventional, state-of-practice sub-model for predicting commercial vehicle travel. Two classes of commercial vehicles are modeled: 2-axle commercial vehicles, and 3-plus-axle commercial vehicles. Two-axle commercial vehicles include a wide range of vehicles, ranging from a passenger vehicle, which might be used to transport a computer repair person and their tools and equipment to an office to perform a repair, to a relatively small truck delivering produce to a restaurant or store. Three-plus-axle commercial vehicles also include a wide array of vehicles, ranging from medium-sized delivery trucks to large, 5-axle tractor-trailer combinations. The common element tying these vehicles together is that they are used to transport goods and services, and are not used for personal travel (household-generated) travel.

SACSIM also includes state-of-practice sub-models for predicting air passenger ground access to the Sacramento International Airport, and for predicting external travel (including travel by residents of the region to locations outside the region, residents outside the region traveling to locations within the region, and travel with goes through the region, but does not stop within the region).

Travel demand (vehicle or passenger trips) estimated using SACSIM are combined for assignment to detailed computer representations of the regions highway and transit networks using state-of-practice software and programs. The resulting assignments are used for evaluation of VMT on roadways, and evaluation of congested travel.

The analysis period of SACSIM is a "typical weekday." A typical weekday is intended to represent weekday conditions during a non-summer month (i.e., a time period when most workers are at work, rather than on vacation, and when schools are normally in session). Where annual or other time periods are required, typical weekday estimates of travel are scaled up to represent those time periods. Within the typical weekday, there are four demand periods: AM peak period (7:00-10:00AM); midday period (10:00AM to 3:00PM); PM peak period (3:00-6:00PM); and the late evening/overnight period (6:00PM to 7:00AM).

For impact analysis, all impacts and thresholds are defined as differences or changes between the baseline (2008) and the MTP/SCS horizon year (2035) based on estimates from SACSIM. An overview of the SACSIM is included in Appendix C-4 of the 2012 MTP/SCS EIR, with comprehensive documentation available at SACOG during the comment period. Year 2008 was utilized as the baseline for impact analysis because it was used as the baseline in the 2012 MTP/SCS EIR.

As discussed in Chapter 1, all of the selected improvements for the proposed SCMP are included in the current MTP/SCS and their impacts were evaluated in the 2012 EIR on the 2035 MTP/SCS.

Criteria for Determining Significance

For the purposes of this SEIR, the Proposed Project would result in significant impacts under CEQA, if any of the following would occur:

1. Cause an increase in regional vehicle-miles traveled (VMT) per capita that exceeds the applicable baseline average; or
2. Cause an increase in congested VMT (C-VMT) on freeways within the Project Area or cause an increase in C-VMT per capita that exceeds the baseline regional average.

The 2012 MTP/SCS EIR evaluated both regional and "localized" impacts of the MTP/SCS on VMT per capita and C-VMT per capita. The "localized" impacts measured sets of areas that are categorized by "community types", which reflect combinations of land use composition and "location types". These community types are scattered throughout the region, both inside and outside the SCMP Project Area. The SCMP Project Area contains all the community types. The effects of the SCMP would not be measured well by the scattered areas covered by any of the community types and thus were not used in the SEIR. The regional measures of VMT and C-VMT capture the full effects of the SCMP and thus were used in the SEIR.

The SEIR provides changes in VMT, C-VMT and delay for the Project Area to provide additional information of localized effects.

Impact TRN-1: Cause an increase in vehicle-miles traveled (VMT) that exceeds the applicable baseline average.

The EIR on the MTP/SCS provides a summary of land use and transportation changes for the Region/Plan Area as well as the estimates of VMT and VMT per capita in the 2008 baseline and in 2035 with the MTP/SCS.

The current MTP/SCS is projected to result in total regional VMT that increases by 17 million miles per weekday (a 30 percent increase from the baseline VMT), due to the travel associated with 871,000 new residents (a 39 percent increase from baseline population) in the MTP/SCS plan area. Given the expected population growth from the base year to 2035, the absolute quantity of VMT was expected to increase relative to 2008 for the proposed MTP/SCS. However, transportation system efficiency is better measured through a per capita change in performance measures. Using per capita VMT for the EIR impact analysis normalizes the absolute change between 2008 and 2035. A decline in VMT per capita is a good indication that the system is operating more efficiently because individuals are driving less on a daily basis.

The MTP/SCS is projected to reduce both total regional VMT per capita and household-generated VMT per capita for the region as a whole, relative to 2008. Total VMT per capita declines from 25.8 miles to 24.0 miles per weekday, a reduction of 6.9 percent. This decline indicates that the land use changes and transportation investments in the proposed MTP/SCS are effectively working together to improve system efficiency and minimize increases in total VMT. This is achieved through both land use and transportation changes in the MTP/SCS.

Table 4-4 provides estimates of total regional daily VMT as well as regional household-generated VMT per capita with and without all of the selected improvements for the SCMP. The analysis indicates that, compared to 2035 conditions for the MTP/SCS without this set of selected improvements, the full MTP/SCS with those improvements would slightly lower regional daily VMT from all sources (0.02%) as well as regional household-generated VMT (0.08%) The regional household-generated VMT per capita would remain at 17.6 with or without the selected projects.

The twelve improvements to be funded by the SCMP were selected based on their ability to reduce congestion on the freeway system within the Project Area. The analysis of individual improvements (summarized in Table 4-5) indicates that eight of the selected improvements would, by themselves, reduce regional VMT during peak periods, including four of the transit improvements, as well as four of the seven improvements to freeways and local roadways. The improvements to freeways and local roadways that would reduce peak period VMT include those that create important new connections (i.e. new river bridges and the extension of Kammerer Road) as well as installing ramp meters on I-5.

The SACSIM regional model that was used to estimate changes in VMT, C-VMT and delay cannot provide forecasts of transit services that travel in/out of the SACOG region. Thus changes in these measures were not estimated for the Elk Grove Intercity Rail Station, which is one of the twelve selected improvements. This improvement would allow people in the Elk Grove area to use intercity rail to travel north to the City of Sacramento and south to the San Joaquin Valley as well as the Bay Area. It is anticipated that this improvement would reduce the number of long-distance auto trips to those destinations and thus would reduce regional VMT.

Two of the improvements to freeways would increase capacity of segments that are congested during peak periods, which often leads to increases in VMT since, with the improvement, some people would choose to travel further in that congested corridor in the same amount of travel

Table 4-4
Change in Daily Vehicle-Miles of Travel Region-wide Due to Selected Transportation Improvements to be Funded by the SCMP

Performance Measure	2008 Baseline	2035	
		Without Selected Improvements	With All Selected Improvements
Regional Household-Generated VMT			
Household-Generated VMT	42,644,700	54,261,800	54,218,000
Population	2,215,000	3,086,200	
Household-Generated VMT per Capita	19.3	17.6	17.6
Total Regional Daily Vehicle-Miles of Travel (VMT)[1]	61,508,600	82,031,600	82,018,300
Change from 2008 Baseline		20,523,000	20,509,700
Change from 2035 without Selected Improvements			-13,300

Notes:
1. Reflects VMT from all sources (household generated, commercial vehicles and external trips). This measure was added for this SEIR.

Sources: 2012 MTP/SCS DEIR, 2011; DKS Associates, 2015.

time than without that improvement. However, the three selected improvements that would result in increases in VMT fit well with the overall objectives of the MTP/SCS because:

- **Constructing HOV lanes on I-5** would help increase regional ridesharing during peak periods. While the HOV lanes would increase capacity on I-5, it would shift some traffic from other congested parallel roadways including SR 99, which does not have capacity improvements in the MTP/SCS.
- **Constructing Auxiliary Lanes on I-5** would help eliminate bottlenecks and thereby improve the operations and efficiency of I-5.
- **Constructing Auxiliary Lanes on SR 99** would help eliminate bottlenecks and thereby improve the operations and efficiency of SR 99.

The SCMP has a rate structure that could reduce VMT compared to conditions without this fee program, since it will generally charge higher fee rates for development that has more VMT per unit of development.

The method used to calculate a development's proportional share of mainline freeway impacts is based on new development's contribution to total peak period delay on the freeway system within the Project Area. Separate estimates, and thus different fee rates, have been made by type of development as well as by the location of a development within the area covered by the SCMP (the Project Area). The area covered by the fee program is divided into four districts to capture the locational effects of development's impact on freeway system delay.

Table 4-5
Change in Region-wide Vehicle-Miles of Travel (VMT) during Peak Periods Due to Selected Transportation Improvements to be Funded by the SCMP

Year	Scenario		Peak Period Region-wide VMT	Change from 2008 Baseline	Change from 2035 without Selected Improvements
2008	Baseline		25,122,469		
2035	Without Selected Improvements		33,094,347	7,971,878	
	With All Selected Improvements		33,110,031	7,987,562	15,684
	With Individual Selected Improvements	DNA-MOS2	33,075,916	7,953,447	-18,431
		Street Car	33,076,575	7,954,106	-17,772
		Hi Bus from CRC to Elk Grove	33,076,422	7,953,953	-17,925
		Kammerer Rd	33,090,182	7,967,713	-4,165
		American River Crossing	33,070,230	7,947,761	-24,117
		Richards/Railyards	33,093,413	7,970,944	-934
		Sacramento River Crossings	33,078,967	7,956,498	-15,380
		I-5 HOV	33,127,154	8,004,685	32,807
		I-5 Auxiliary Lanes	33,095,587	7,973,118	1,240
		I-5 Ramp Meters	33,083,332	7,960,863	-11,015
		SR 99 Auxiliary Lanes	33,101,096	7,978,627	6,749

Notes:
Peak Periods are 7 AM to 10 AM and 3 PM to 6 PM.

Construction of the Elk Grove Intercity Rail Station is one of the selected improvements but the SACSIM regional model cannot provide forecasts of transit services that travel in/out of the region. The likely impact of this improvement is discussed separately in this chapter.

Source: DKS Associates, 2015.

The advantage of the selected delay-based calculation is its ability to quantify impacts based not only on trip length but also trip direction. For example, an AM commute trip from Elk Grove to Downtown Sacramento would have a heavier impact to the freeway system than an AM commute trip from Downtown Sacramento to Elk Grove, yet both commute trips have the same travel distance on the freeway system. The heavier impact is due to the freeway's existing congestion being a directional problem on many of the selected freeway segments.

The SCMP will have a higher fee rate for a residential unit in Elk Grove than an equivalent residential unit in Downtown Sacramento. Since analysis indicates that a residential unit in Elk Grove would generate more VMT than an equivalent residential unit in Downtown Sacramento, the Proposed Project, could result in a reduction in VMT compared to conditions without the SCMP.

In summary, the selected improvements for the SCMP collectively would not cause a substantial change in regional VMT per capita, because the regional VMT per capita related to the transportation changes from the Proposed Project would be essentially the same as implementation of the MTP/SCS. Therefore, the impact on regional VMT is considered less than significant (LS) for Impact TRN – 1. No mitigation is required.

Impact TRN-2: Cause an increase in VMT on congested roadways (C-VMT) relative to the baseline for the Project Area and the region.

The 2012 MTP/SCS EIR provides a summary of land use and transportation changes for the Region/ Plan Area as well as the estimates of C-VMT and C-VMT per capita in the 2008 baseline and in 2035 with the MTP/SCS.

Congested vehicle-miles traveled (C-VMT) is a subset of total VMT. C-VMT comprises 5.8 percent of total regional VMT in both 2008 and 2035, and as with VMT, the region's population growth results in an absolute increase in the quantity of C-VMT by 2035 relative to the baseline year of 2008. Rather than basing plan performance on absolute VMT or C-VMT, the analysis for EIR on the MTP/SCS analysis normalized VMT and C-VMT to population as "per capita" rates in order to measure transportation system efficiency.

Combined with the transportation investments, the land use patterns of the current MTP/SCS would reduce the need to travel frequently or over long distances using single occupancy vehicles. As a result, the impacts from C-VMT are minimized by compact and mixed land uses that locate people closer to their destinations and allow for more walk, bike and transit travel. As with VMT, the total amount of C-VMT increases by somewhat less than the increase in population (30 percent for C-VMT, compared to 39 percent for population).

Collectively, the land use and transportation changes in the MTP/SCS result in a decline in total C-VMT per capita from 1.49 miles to 1.39 miles per weekday, a reduction of 6.9%.

Table 4-6 provides estimates of total daily C-VMT with and without all of the selected improvements for the SCMP at both the regional level and within the Project Area. The analysis indicates that, compared to 2035 conditions without this full set of selected improvements, the MTP/SCS would have a decrease in total regional and Project Area C-VMT.

Compared to 2035 conditions without the full set of selected improvements, the MTP/SCS would reduce total delay on Project Area freeways by about 2,200 vehicle hours, a decrease of about 29%.

The twelve improvements to be funded by the SCMP were selected based on their ability to reduce congestion on the freeway system within the Project Area. The analysis of individual improvements (summarized in Table 4-7) indicates that ten of the selected improvements would, by themselves, reduce C-VMT in the Project Area during peak periods – both on freeways and all roadways in the Project Area. The analysis of individual improvements also indicates that eleven of the selected improvements would, by themselves, reduce delay on the freeway in the Project Area during peak periods (see Table 4-8).

The analysis indicates that adding auxiliary/transition lanes on segments of SR 99 would increase some volumes on portions of SR 99 which would be congested (LOS F) with or without those additional lanes, thus increasing C-VMT. However, these added lanes would reduce overall delay on the freeway system in the Project Area.

Table 4-6
Change in Daily Congested VMT and Delay within Project Area Due to Selected Transportation Improvements to be Funded by the SCMP

Performance Measure	2008 Baseline	2035	
		Without Selected Improvements	With All Selected Improvements
Congested VMT on Project Area Freeways (Daily)	552,100	1,078,700	819,000
Change from 2008 Baseline		526,600	266,900
Change from 2035 without Selected Improvements			-259,700
Congested VMT on All Project Area Roadways (Daily)	686,100	1,321,879	1,051,200
Change from 2008 Baseline		635,779	365,100
Change from 2035 without Selected Improvements			-270,679
Vehicle-hours of Delay (VHD) on Project Area Freeways	4,000	7,490	5,270
Change from 2008 Baseline		3,490	1,270
Change from 2035 without Selected Improvements			-2,220

Notes:
See Figure 3-2 for Project Area boundary and freeway segments within Project Area.
Vehicle-hours of delay reflect time in LOS F.

Source: DKS Associates, 2015.

The SACSIM regional model that was used to estimate changes in VMT, C-VMT and delay cannot provide forecasts of transit services that travel in/out of the SACOG region. Thus changes in these measures were not estimated for the Elk Grove Intercity Rail Station, which is one of the twelve selected improvements. This improvement would allow people in the Elk Grove area to use intercity rail to travel north to the City of Sacramento and south to the San Joaquin Valley as well as the Bay Area. It is anticipated that this improvement would reduce the number of long-distance auto trips to those destinations and thus would reduce regional VMT and C-VMT as well as reduce delay on the freeway system within the Project Area.

For the above reasons, the congested VMT per capita impacts related to transportation changes from the Proposed Project at both the regional and Project Area levels are considered less than significant (LS) for Impact TRN – 2. No mitigation is required.

Table 4-7
Change in Congested Vehicle-Miles of Travel (VMT) within Project Area during Peak Periods
Due to Selected Transportation Improvements to be Funded by the SCMP

Year	Scenario		Project Area Freeways			All Project Area Roadways		
			Congested VMT	Change from 2008 Baseline	Change from 2035 without Selected Improvements	Congested VMT	Change from 2008 Baseline	Change from 2035 without Selected Improvements
2008	Baseline		503,082			624,374		
2035	Without Selected Improvements		935,364	432,282		1,147,129	522,755	
	With All Selected Improvements		713,337	210,255	-222,027	912,540	228,166	-234,589
	With Individual Selected Improvements	DNA-MOS2	922,380	419,298	-12,984	1,135,301	510,927	-11,828
		Street Car	920,292	417,210	-15,072	1,131,640	507,266	-15,489
		Hi Bus from CRC to Elk Grove	916,244	413,162	-19,120	1,124,995	500,621	-22,134
		Kammerer Rd	915,622	412,540	-19,742	1,128,360	503,986	-18,769
		American River Crossing	922,899	419,,817	-12,465	1,139,510	515,136	-7,619
		Richards/ Railyards	933,792	430,710	-1,572	1,144,780	520,406	-2,349
		Sacramento River Crossings	873,250	370,168	-62,114	1,094,101	469,727	-53,028
		I-5 HOV	804,215	301,133	-131,149	1,004,978	380,604	-142,151
		I-5 Auxiliary Lanes	893,746	390,664	-41,618	1.111.174	486,800	-35,955
		I-5 Ramp Meters	888,750	385,668	-46,614	1,100,090	475,716	-47,039
		SR 99 Auxiliary Lanes	946,754	443,672	11,390	1,155,504	531,130	8,375

Notes:
- See Figure 3-2 for Project Area boundary and freeway segments within Project Area
- Peak Periods are 7 AM to 10 AM and 3 PM to 6 PM
- Construction of the Elk Grove Intercity Rail Station is one of the selected improvements but the SACSIM regional model cannot provide forecasts of transit services that travel in/out of the region. The likely impact of this improvement is discussed separately in this chapter

Source: DKS Associates, 2015.

Table 4-8
Change in Vehicle- Hours of Delay on Project Area Freeway System during Peak Periods Due to Selected Transportation Improvements to be Funded by the SCMP

Year	Scenario		Vehicle-Hours of Delay on Project Area Freeways					
			In Level of Service F			Beyond Free-flow		
			Delay	Change from 2008 Baseline	Change from 2035 without Selected Improvements	Delay	Change from 2008 Baseline	Change from 2035 without Selected Improvements
2008	Baseline		3,269			13,845		
2035	Without Selected Improvements		6,283	3,015			7403	
	With All Selected Improvements		4,340	1,071	-1,944	18,269	4,424	-2,979
	With Individual Selected Improvements	DNA-MOS2	6,271	3,003	-12		7,393	-10
		Street Car	6,235	2,966	-48		7,353	-50
		Hi Bus from CRC to Elk Grove	6,218	2,950	-65		7,297	-106
		Kammerer Rd	6,274	3,005	-10		7,358	-45
		American River Crossing	6,212	2,944	-71		7,310	-93
		Richards/ Railyards	6,216	2,947	-68		7,332	-71
		Sacramento River Crossings	5,300	2,031	-983		6,167	-1,236
		I-5 HOV	5,709	2,441	-574		6,298	-1,105
		I-5 Auxiliary Lanes	6,161	2,892	-122		7,221	-182
		I-5 Ramp Meters	6,266	2,997	-17		7,361	-42
		SR 99 Auxiliary Lanes	6,260	2,992	-23		7,383	-20

Notes:
- See Figure 3-2 for Project Area boundary and freeway segments within Project Area
- Peak Periods are 7 AM to 10 AM and 3 PM to 6 PM
- Construction of the Elk Grove Intercity Rail Station is one of the selected improvements but the SACSIM regional model cannot provide forecasts of transit services that travel in/out of the region. The likely impact of this improvement is discussed separately in this chapter

Source: DKS Associates, 2015.

5. REPORT PREPARATION AND REFERENCES

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REPORT PREPARATION

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REFERENCES

DKS Associates. *Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System*, April 30, 2009.

SACOG, *Draft Environmental Impact for the Metropolitan Transportation Plan/Sustainable Communities Strategy for 2035*, November 2011.

SACOG, California Department of Transportation, City of Elk Grove, City of Sacramento, City of West Sacramento. *Memorandum of Understanding, Implementation Plan for the I-5 Freeway Subregional Corridor Mitigation Program*, June 25, 2014.

APPENDICES

APPENDIX A: NOTICE OF PREPARATION

NOTICE OF PREPARATION
SUPPLEMENT TO THE 2035 MTP/SCS ENVIRONMENTAL IMPACT REPORT

March 2, 2015

To: All Interested Agencies and Persons
From: Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

The Sacramento Area Council of Governments (SACOG) will be the Lead Agency for the preparation of a Supplement to the Environmental Impact Report (EIR) to the 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) for the Subregional Freeway Mitigation Fee Program (Proposed Project). This Notice of Preparation (NOP) is intended to alert regulatory and trustee agencies, interested agencies, organizations, and individuals that SACOG is preparing a Supplemental EIR to address this fee program as one source of funding for implementation of some of the transportation projects in the MTP/SCS. The Subregional Freeway Mitigation Fee Program consists of a voluntary development impact fee for new developments within the State highway corridors between Elk Grove and downtown Sacramento based on a nexus study that is being prepared. The Proposed Project improvements would reduce impacts from new development that would cause vehicle delay and congested vehicle-miles of travel (VMT) on the portion of the State highway system within the Project Area. The Subregional Freeway Mitigation Fee Program, which is described in more detail below, may be implemented by the Cities of Sacramento, Elk Grove and West Sacramento, and would be relied upon by SACOG as a source of funding for the MTP projects.

The Supplemental EIR will be prepared pursuant to the California Environmental Quality Act (CEQA).

SACOG is interested in your views about the scope and content of the information and analyses to be included in the Supplemental EIR. This NOP includes:

- Description of the proposed Subregional Freeway Mitigation Fee Program (Proposed Project), including a list of improvements that would be funded by the Fee Program;
- A map of the Proposed Project Area; and
- A discussion of potential environmental effects and the scope of the Supplemental EIR analysis.

SACOG seeks your views on the scope of the Supplemental EIR. Your response must be sent at the earliest possible date, but not later than 30 days after receipt of this notice. Please submit your written responses **no later than 5pm, Monday, April 6,** through any of the following methods:

By Mail	By Fax	By E-mail
Sacramento Area Council of Governments 1415 L Street, Suite 300 Sacramento, CA 95814	(916) 321-9551	eircomments@sacog.org

Comments regarding the scope of the EIR received during the 30-day NOP review period will be considered during preparation of the Supplemental EIR.

BACKGROUND

The Sacramento Area Council of Governments (SACOG) is the designated metropolitan planning organization (MPO) for the counties of Sacramento, Sutter, Yolo, and Yuba, and for Placer and El Dorado Counties except for the Lake Tahoe Basin. Figure 1 depicts SACOG's Metropolitan Planning Area. To receive federal or state funding, projects nominated by cities, counties, and agencies must be consistent with the Metropolitan Transportation Plan (MTP).

2035 MTP/SCS

The combined MTP/SCS is the long-range transportation plan that identifies the region's vision and plans for the metropolitan transportation system. The MTP/SCS sets policies to guide transportation decisions and proposes a program of capital, operational, and management improvements needed by 2035. SACOG is required to update the Metropolitan Transportation Plan every four years.

SACOG adopted the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) in 2012. The MTP/SCS is a long-range plan for transportation in the Sacramento region through 2035. The plan provides for improvements to existing transportation facilities, including roads, sidewalks, bike lanes and transit, and extension of transportation infrastructure to new growth areas. The EIR prepared for the MTP/SCS (SCH #2011012081) evaluates the environmental effects of the plan, including new and expanded transportation facilities, at a programmatic level.

Need for the Project

The transportation impacts of local development projects are typically identified during the CEQA process for a specific development project. When feasible, the significant impacts of a project must be mitigated, including impacts on the State highway system impacted by the development project. Impacts on local roadways, particularly cumulative impacts, may be mitigated by payment of impact fees that fund improvements identified in the local jurisdiction's transportation plan. If an impact fee program has not been established, the project applicant may be required to fund the fair share cost of improvements for the affected roadway or intersection (e.g., street widening and traffic signals). A similar impact fee mechanism often does not exist to either fund improvements to State highways or alternative projects that would reduce the level of traffic from the development project on the freeway system. If a project could have a significant impact on a State highway, the costs to fund the necessary highway improvements are usually too substantial to be borne by an individual project, so mitigation may be infeasible. Also, many segments of the State highway system in urban areas are already at their maximum right-of-way width and expanding those highway segments would have significant impacts. As a result, there is a desire to provide a meaningful process for individual projects to undertake transportation improvements within the Proposed Project Area (Project Area) for local trips, and to facilitate use of alternative transportation modes, to avoid exacerbating freeway congestion. The Subregional Freeway Mitigation Fee Program (Proposed Project) would generate funding from new development in an amount that is feasible for the applicant to pay to fund transportation improvements that will offset impacts on the State highway system from that development project.

PROPOSED SUPPLEMENT TO THE MTP/SCS

Since adoption of the MTP, SACOG, the Cities of Sacramento, Elk Grove and West Sacramento and Caltrans have developed the Proposed Project focused on MTP/SCS improvements that would reduce vehicle delay and congested vehicle-miles traveled (VMT) on portions of the State highway system. Under the Proposed Project, new development within the Project Area (shown on Figure 2), which encompasses portions of the Cities of Sacramento, West Sacramento and Elk Grove, could pay a fee commensurate with a project's proportionate contribution to increased vehicle delay on that portion of the State highway system. The voluntary payment of the fee would serve as mitigation for that project's impacts on the State highway system within the Project Area. Figure 2 shows the area covered by the proposed Fee Program.

The Proposed Project to be analyzed in the Supplemental EIR would address the potential reduction of impacts on State highway system within the Project Area by use of the fees collected to fund a selected set of MTP/SCS improvements within the Project Area that would improve congestion levels on that portion of the State highway system. The Proposed Project is intended to be a voluntary impact fee program. If adopted, an individual development project applicant could choose to pay the impact fee, which Caltrans would treat as adequate mitigation of the freeway impacts of that development project so that a freeway traffic study and/or additional mitigation would not be required. Alternatively, if an applicant for a development project that would have an impact on the State highway system chooses not to pay the fee, those traffic impacts would need to be analyzed in accordance with CEQA, including identification of mitigation measures for significant impacts. For such projects, the costs to implement the mitigation measures may be imposed where feasible, such that a development project that does not pay the voluntary fee could be subject to costs that could exceed the amount owed under the voluntary fee program, in addition to the costs of studying the freeway impacts caused by that project.

As required by State law, a Nexus Study will be prepared to demonstrate a reasonable relationship (nexus) between the need for the selected set of improvements covered by the fee to serve new development and the amount of the fee based on land use categories and dependent on the level of freeway traffic impacts generated by new development within the Project Area.

List of MTP Projects to be Funded

The transportation projects that are anticipated to be included within the Proposed Project are listed in Table 1. All of these improvements are included within the MTP/SCS, so the Proposed Project would not result in any new or unanticipated transportation projects. Also, the Proposed Project would not fully fund the improvements, so other revenue sources (as identified in the MTP/SCS) would need to be secured before any transportation improvement project could be implemented. Nonetheless, by creating an additional source of funding, the Proposed Project could result in certain transportation improvements being implemented more quickly than they might be without the fee, thus mitigating for development project impacts on the State highway system.

The improvements listed in Table 1 are intended to improve overall performance on the affected State highway facilities by (1) diverting traffic to new parallel roadways and bridges, (2) attracting trips to new parallel transit facilities/services and (3) improving freeway capacity/operations through new HOV and auxiliary lanes and ramp metering.

The Proposed Project would apply only to development project impacts on the State highway system

within the Project Area shown in Figure 2. Each development project would still be required to comply with CEQA and the applicable policies of the jurisdiction in which the development is located, including the preparation of appropriate traffic studies, and identification of impacts and mitigation measures on the local street system. Before any transportation project funded by the Proposed Project is developed, the impacts of that improvement project would be subject to environmental review under CEQA and possibly NEPA for projects with a federal nexus.

Potential Environmental Impacts

Under CEQA Guidelines Section 15163, a Supplemental EIR may be prepared when there is new information of substantial importance regarding the project, impacts and/or mitigation addressed in the original EIR, and only minor additions or changes would be necessary to make the previous EIR adequately apply to the Proposed Project [*CEQA Guidelines*, Cal. Code Regs., title 14, § 15163 (providing that if only minor changes are required to an EIR, then a Supplement may be prepared rather than a Subsequent EIR.)]. The MTP/SCS EIR identified the various revenue sources that were anticipated to fund the MTP/SCS transportation improvements. "Contributions from developers for the construction of transportation infrastructure in and around new developments" (MTP/SCS DEIR, page 2-36) were listed as one source of funding. Therefore, the Proposed Project is a foreseeable subsequent program to implement the MTP/SCS. All of the improvements that would be funded by the Proposed Project were identified in the MTP/SCS and the construction and operational impacts of those improvements were evaluated in the MTP/SCS EIR at a programmatic level. Because the Proposed Project is intended to contribute toward the implementation of the MTP/SCS, and would apply only to development and transportation improvements addressed in the MTP/SCS EIR, the Proposed Project will be analyzed in a Supplement to the MTP/SCS EIR.

The Proposed Project would not alter the design, size or location of the improvements identified in the MTP/SCS, so the physical impacts of the improvements listed in Table 1 have been adequately addressed in the MTP/SCS EIR, and will not be re-evaluated in the Supplemental EIR. Nor will the Proposed Project alter the VMT or other operational characteristics of the MTP/SCS at buildout. Therefore, impacts on air quality, greenhouse gasses, energy and noise will not be evaluated in the Supplemental EIR.

Under the Proposed Project, vehicle delay and congested VMT would be improved on the State highway system within the Project Area. This systemwide approach differs from the traditional localized project-by-project approach to addressing impacts on the highway system. Also, there could be a lag in timing between when the development project is built versus when the transportation improvements funded by the fee are built. Therefore, there could be temporary increased congestion in certain portions of the highway system for periods of time. At buildout, all of the MTP/SCS improvements are planned to be constructed, so there would be no change in VMT or congested VMT on the State highway system at buildout. Therefore, the focus of the Supplemental EIR will be on how interim operations on the State highway system within the Project Area would be affected by adoption of the Proposed Project. The SEIR will address (1) how the Proposed Project could improve the financial feasibility of implementing the MTP projects in the Project Area and (2) whether the Proposed Project would cause interim operations to be adverse and significant as compared to impacts on the State highway system without this fee program.

There have been some changes to the existing conditions described in the 2035 MTP/SCS EIR since it was adopted. The MTP/SCS EIR acknowledges that conditions can change over time, but such circumstances are already routinely addressed through the required four-year updates to the MTP/SCS and accompanying CEQA document. SACOG is currently preparing a 2016 Update to the

MTP/SCS, which will include updated demographic and other information. Therefore, the Supplemental EIR will not address any changed circumstances.

DATE: March 2, 2015 **SIGNATURE:**

TITLE: Director of Transportation Services
TELEPHONE: (916) 321-9000

Table 1 MTP Projects to Be Funded by Proposed Project	
Project	**Description**
Transit	
DNA-MOS2	Extend Rail from Richards Blvd to Natomas Center
Streetcar	Streetcar network connecting the Intermodal Terminal in Downtown Sacramento to West Sacramento (Phase 1); South to R Street and Broadway corridors (Phase 2)
Elk Grove Intercity Rail Station	Construct parking lot, platform and passenger shelter for intercity passenger station
Hi Bus from CRC to Elk Grove	Enhanced bus corridor 8.5 miles along Bruceville Rd to Big Horn to Kammerer to 99
Local Roadway	
Kammerer Rd	Construct 4 lane parkway from I-5 to Highway 99
American River Crossing	New bridges across the American River
Richards/ Railyards	I-5/ Richards, Richards/ Bannon Couplet, 7th St. Widening, 6th St. Extension to Richards, SR 160 IC
Sacramento River Crossings	Two new bridges across the Sacramento River
Freeway	
I-5 HOV	HOV Lanes from Elk Grove Blvd to US 50
I-5 Ramp Meters & Detection Station	Ramp Meters from Elk Grove Blvd to Sutterville Road
I-5 Auxiliary/ Transition Lane	Aux Ln. Florin to Pocket; Aux Ln. U.S. 50 connector-ramp to Sutterville Rd off-ramp; Aux Ln. U.S. 50 entrance to P St. on-ramp; Trans Lane Garden Hwy off-ramp to Garden Hwy on-ramp

Figure 1
SACOG Planning Area

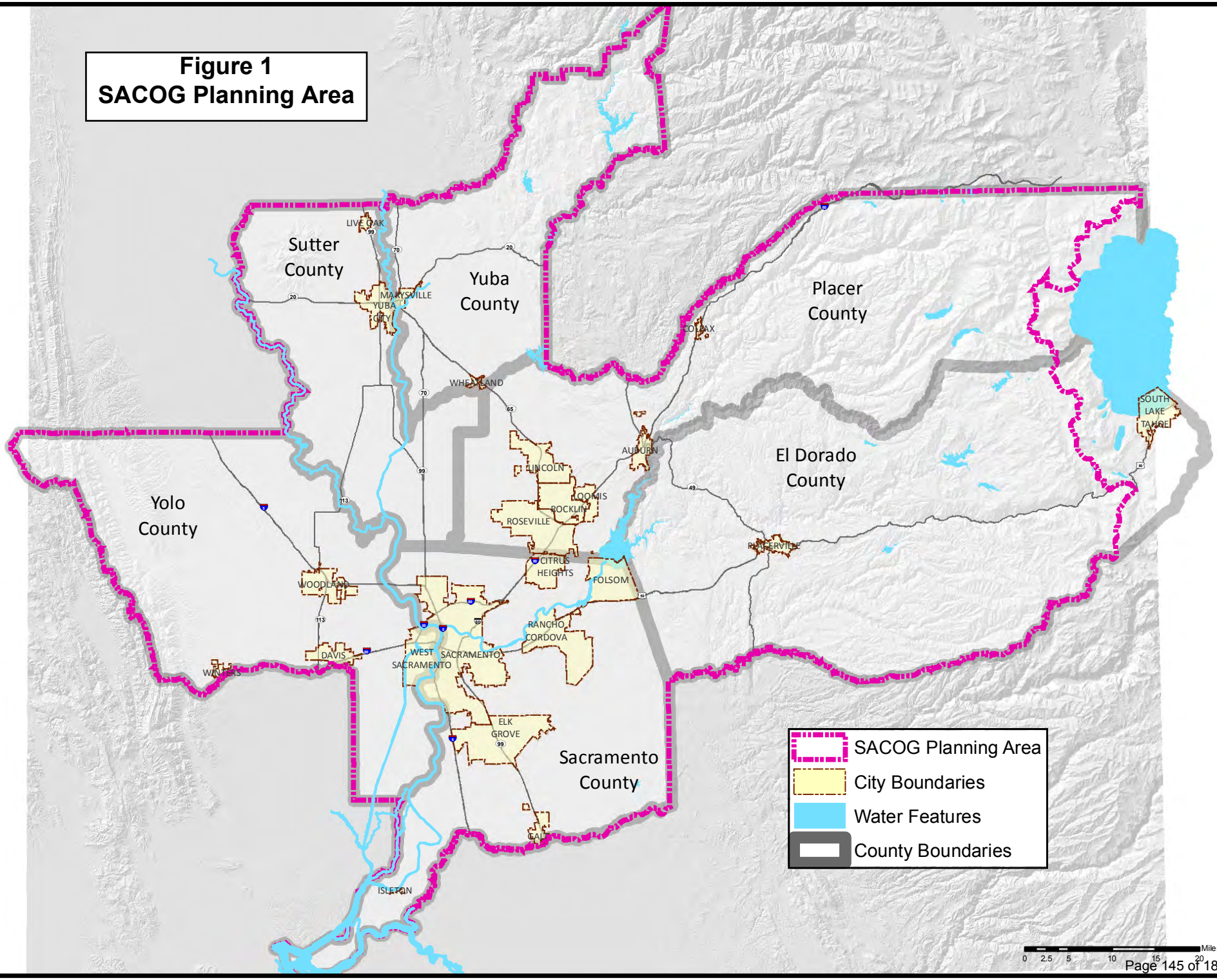
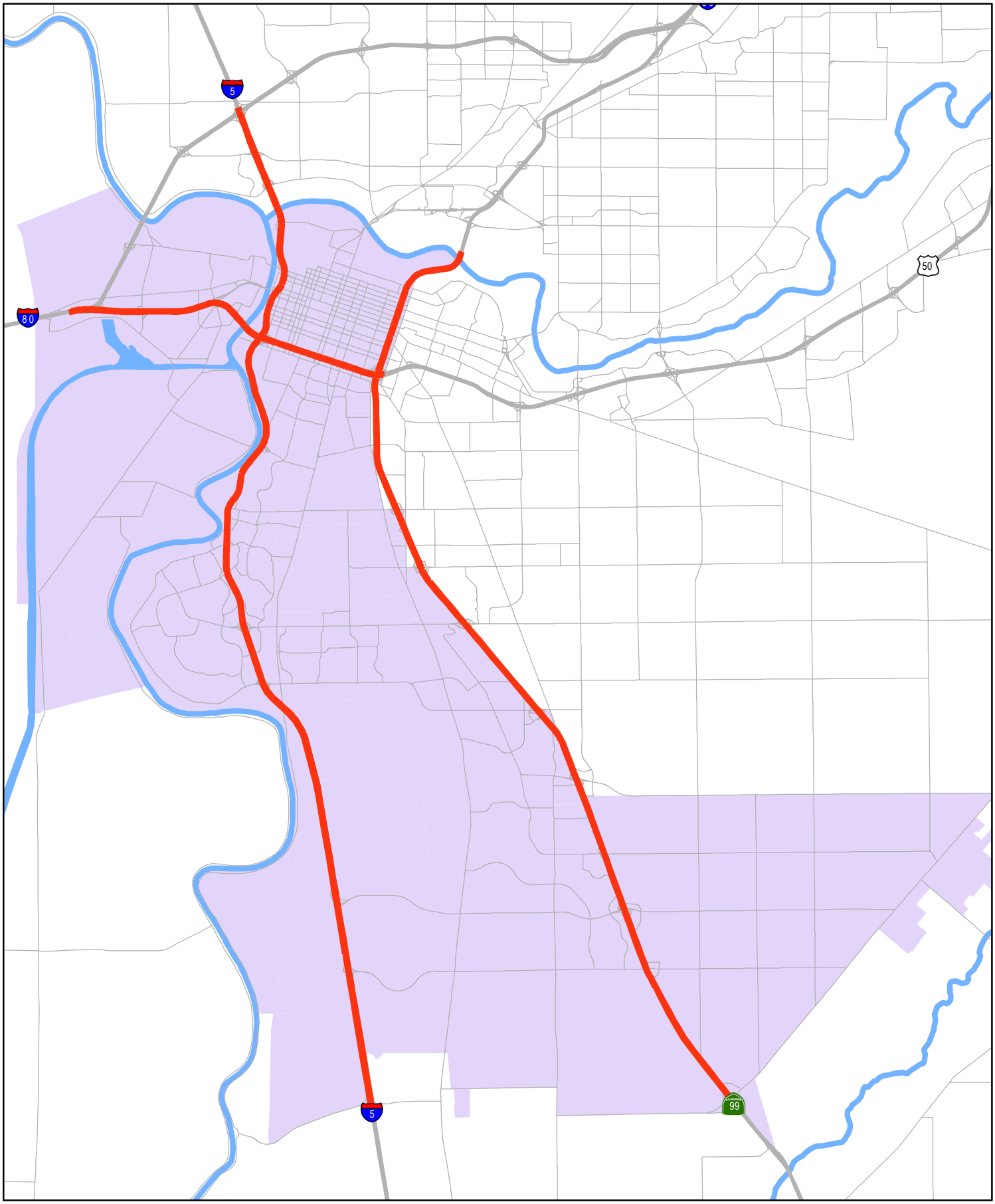


Figure 2
Area Covered by Fee Program



DKS

Portion of State Highway System Included in Fee Program

Area Covered by Fee Program

APPENDIX B: 2014 MEMORANDUM OF UNDERSTANDING

C-14-254

MEMORANDUM OF UNDERSTANDING

Implementation Plan for the I-5 Freeway Subregional Corridor Mitigation Program

This MEMORANDUM OF UNDERSTANDING ("Agreement") is made and entered into this 25 day of June, 2014 , ("Execution Date") by and between the City of Sacramento, a municipal corporation ("Sacramento"), the City of West Sacramento, a municipal corporation ("West Sacramento"), and the City of Elk Grove, a municipal corporation ("Elk Grove"), which are referred to herein individually as "City" and collectively as "Cities;" and the California Department of Transportation, a state agency ("Caltrans") and the Sacramento Area Council of Governments, a joint powers entity ('SACOG). All of the foregoing entities are referred to herein individually as "Party" and collectively as "Parties."

RECITALS

A. Due to the concerns of all the Parties regarding the projected future cumulative mainline freeway traffic impacts from new developments located within the jurisdictional boundaries of Cities along the Interstate 5 freeway ("Freeway Subregional Corridor"), staff from Cities and Caltrans (the "working group") met over a four year period and Cities collectively funded a study by DKS Associates dated April 30, 2009, titled: "Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System" (the "Freeway Subregional Corridor Study"), regarding measures to mitigate potential impacts.

B. The Freeway Subregional Corridor extends generally from the American River on the north, the western boundary of the City of West Sacramento on the west, the southern boundary of the City of Elk Grove on the south and Highway 99 on the east. The study area was divided into four districts, with territory within Sacramento (District 1 and 3), West Sacramento (District 2) and Elk Grove (District 4).

C. DKS Associates modeled the cumulative mainline traffic impacts on the I-5 freeway from future developments within the Freeway Subregional Corridor. Based on this information, the working group identified planned transportation improvements in SACOG's Regional Transportation Plan ("RTP") which would best relieve traffic congestion within the Freeway Subregional Corridor. Caltrans has not adopted plans to add lanes to the I-5 freeway in this corridor to expand capacity, other than adding high occupancy vehicles lanes (the "Freeway Improvements") to encourage carpooling and use of bus transit. The Freeway Subregional Corridor Study identified roadway and river crossing projects (the "Local Roadway Improvements") as planned by the Cities

and set out in the RTP, and the Sacramento Regional Transit District's ("Regional Transit") proposed extension of its light rail system to Natomas (the "Transit Improvements"), all of which will serve as alternative routes for intra-city and inter-city travel. The selected Freeway, Local Roadway and Transit Improvements are referred to herein as the "Subregional Improvement Plan."

D. The Freeway Subregional Corridor Study, with input from the working group and SACOG, evaluated the estimated costs and anticipated funding sources for all of the projects included in the Subregional Improvement Plan, identified the funding shortfall, determined the fair share cost of these projects caused by the additional traffic from new development, and recommended mitigation fees (the "Subregional Impact Fee") to fund such fair share costs based on the development project's location and type of land uses.

E. On July 13, 2009, Caltrans, through its District 3 Director, approved the recommendations set out in the Freeway Subregional Corridor Study. Caltrans' letter stated that the recommended Subregional Impact Fee to help fund the costs of the projects in the Subregional Improvement Plan would lessen the cumulative mainline traffic impacts caused by new development located within the Freeway Subregional Corridor, and that Caltrans anticipates that it would accept such fees as adequate freeway congestion mitigation for cumulative traffic impacts under the California Environmental Quality Act ("CEQA"), subject to its review and acceptance of the EIR as referenced below.

F. SACOG and the working group will conduct environmental review of the Subregional Improvement Plan and Subregional Impact Fee to analyze whether implementation of such projects would mitigate the cumulative mainline freeway traffic impacts from new development within the Freeway Subregional Corridor.

NOW, THEREFORE, based on the Recitals set forth above and the Parties' desire to undertake efforts in a cooperative manner to implement the Subregional Improvement Plan and address how the identified projects are to be funded with the Subregional Impact Fee collected by each City, the Parties agree as follows:

AGREEMENT

1. Modification of Subregional Improvement Plan. The Parties shall meet to determine if there needs to be any changes to the Freeway, Local Roadway and Transit Improvements included in the Subregional Improvement Plan based on current information with regard to the status and funding of the projects in that plan. The refined

Subregional Improvement Plan will be used as the project definition for preparation of the Environmental Impact Report (EIR).

2. Preparation of EIR. SACOG will be responsible as a lead agency for preparation of a program-level Environmental Impact Report in compliance with CEQA for the Subregional Improvement Plan. The purpose of the EIR is to analyze whether the Subregional Impact Fee is an appropriate measure to mitigate cumulative impacts of new development on the State Highway System. Each Party shall cooperate with SACOG in providing information and reviewing the administrative draft EIR for accuracy. The costs of the EIR preparation shall be shared equally by Cities, subject to approval of the SACOG's budget for the EIR preparation. An EIR cost sharing agreement between the Cities and SACOG will be needed before the EIR is prepared. After certification of the EIR by SACOG, Sacramento, West Sacramento and Elk Grove shall rely on the EIR as a responsible agency in supporting that Party's actions to fund the Subregional Improvement Plan if they adopt the Subregional Impact Fee.

3. Plan Approval and Fee Adoption. If SACOG certifies the EIR for the Subregional Improvement Plan, each City may individually take action to approve the Subregional Improvement Plan and adopt the Subregional Impact Fee. The Subregional Impact Fee may be adopted either: (i) as a voluntary measure, where a project applicant whose project traffic reaches the threshold of significance may choose to pay the fee in lieu of preparing a traffic model analysis of the cumulative mainline freeway impacts, or (ii) as a mandatory development impact fee pursuant to the Mitigation Fee Act (Government Code section 66000 *et seq.*).

A. Regardless of whether the Subregional Impact Fee is adopted as a voluntary measure or mandatory development impact fee, the fee would only apply to those development projects which: (i) may generate mainline traffic volumes on the I-5 freeway system within the Freeway Subregional Corridor which would exceed the threshold of significance as adopted by each City, in reliance on Caltrans guidance, and (ii) are not exempt from environmental review or traffic impact analysis under the CEQA Guidelines (CA Code of Regulations, Title 14 Chapter 3). If a project does not meet the thresholds, then no mitigation is required, the fee program does not apply. Caltrans agrees that: (i) if the Cities comply with the terms of this Agreement and a project applicant complies with the fee program for a particular project, or (ii) a project does not trigger the thresholds and therefore is not required to pay a fee, Caltrans will not challenge the lack of a cumulative mainline traffic impact study or the adequacy of the mitigation for such impacts for that project.

B. If a City adopts the Subregional Impact Fee as a voluntary measure and an applicant decides not to comply with the Subregional Impact Fee program, even though the project's traffic impacts will exceed the threshold of significance as adopted by that City, then the City will: (i) require a traffic model analysis of the cumulative mainline freeway impacts for that development project as part of the preparation of the applicable CEQA document for that project; (ii) consult with Caltrans regarding the scope of such traffic analysis and the applicable mitigation measures if the resulting analysis demonstrates that the project's impacts could create potentially significant adverse impacts on the freeway mainline operations under future cumulative conditions; and (iii) consider imposing such mitigation measures as part of the conditions of approval for the project at the time the project and the CEQA document is approved.

C. Each City may adopt the voluntary or mandatory Subregional Impact Fee in consideration of the information in the Freeway Subregional Corridor Study, as well as any additional information that it may rely upon. The City may adjust the amount of the fees from those in the Freeway Subregional Corridor Study based on: (i) the land use categories applicable within each City's zoning ordinance, and (ii) whether the City previously adopted development impact fees which already include the fair share costs of one or more of the projects in the Subregional Improvement Plan. In addition, the working group may recommend to each City to increase or decrease the amount of the fees on an annual basis to account for changes in construction costs, the scope of the project and its estimated costs, and changes in project funding from other sources, all in compliance with the provisions of the Mitigation Fee Act.

D. If the Subregional Impact Fee is paid by the project applicant, whether on a voluntary or mandatory basis, Caltrans will provide written verification to the City, upon request from that City, that the payment of the fee satisfies Caltrans as to that project's obligation under CEQA to mitigate its cumulative mainline traffic impacts on the State Highway System.

4. Allocation of Fees. Annually, after adoption of the Subregional Impact Fee as described in Section 2, above, each City will prepare an annual report and provide a copy to all of the other Parties which includes the amount of the fees that the City has collected and its proposed allocation of such funding for projects in the Subregional Improvement Plan.

A. The Parties acknowledge that it may take many years to collect enough fees to assist in funding the costs of a project in the Subregional Improvement Plan as set out in the Freeway Subregional Corridor Study, and that many projects in that plan may not be ready for construction for a period of time after fees have been collected

due to the need to secure additional funding. In addition, there may be delays in construction of the projects included in the Subregional Improvement Plan due to the need to prepare engineering plans and undertake environmental review. For these and other reasons, the Parties acknowledge that a City may propose in its annual report to continue to accumulate the fees for a specified period of time and not to expend the funds that have been collected.

B. The Parties acknowledge that the first priority for each City in allocating fees it has collected is to apply those funds towards construction of projects in the Subregional Improvement Plan which are located within the jurisdictional boundaries of that City, or closest thereto, so as to benefit the new developments within that City which either paid the fee in accordance with the provisions of the Mitigation Fee Act or voluntarily.

C. Cities acknowledge that some of the projects in the Subregional Improvement Plan are to be constructed by another City, Caltrans, or Regional Transit. The working group shall meet annually to make recommendations on the allocation of the fees collected for projects. Each City will consider those recommendations and determine whether to allocate all or a portion of the fees it has collected to another City, Caltrans, or Regional Transit to assist in funding a project within their respective jurisdiction. If there are no projects or no remaining projects in the Subregional Improvement Plan in a City, that City must nonetheless allocate the fees it has collected to another City, Caltrans or Regional Transit to fund a project in the Subregional Improvement Plan. Transfer of such funding may require those Parties to enter into a project improvement agreement to specify the terms for transfer of such funds, or a City may transmit such funds to SACOG for appropriation for a project in another City, Caltrans or to Regional Transit which is included in the Subregional Improvement Plan.

D. SACOG may rely on the Cities' annual reports in determining funding allocations which may be needed when preparing its annual Metropolitan Transportation Improvement Plan for those projects which are included in the Subregional Improvement Plan, so as to facilitate construction of such projects which are supported by all of the other Parties.

4. Project Development. In regards to the delivery of projects included in the Subregional Improvement Plan, the Parties agree as follows:

A. Each Party will encourage public awareness and undertake public outreach efforts to involve the public in the planning and environmental review processes in which the Parties are engaged for their respective projects included in the

Subregional Improvement Plan which are to be approved and/or constructed by that Party.

B. Each Party may use the products of any technical studies and reports generated by another Party in a manner consistent with its respective obligations. Each Party is responsible for making its own determination as to the usefulness or as to the propriety of its use of or reliance upon the work product of the other Party. Neither Party represents or warrants that its work product is or will be sufficient for the purposes to which another Party may wish to apply that work product. This Agreement does not reduce, expand, transfer, or alter in any way any of the statutory or regulatory authorities or responsibilities of any Party hereto. Neither Party is delegating any rights, duties, or responsibilities to any other Party under this Agreement.

5. Term. This Agreement is effective after execution by all of the Parties and shall continue in effect until terminated by all of the Parties through mutual agreement. Any Party may terminate this Agreement in regards to respective obligations of that Party under this Agreement upon providing 30 days' advance written notice delivered to the other Parties.

6. Other Provisions. This Agreement may be executed in counterparts. This Agreement does not create a joint venture, partnership, or any other relationship of association among the Parties. Nothing contained herein is intended, nor shall this Agreement be construed, as an agreement to benefit any third parties. This Agreement embodies the entire agreement of the Parties in relation to the matters contained herein, and no other understanding whether verbal, written or otherwise exists among the Parties.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the last date set out below:

CITY OF SACRAMENTO

By: _____
Name:
Title:

Date: 6-18-14

Approved as to Form:

_____
City Attorney

ATTEST

_____
City Clerk 7-22-14

CITY OF WEST SACRAMENTO

By: _____

Name:

Title:

Date: 6/18/2014

Approved as to Form:

_____

City Attorney

ATTEST

_____

City Clerk

CITY OF ELK GROVE

By: Laura S. Gill

Name: Laura S. Gill

Title: City Manager

Date: 6/26/14

Approved as to Form:

_____

City Attorney

CITY OF ELK GROVE INCORPORATED July 1, 2000 STATE OF CALIFORNIA

ATTEST

_____

City Clerk, Jason Lindgren

DATED: June 27, 2014

CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: Jody Jones
Name:
Title: District 3 Director

Date: 5/22/14

Approved as to Form:

Attorney

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

By:
Name: Mike McKeever
Title: CEO

Date: 5/22/14

Approved as to Form:

Attorney

ATTEST

Clerk

APPENDIX C: POLICY RECOMMENDATIONS FOR THE EVALUATION AND MITIGATION OF SIGNIFICANT IMPACTS FROM LOCAL DEVELOPMENT PROJECTS ON THE STATE HIGHWAY SYSTEM 2014 MEMORANDUM OF UNDERSTANDING

DKS Associates
TRANSPORTATION SOLUTIONS

Policy Recommendations for the Evaluation and Mitigation of Significant Impacts from Local Development Projects on the State Highway System

INTRODUCTION

CEQA requires that the transportation impacts of local development projects be identified and that significant impacts be mitigated, including impacts to the State Highway System. In most cases, individual traffic impact studies are prepared to determine a project's impact on the State Highway System. This process requires an expense of time and money for the project applicant, cities, and Caltrans. Additional time and expense is then required to negotiate acceptable improvements or monetary contributions to mitigate identified impacts.

Individual development projects, in most cases, add limited amounts of traffic to the State highway system. Yet studies show that the cumulative effects of regional development over a period of 10 to 20 years are significant increases in traffic volumes on the State highway system, resulting in substantial increases in travel delay on an already burdened freeway system that serves everyone in the region. While local jurisdictions have been effective at using CEQA to mitigate development's traffic impacts on the local roadway system, they have been reluctant to deal with development's impact on the State Highway System, which has resulting in conflicts during the CEQA review process. The bottom line is that current practices are not leading to the implementation of improvements that will mitigate the cumulative impacts of development on the State Highway System.

Rather than continuing down the current path, transportation professionals representing the cities of West Sacramento, Sacramento and Elk Grove, plus Caltrans District 3, Caltrans Headquarters, SACOG, and Regional Transit were brought together to develop a better approach to mitigating impacts to the State Highway System by improving predictability and leveling the playing field for project applicants and local agencies. The purpose of the Subregional Freeway Working Group was to create a new "system" to mitigate impacts of new development on the State Highway System, which will be more cost effective, consistent, equitable, and predictable by providing more certainty for project applicants, cities and Caltrans.

This paper outlines the key issues related to the current practice of evaluating and mitigating significant impacts to the State Highway System due to local development projects. Most importantly, the paper defines a set of policy recommendations to resolve those issues, including the following:

- It defines a set of feasible improvements, agreed upon by the Subregional Freeway Working Group, which would significantly reduce overall travel delay on the portion of the State Highway system that serves the Subregion. The Working Group agrees

that implementation of this set of improvements would help to mitigate impacts caused by development within the Subregion.

- It provides a simple method to calculate the "fair share" funding contribution that a development should pay to help implement the improvements selected by the Working Group. This method could be used to establish a nexus-based development fee program for the Subregion. Whether or not a fee program is adopted by local governments, the Working Group agrees that payment of the funding contributions would adequately mitigate a development project's impact on the State Highway System under CEQA if local jurisdictions adopt the policies outlined in this paper.
- It outlines a set of policies that the cities of Sacramento, West Sacramento and Elk Grove should adopt to guide the evaluation and mitigation of impacts on the State Highway System in the Subregion.

CURRENT PRACTICE

Caltrans reviews local development projects and land use change proposals for their potential impact to State highway facilities based on traffic impact studies (TIS) prepared by local governments under CEQA. To facilitate their review, Caltrans has prepared a *"Guide for the Preparation of Traffic Impact Studies"* (December 2002) to provide a starting point and a consistent basis in which Caltrans evaluates traffic impacts to State highway facilities. Some key points related to this guide are:

- The Guide defines thresholds, based on the amount of project traffic assigned to a State highway facility, to determine when a TIS is needed. It does not have separate thresholds for a "significant impact" to the State highway facility.
- The Guide implies that if a development project adds any traffic to a State Highway that would be operating at an unacceptable level of service (LOS) without the project, it would cause a significant impact. Caltrans' Transportation Concept Reports (TCRs) define the acceptable LOS for each segment of the State Highway System.
- A substantial portion of the State Highway System covered by the Sub-Regional Mitigation Working Group already operates at the Concept LOS or worse conditions and a larger portion would operate at unacceptable conditions under typical "cumulative conditions" used in environmental documents studying development impacts.
- Since most development projects in the Sub-region would add at least one car to a State Highway that is operating at an unacceptable LOS (at least under cumulative conditions), it could be inferred from Caltrans' Guide that this would cause a significant impact.

Local governments also have guidelines for traffic impact studies which define thresholds for when a traffic study is required, and define standards for when a project causes a significant impact on various components of the transportation system, including the State highway

system. The TIS guidelines for the cities of Sacramento, West Sacramento and Elk Grove differ from Caltrans guidelines as well as from each other. Appendix A provides additional information on TIS guidelines used by Caltrans and by the cities of Sacramento, West Sacramento and Elk Grove.

SHORTCOMINGS OF CURRENT PRACTICE

Current practices are not leading to the implementation of improvements to the State Highway System that will mitigate development's impact because 1) there is disagreement between local jurisdictions and Caltrans on the policies used in traffic impact studies, 2) it has been difficult to define appropriate and feasible mitigation measures, 3) there is no mechanism in place to fund improvements to the State Highway System and 4) prospects of the proposed freeway improvements ever being constructed remains uncertain.

There is disagreement between the local jurisdictions and Caltrans on the policies used in traffic impact studies (TIS), particularly on thresholds used to determine when a TIS should be conducted and on the "standards of significance" that should be used to define significant impact to the State Highway System. Local jurisdictions believe that the thresholds/standards used by Caltrans are too low and overstate impacts. As a result, local governments have been defining their own "standards of significance" for impacts on the State highway system.

When a TIS identifies that a development project would cause a traffic impact on the mainline freeway system, it is often difficult to define an appropriate mitigation measure for the following reasons:

- The evaluation and mitigation practice related to the State highway system focuses on the analysis and mitigation of individual segments of the State highway system, which usually mean the level of service (LOS) on a freeway segment between two interchanges including the level of service at the "merge and diverge" points where traffic using ramps flow onto or off of the freeway.
- Caltrans and SACOG do not have approved plans to add lanes to many freeway segments. Widening many freeway segments does not appear to be feasible and there has been no agreement on alternative measures, such as improvements to parallel transportation facilities.
- There is currently insufficient information and certainty on which to base a feasible and viable mitigation measure to address the project's impact.
- There is no fee or other funding mechanism currently in place for future funding of improvements to the State highway system. Local jurisdictions cannot determine either the cost of the proposed improvement projects or the project's fair share proportional contribution to the improvement projects with sufficient certainty to develop a fee-based mitigation measure that would satisfy the legal requirements for fee-based mitigation under both CEQA and constitutional principals that call for a

nexus and rough proportionality between a project's impacts and the fee-based mitigation measure.

- The contribution of funds does not ensure that the project's impacts on the mainline freeway system would be fully mitigated.

- The prospects of the proposed freeway improvements ever being constructed remains uncertain due to funding priorities and on-going policy developments that may favor other approaches to addressing freeway congestion.

For these reasons, local jurisdictions have often concluded that appropriate mitigation measures can not be defined and/or have any certainty that they would be implemented. Thus their CEQA documents will usually define the impacts of a development project on the State Highway System as "significant and unavoidable".

The bottom line is that current practices are not leading to the implementation of improvements that will mitigate the cumulative impacts of development to the State Highway System

RECOMMENDED PROCESS TO IDENTIFY AND MITIGATE IMPACTS ON STATE HIGHWAY SYSTEM

The recommended solution to the shortcomings outlined above involves the following elements:

- Moving away from "standards of significance" that focus on the LOS of individual freeway segments and instead adopting standards related to impacts on overall travel delay on the freeway "system".

- Having local governments recognize that all but small developments would have some impact on overall travel delay of the freeway "system" that serves the region and thus most development projects should participate in funding improvements that reduce system delay on a fair-share basis.

- Defining a feasible package of improvements that would be effective in reducing overall travel delay on the regional freeway system

- Recognizing that the implementation of the package of improvements may not mitigate development's LOS impacts on all freeway segments in the Subregion. However, having an effective method to actually implement a package of improvements that would provide clear overall benefits to the regional freeway system is better than the current ineffective methods that attempt but fail to solve most individual freeway LOS impacts.

- Agreeing on fair-share development contributions to implement the defined set of mitigation measures. Ideally, the cities in the Subregion will eventually adopt a fee program to collect this funding. In the interim, by adopting the recommended standards of significance, local governments would have an agreement with Caltrans that payment of the funding contributions would adequately mitigate a development project's impact on the State Highway System under CEQA.

This recommended process for evaluating and mitigating impacts on State Highways in the Subregion involves the "standards of significance" and mitigation measures outlined in Method 1 below.

As an alternative, project applicants could elect to evaluate and mitigate traffic impacts on individual freeway segments instead of using the system-based method outlined in Method 1. This alternative process would use the "standards of significance" and mitigation measures outlined in Method 2 below. This alternative process would be subject to approval by the governing City, which is ultimately responsible to certify the environmental document.

Recommended Method 1

Standards of Significance

For development projects within the Subregion that is shown in Figure 1, the following are considered to be significant impacts on the State Highway System:

1) The project would contribute a significant increase in system-wide peak period travel delay on the State's freeway system within the Subregion. A significant increase in freeway system delay would be caused by projects that would generate a net increase of at least 100 AM or PM peak hour vehicle trip-ends[1]. Project's that would generate less than 100 peak hour vehicle trip-ends would not cause a significant impact on the State's mainline freeway system.

2) The project would cause vehicle queues on a freeway off-ramp to extend into the ramp's deceleration area or onto the freeway.

Mitigation of Significant Impacts

The Subregional Freeway Working Group, which includes transportation professionals representing the cities of West Sacramento, Sacramento and Elk Grove, plus Caltrans District 3, Caltrans Headquarters, SACOG, and Regional Transit have identified a set of improvements that would be used to mitigate CEQA traffic impacts of development projects on the State Highway System in the Subregion based on the following criteria:

[1] A trip-end is defined as either an origin or departure of a trip. Example: a round trip between two locations creates two trip ends at each location and four total trip ends.

- All of the selected improvements are included in SACOG's adopted 2035 MTP
- An evaluation of numerous projects in the MTP indicated that the selected improvements would be the most effective at reducing overall traffic delay on the freeway system serving the Subregion.
- The selected improvements are not fully funded by other sources and thus fair share funding contributions by development projects would facilitate their implementation.

The projects selected by the Subregional Freeway Working Group are shown in Table 1.

Traffic impacts on the State Highway System indentified under Standard of Significance 1 above can be mitigated if a development project pays its fair share funding contribution to fund the selected improvements outlined in Table 1. The method to calculate fair-share contributions is described in Appendix B.

Alternative Method 2

Standards of Significance

A project is considered to have significant impact on the State Highway System when:

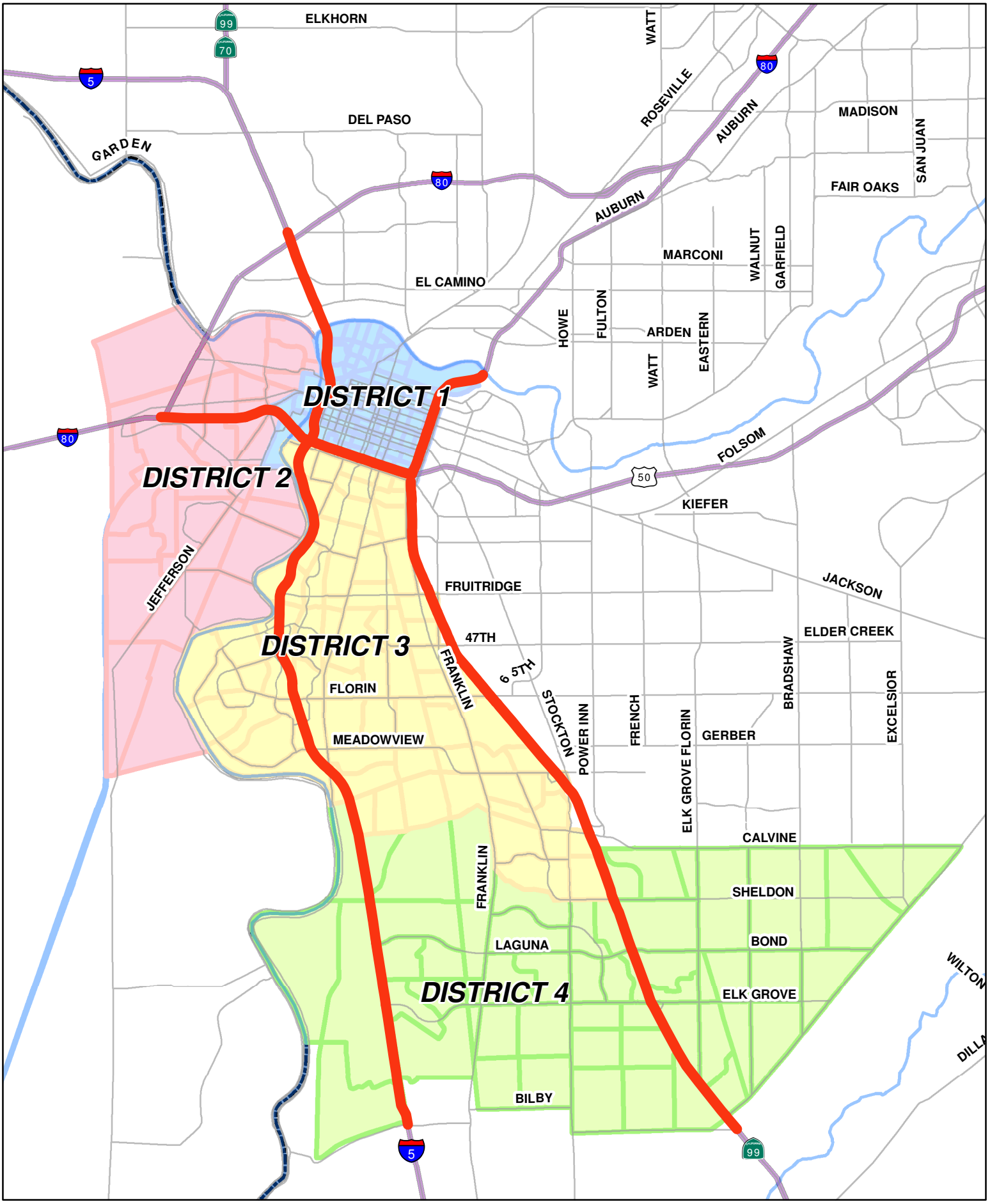
- Project causes vehicle queues on off-ramps to extend into the ramp's deceleration area or onto the freeway.
- Project traffic increases that cause any ramp's merge/diverge level of service to be worse than the freeway's level of service.
- Project traffic increases that cause the freeway level of service to deteriorate beyond level of service "E."

Mitigation of Significant Impacts

Under Alternative Method 2, a significant impact would be mitigated by:

1) Identifying a feasible measure acceptable to Caltrans that would mitigate the identified impacts.
2) Following the "Methodology for Calculating Equitable Mitigation Measures" as outlined in Caltrans' *"Guide for the Preparation of Traffic Impact Studies"* (December 2002).

FIGURE 1
FEE DISTRICTS FOR THE I-5 SUBREGIONAL MITIGATION WORKING GROUP



DKS Associates
TRANSPORTATION SOLUTIONS

Performance Area State Highway System

Table 1
Selected Improvements
Subregional Freeway Mitigation Working Group

Transit Improvements:

- Construct a portion of the DNA light rail line (MOS 1 and MOS 2) from Downtown to the Natomas Town Center to help relieve traffic on I-5

Local Roadway Improvements:

- Extending Cosumnes River Blvd from Franklin Boulevard to Freeport Boulevard and constructing an interchange on I-5. This improvement would help facilitate the shift in traffic between SR 99 and the less congested I-5 freeway.
- Extending Kammerer Road from I-5 to Bruceville Road This improvement would also help facilitate the shift in traffic between SR 99 and the less congested I-5 freeway
- Construct a new American River Crossing bridge, which would help relieve traffic congestion on I-5 between I-80 and US 50.
- Improve roadways in the Richards/Railyards area including:
  - improvements to the I-5/Richards Boulevard interchange
  - implementing the proposed Richards/Bannon Couplet,
  - Widening 7th Street and extending 6th Street to Richard Boulevard
  - Constructing an interchange at SR 160 and Richards Boulevard

  These improvements would help relieve traffic congestion on portions of I-5 and the Capitol City Freeway
- Construct a new Sacramento River Crossing bridge to relieve traffic congestion on US 50 near the Pioneer Bridge.

Freeway Improvements:

- Add HOV lanes on I-5 from Elk Grove Boulevard to US 50. This improvement would not only reduce traffic congestion on I-5 south of US 50 but it would divert traffic from SR 99
- Improve the I-5/I-80 interchange by adding direct connectors between HOV lanes on I-5 and I-80 and adding HOV lanes on I-5 south of I-80

Appendix A
Current Standards used in Traffic Impact Studies on Development Projects Related to State Highways

This appendix summarizes the standards or thresholds used to determine when a traffic impact study (TIS) is required, as well as the standards for when a project causes a significant traffic impact to the State Highway System, from the TIS guidelines adopted by Caltrans and the cities of Sacramento and West Sacramento and Elk Grove. These standards provide a background to the discussion on current practices in this paper.

Caltrans TIS Guidelines

To facilitate their review of traffic impact studies (TIS) prepared by local governments, Caltrans has prepared a *"Guide for the Preparation of Traffic Impact Studies"* (December 2002).

Trip Generation Thresholds

The following criteria are used by Caltrans as a starting point in determining when a TIS is needed. When a project:

1. Generates over 100 peak hour trips assigned to a State highway facility
2. Generates 50 to 100 peak hour trips assigned to a State highway facility – and, affected State highway facilities are experiencing noticeable delay; approaching unstable traffic flow conditions (LOS "C" or "D").
3. Generates 1 to 49 peak hour trips assigned to a State highway facility – the following are examples that may require a full TIS or some lesser analysis[4]:
    a. Affected State highway facilities experiencing significant delay; unstable or forced traffic flow conditions (LOS "E" or "F").
    b. The potential risk for a traffic incident is significantly increased (i.e., congestion related collisions, non-standard sight distance considerations, increase in traffic conflict points, etc.).
    c. Change in local circulation networks that impact a State highway facility (i.e., direct access to State highway facility, a non-standard highway geometric design, etc.)

While the above thresholds define when a TIS is needed, Caltrans guidelines do not have separate thresholds for a "significant impact" to the State highway facility. Some assume that the thresholds used to indicate the need for a TIS should also be used as standards of significance for traffic impacts on State Highways.

Local TIS Guidelines

Need for a Traffic Impact Study

In the City of Sacramento, a traffic impact study is necessary if any of the following are true:

1. The project will generate at least 100 AM or PM peak hour trip-ends[2]
2. The project generates at least 50 AM or PM peak hour trips on facility likely to be on main route used by project traffic and facility is already operating at LOS D-F.
3. The project may create a hazard to public safety.
4. The project will substantially change the off-site transportation system or connections to it.

In the City of Elk Grove, a traffic impact study will be recommended if any of the following are true:

1. The project will generate at least 100 new a.m. or p.m. peak hour vehicle trip-ends[2]
2. New project traffic will substantially affect an intersection or road segment already identified as operating at an unacceptable level of service (2).
3. The project may create a hazard to public safety.
4. The project will substantially change the off-site transportation system or connections to it.

In the City of West Sacramento, a traffic impact analysis shall be required as part of the project review process if it is determined that any of the following criteria are anticipated:

1. The project will generate at least 50 new peak hour vehicle trip-ends, in Passenger Car Equivalents (PCE's), and/or generate at least 500 daily vehicle trip-ends. Phased projects must be evaluated as a whole assuming full build-out conditions.
2. Traffic generated by the project will likely affect an intersection or a roadway segment already identified as operating at an unacceptable level of service.
3. The project will generate more than 40 percent of its total traffic in the form of truck traffic using PCE's and meets condition #1, above.

[2] A trip-end is defined as either an origin or departure of a trip. Example: a round trip between two locations creates two trip ends at each location and four total trip ends.

4. The project will intensify the usage, density, or traffic generation of the site above the level currently allowed by zoning codes, requiring a Conditional Use Permit, General Plan Amendment, or other discretionary permit.
5. The project may create a hazard for public safety.
6. The project may have significant impact on the city transportation system.

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Standards of Significance

The "standards (or thresholds) of significance" for impacts on the State Highway System cities of Sacramento and West Sacramento and Elk Grove are listed below based on recent environmental documents.

In the cities of Sacramento and West Sacramento, the following is considered to be significant impacts:

- Off-ramps with vehicle queues that extend into the ramp's deceleration area or onto the freeway.
- Project traffic increases that cause any ramp's merge/diverge level of service to be worse than the freeway's level of service.
- Project traffic increases that cause the freeway level of service to deteriorate beyond level of service "E."

(Sources: Delta Shores DEIR and Fulcrum Property Development Project DEIR)

In the City of Elk Grove, an impact is considered significant on freeway facilities if the Project causes the facility to change from acceptable to unacceptable LOS. For facilities that are, or will be (in the cumulative condition), operating at unacceptable levels of service without the Project, an impact is considered significant if the Project:

- Increases the volume to capacity (V/C) ratio on a freeway mainline segment or freeway ramp junction by 0.05
- Increases the number of peak hour vehicles on a freeway mainline segment or freeway ramp junction by more than 5 percent

(Source: Sutter Elk Grove Master Plan DEIR)

Appendix B
Fair Share Contributions to Mitigate Traffic Impacts on the State Highway System in the I-5/SR 99 Subregion

The fair-share contributions that would mitigate freeway impacts in the Subregion are equivalent to a nexus-based fee program. The purpose of the program developed by the Working Group is to help mitigate the traffic impacts of development on the portion of the State Highway System serving the Subregion, as shown in Figure 1.

Ideally, the cities in the Subregion will eventually adopt a fee program based on the calculations outlined in this appendix. In the interim, by adopting the recommended standards of significance outlined in this paper, local governments would have an agreement with Caltrans that payment of funding contributions based on this nexus analysis would adequately mitigate a development project's impact on the State Highway System under CEQA.

Methodology

The method used to calculate fair share is based on estimates of dwelling unit equivalent (DUE) rates that reflect new development's contribution to congestion on the State Highway System based on both the type and location of a development. Four districts have been defined for the Subregional Freeway Mitigation Program and these are also shown in Figure 1.

SACOG's regional travel forecasting model was used to determine the delay increase on a selected portion of the State Highway System that is caused by trips from each major land use type in each fee district. That information was then used to determine DUE rates that reflect each development's relative responsibility for funding improvements that would help mitigate congestion on the State Highway System.

The advantage of the selected delay-based calculation is its ability to quantify impacts based not only on trip length but also trip direction. For example, an AM commute trip from Elk Grove to Downtown Sacramento would have a heavier impact to the State Highway System than an AM commute trip from Downtown Sacramento to Elk Grove, yet both commute trips have the same travel distance on the State Highway System. The heavier impact is due to the freeway's existing congestion being a directional problem on many of the selected freeway segments. The DUE rates also capture the effects of a district having an over- or under-supply of retail or total jobs for the number of houses in that district and thus promote Smart Growth.

Selected Improvements

Table B-1 shows the projects selected by the Working Group based on their ability to reduce traffic delay on the selected portion of the State Highway System.

The nexus analysis indicates that a 10 percent growth in delay on the selected portion of the State Highway System can be attributed to proposed development in the Subregion through 2018. The analysis indicates that collectively the selected projects would not provide more than about a 6 percent reduction in delay – and the proposed Subregional Freeway Mitigation Program would only fund about 10 percent of the total cost of the selected projects. Thus, the resulting funding levels would be below a development's fair share contribution to traffic impacts on the State Highway System

Table B-1
Project List - Subregional Freeway Mitigation Working Group

Project	Description	Cost ($million)		Assumed Funding from Fee Program ($million)
		Total	Unfunded	
Transit				
DNA LRT MOS 1 + 2	Extend rail from Downtown to Natomas Town Center.	448	438	10
Local Roadway				
Cosumnes River Blvd	Cosumnes River Blvd. interchange on I-5 and extend road from Franklin Blvd. to Freeport	95	66	10
Kammerer Rd	Construct: 4 lane parkway from I-5 to Highway 99	50	35	10
American River Crossing	New bridge across the American River	150	150	10
Richards/ Railyards	I-5/Richards I/C, Richards/Bannon Couplet, 7th St. Widening, 6th St. Extension to Richards, SR 160 IC	100	100	15
Sacramento River Crossing	New bridge across the Sacramento River	100	100	30
Freeway				
I-5 HOV	HOV lanes from Elk Grove Blvd. to US 50	200	96	65
I-5/I-80 Interchange	HOV connectors and HOV lanes on I-5 south of I-80	300	195	
	Total	**1,443**	**1,180**	**150**

Source: SACOG and DKS Associates, 2008

Table B-1 also shows the funding levels that the Subregional Freeway Mitigation Program would provide for each of the selected improvements. In total, the Program would provide about $150 million in funding for the selected improvements.

Mitigation Funding Rates

"Mitigation funding rates" are based on estimates of dwelling unit equivalent (DUE) rates that reflect new development's contribution to congestion on the State Highway System based on both the type and location of a development. Table B-2 shows the estimated DUE rates defined in the nexus analysis for a set of land use categories. The list of land use categories may be expanded from those shown in this table when the Program is implemented but they illustrate some key categories.

Three categories of single-family units were defined to recognize that smaller and larger households have different traffic impacts than average (1,200 to 2,500 square feet) households. DUE rates were scaled such that an average single family dwelling unit in Elk Grove (Fee District 4) is equal to 1.00. A residential unit in Elk Grove has a higher impact on the State Highway system, and thus higher DUE rate, than a residential unit in the Sacramento Central City. Conversely, a square foot of office space in Elk Grove has a lower impact on the State Highway System than a square foot of office space in the Sacramento Central City

Table 2
DUE Rates
Subregional Freeway Mitigation Program

Land Uses		Unit	Preliminary DUE Rates			
			Sacramento Central City/ West Sacramento Riverfront	West Sacramento (North and Southport)	Land Park/ So Sac/ Pocket	Elk Grove
Residential	Single Family Less than 1,200 sq ft	DU	0.43	0.38	0.63	0.88
	1,200 to 2,500 sq ft	DU	0.49	0.43	0.71	**1.00**
	Greater than 2,500 sq ft	DU	0.57	0.50	0.83	1.17
	Multi-family	DU	0.30	0.26	0.44	0.62
Retail	General Commercial	sq. ft	0.00093	0.00074	0.00081	0.00034
	Car Sales	sq. ft	0.00068	0.00054	0.00060	0.00025
	Gas Station	fuel sta	0.95	0.75	0.82	0.35
	Hotel/Motel	room	0.26	0.21	0.23	0.09
Office	General Office	sq. ft	0.00092	0.00066	0.00059	0.00023
Industrial / Other	General Light Industrial	sq. ft	0.00065	0.00046	0.00041	0.00016
	Heavy Industrial	sq. ft	0.00045	0.00032	0.00028	0.00011
	Warehousing	sq. ft	0.00031	0.00022	0.00020	0.00008

Source: DKS Associates, 2008

Table B-3, shows that, with the estimated growth in development over about 20 years, a rate of $2,900 per DUE would yield about $150 million, which would provide the desired funding levels for the selected projects shown in Table B-1. The estimated mitigation rates by land use category based on a $2,900 per DUE are shown in Table B-4.

Table B-3
Estimated Funding from Subregional Freeway Mitigation Program
20 Years of Growth at $2,900/DUE

	District	Estimated Growth in DUEs	Estimated Funding
1	Sacramento Central City / W Sacramento Riverfront	13,630	$39,500,000
2	West Sacramento (North and Southport)	7,850	$22,800,000
3	Land Park / So. Sacramento / Pocket	9,490	$27,500,000
4	Elk Grove	20,750	$60,200,000
	Total	**51,720**	**$150,000,000**

Source: DKS Associates, 2008

Table B-4
Mitigation Rates
Subregional Freeway Mitigation Fee Program

Land Uses		Unit	Mitigation Rates: Sacramento Central City/ West Sacramento Riverfront	West Sacramento (North and Southport)	Land Park/ So Sac/ Pocket	Elk Grove
Residential	Single Family					
	Less than 1,200 sq ft	DU	$1,252	$1,099	$1,814	$2,555
	1,200 to 2,500 sq ft	DU	$1,421	$1,247	$2,059	$2,900
	Greater than 2,500 sq ft	DU	$1,660	$1,457	$2,406	$3,388
	Multi-family	DU	$990	$869	$1,434	$2,020
Retail	General Commercial	sq. ft	$2.70	$2.15	$2.35	$0.99
	Car Sales	sq. ft	$1.98	$1.58	$1.73	$0.72
	Gas Station	fuel sta	$2,745	$2,184	$2,391	$1,003
	Hotel/Motel	room	$753	$599	$656	$275
Office	General Office	sq. ft	$2.67	$1.91	$1.71	$0.67
Industrial / Other	General Light Industrial	sq. ft	$1.89	$1.33	$1.19	$0.46
	Heavy Industrial	sq. ft	$1.31	$0.93	$0.83	$0.32
	Warehousing	sq. ft	$0.90	$0.64	$0.57	$0.22

Source: DKS Associates, 2008

Final Supplement
to the
2012 MTP/SCS EIR

I-5 Freeway Subregional Corridor Mitigation Program

SCH # 2011012081

Prepared for:

SACOG

Prepared by:

Adrienne Graham, AICP, and DKS Associates

July 2015

Final Supplement to the 2012 MTP/SCS EIR

I-5 Freeway Subregional Corridor Mitigation Program

Prepared for:

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Prepared by:

Adrienne Graham and DKS Associates

July 2015

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1. INTRODUCTION

1. INTRODUCTION

INTRODUCTION

This Final Supplemental Environmental Impact Report (FSEIR) contains the one agency comment received during the public review period on the Draft Supplemental to the Environmental Impact Report (EIR) for the 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy adopted in 2012 (MTP/SCS) for the I-5 Freeway Subregional Corridor Mitigation Program (SCMP or Proposed Project).

BACKGROUND

The Environmental Impact Report (EIR) is an informational document intended to disclose to the decision-makers and the public the environmental consequences of approving the proposed project. The Draft SEIR was circulated for agency and public comment from May 4 through June 18, 2015.

OVERVIEW OF THE PROPOSED PROJECT

The Sacramento Area Council of Governments (SACOG) is the Lead Agency for the preparation of a Supplement to the Environmental Impact Report (EIR) for the 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy adopted in 2012 (MTP/SCS). The Supplement addresses the I-5 Subregional Corridor Mitigation Program.

The SCMP consists of a voluntary development impact fee for new developments within the Interstate 5 corridor between Elk Grove, downtown Sacramento and West Sacramento that would be used to construct a set of transportation improvements identified in the MTP/SCS. The Proposed Project improvements would reduce impacts from new development that would cause vehicle delay and congested vehicle-miles of travel (VMT) on the portion of the State highway system within the Project Area. Under the SCMP, a project applicant whose project would generate vehicle trips over the threshold could choose to either pay the fee, which would constitute mitigation of that development project's impacts on the freeway mainline, or as part of a Traffic Impact Study, would evaluate that project's impacts on the freeway system and identify mitigation for those impacts. The SCMP would be implemented by the Cities of Sacramento, Elk Grove and West Sacramento, and would be relied upon by SACOG as a source of funding for the MTP projects.

A full description of the Proposed Project is provided in Chapter 3, Project Description, of the DSEIR.

DSEIR TEXT CHANGES

Typically, a Final EIR includes any changes and/or corrections to the Draft SEIR in response to public or agency comment or staff review. No comments were received addressing the content of the DSEIR and the SACOG staff has not identified any necessary revisions. Therefore, the DSEIR has not been revised.

COMMENTS AND RESPONSES

The DSEIR was provided to the State Clearinghouse and libraries in Elk Grove, West Sacramento and the City of Sacramento. Notices of the availability were placed in local newspapers and on SACOG's website and sent to local and State agencies that could have an interest in the project, and to individuals and organizations that had asked to receive notice of documents related to the 2012 MTP/SCS. The only comment received from a State agency came from the State Clearinghouse and Planning Unit (SCH) of the Governor's Office of Planning and Research, which stated that no agency comments had been received by the SCH. No comments were received by SACOG from any other agencies, or members of the public or organizations. The letter from the SCH is included in Chapter 2.

MITIGATION MONITORING AND REPORTING PROGRAM

A Mitigation Monitoring and Reporting Program (MMRP) identifies the parties responsible for implementing and monitoring the measures, and the timing of such implementation. The proposed project is subject to the Mitigation Monitoring Program prepared for the 2012 MTP/SCS EIR, which was adopted by SACOG in 2012. The DSEIR did not identify any new mitigation measures, so no separate MMP was prepared for the DSEIR.

2. COMMENT ON THE DSEIR

JUN 2 2 2015

STATE OF CALIFORNIA

Governor's Office of Planning and Research

State Clearinghouse and Planning Unit

Edmund G. Brown Jr.
Governor

Ken Alex
Director

June 18, 2015

Azadeh Doherty
Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

Subject: I-5 Subregional Corridor Mitigation Program (aka Subregional Freeway Mitigation Fee Program)
SCH#: 2011012081

Dear Azadeh Doherty:

The State Clearinghouse submitted the above named Supplemental EIR to selected state agencies for review. The review period closed on June 17, 2015, and no state agencies submitted comments by that date. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the ten-digit State Clearinghouse number when contacting this office.

Sincerely,

Scott Morgan
Director, State Clearinghouse

1400 TENTH STREET P.O. BOX 3044 SACRAMENTO, CALIFORNIA 95812-3044
TEL (916) 445-0613 FAX (916) 323-3018 www.opr.ca.gov

Document Details Report
State Clearinghouse Data Base

SCH# 2011012081
Project Title I-5 Subregional Corridor Mitigation Program (aka Subregional Freeway Mitigation Fee Program)
Lead Agency Sacramento Area Council of Governments

Type SIR Supplemental EIR

Description The Proposed Project is a development fee program that would contribute toward implementation of transportation improvements (road, bridge, transit) that would relieve congestion and reduce vehicle miles traveled within the Project Area. The fee would be voluntary. If a development project within the Project Area elected to pay the fee, then that project's impacts on the State highway system within the Project Area would be considered mitigated. All of the improvements that would be funded by the Proposed Project are included in the 2035 MTP and were evaluated at a program level in the 2035 MTP/SCS EIR.

Lead Agency Contact

Name Azadeh Doherty
Agency Sacramento Area Council of Governments
Phone 916-340-6221 **Fax**
email
Address 1415 L Street, Suite 300
City Sacramento **State** CA **Zip** 95814

Project Location

County Sacramento, Sutter, Yolo, Yuba, El Dorado, Placer
City
Region
Lat / Long
Cross Streets
Parcel No. Various
Township **Range** **Section** **Base**

Proximity to:

Highways I-50, I-80, SR-50
Airports
Railways Multiple
Waterways Sacramento and American Rivers
Schools Multiple
Land Use Multiple

Project Issues Traffic/Circulation

Reviewing Agencies Resources Agency; Department of Fish and Wildlife, Region 2; Department of Parks and Recreation; Department of Water Resources; California Highway Patrol; Caltrans, District 3 S; Caltrans, Division of Transportation Planning; Air Resources Board; Regional Water Quality Control Bd., Region 5 (Sacramento); Native American Heritage Commission

Date Received 05/04/2015 **Start of Review** 05/04/2015 **End of Review** 06/17/2015

Note: Blanks in data fields result from insufficient information provided by lead agency.

$3069.75

FILED
SACRAMENTO COUNTY

AUG 25 2015

DONNA ALLRED, CLERK/RECORDER
BY _____ DEPUTY

Print Form

150410

Notice of Determination

Appendix D

To:

☐ Office of Planning and Research

U.S. Mail: P.O. Box 3044, Sacramento, CA 95812-3044

Street Address: 1400 Tenth St., Rm 113, Sacramento, CA 95814

☒ County Clerk
County of: Sacramento
Address: _____

From:
Public Agency: SACOG
Address: 1415 L Street, Suite 300
Sacramento, CA 95814
Contact: Azadeh Doherty
Phone: 916-340-6221

Lead Agency (if different from above):
Address: _____
Contact: _____
Phone: _____

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2011012081

Project Title: I-5 Freeway Subregional Corridor Mitigation Program

Project Applicant: SACOG

Project Location (include county): Cities of Sacramento, Elk Grove and West Sacramento, Sacramento County

Project Description:
The SCMP consists of a voluntary development impact fee for new developments within the Interstate 5 corridor between Elk Grove, downtown Sacramento and West Sacramento that would be used to construct a set of transportation improvements identified in the MTP/SCS. Under the SCMP, a project applicant whose project would generate vehicle trips over the threshold could choose to either pay the fee, which would constitute mitigation of that development project's impacts on the freeway mainline, or as part of a Traffic Impact Study, would evaluate that project's impacts on the freeway system and identify mitigation for those impacts. The SCMP would be implemented

This is to advise that the SACOG (☒ Lead Agency or ☐ Responsible Agency) has approved the above described project on August 20, 2015 (date) and has made the following determinations regarding the above described project.

1. The project [☐ will ☒ will not] have a significant effect on the environment.
2. ☒ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
   ☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☐ were ☒ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☐ was ☒ was not] adopted for this project.
5. A statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:
SACOG, 1415 L Street, Suite 300, Sacramento, CA 95814

Signature (Public Agency): Azadeh Doherty Title: Senior Planner

Date: 8/20/15 Date Received for filing at OPR: _____

Authority cited: Sections 21083, Public Resources Code.
Reference Section 21000-21174, Public Resources Code.

Revised 2011

POSTED BY SACRAMENTO CO. CLERK-RECORDER
FROM: Aug. 25, 2015 TO: ~~Sept 25, 2015~~