

City of Petaluma

Traffic Mitigation Fee Program Update ADDENDUM 1



Prepared by City of Petaluma
May 2016

This addendum updates Table 3-3 and Tables 3-6 through 3-12 of the Traffic Mitigation Fee Program Update prepared by Fehr & Peers (August 2012). The revised tables incorporate updated cost figures associated with the Redevelopment Supplement of the fee program, establishes a new land use category and fee for gas/service stations, update the methodology from the 2012 fee study, and incorporate new improvement costs associated with parking for the SMART stations and increase the amount of the fee to support right of way acquisition for the Rainier Avenue Extension and Interchange project.

Table 3-3 provides the estimated cost of improvements provided by the City of Petaluma. The updated table amends the cost estimates for the Rainier Avenue Extension and Interchange and adds the new SMART station parking to the list of improvements.

| Table 3-3: City of Petaluma Circulation Improvements | | | |
|--|----------------------------|---------------------------|---------------------------|
| Improvement | Estimated Costs | | |
| | Total Project Cost | Other Funding | Net City Cost |
| Rainier Avenue Extension and Interchange – locally preferred alternative (Alt 2) | \$114,983,500 ¹ | \$25,258,403 ² | \$89,725,097 |
| Caulfield Lane Extension | \$63,082,240 | \$8,521,046 ³ | \$54,561,194 ⁴ |
| Old Redwood Highway Interchange Improvements | \$43,115,000 | \$40,235,010 ⁵ | \$2,879,990 |
| Caulfield Lane/Payran Street Intersection Improvements | \$500,000 | \$ - | \$500,000 |
| Petaluma Boulevard/Magnolia Avenue – Payran Street Intersection | \$500,000 | \$ - | \$500,000 |
| Construction of New Intersections Throughout the City ¹ | \$2,250,000 ⁷ | \$ - | \$2,250,000 |
| Traffic Signal Upgrades Throughout the City ² | \$1,885,000 | \$ - | \$1,885,000 |
| Pedestrian/Bicycle Improvements Throughout the City ³ | \$27,389,000 | \$ - | \$27,389,000 |
| Transit Improvements Throughout the City ⁶ | \$2,500,000 | \$ - | \$2,500,000 |
| Redevelopment Supplement ⁸ | \$9,972,739 | \$ - | \$9,972,739 |
| SMART Station (350 Parking Spaces) ⁹ | \$10,500,000 | \$ - | \$10,500,000 |
| Total | \$276,677,479 | \$74,014,459 | \$202,663,020 |

Notes:

1. Covers modified diamond interchange configuration alternative (Alternative 2 of Rainier Avenue Project Study Report); based on cost estimates of Jacobs 2009.
2. Funding includes \$7.5M in former Petaluma Community Development Commission (PCDC) funds allocated by City Council and \$23.4M in local roadway construction costs and dedicated ROW to be covered by development adjacent to the project.
3. Cost of local roadway construction covered by development adjacent to the site. Other funding includes \$2,012,726 fair share contribution from Quarry Heights project.
4. Covers bridge only.
5. Funding includes \$11.3M in former Petaluma Community Development Commission (PCDC) funds allocated by City Council and \$28.9M in a combination of Measure M, SLPP, developer contributions, and Assessment District 21 funds.
6. Includes bus stop improvements, real time transit information system, and signal priority system for transit.
7. Cost reflects six intersections to be constructed. Cost estimate based on 3 signalized intersections and 3 roundabouts.
8. Represents the \$18.8M in former Petaluma Community Development Commission (PCDC) agreements currently disputed

by the CA Department of Finance (see notes 2 & 5 above). The City will collect this supplement pending resolution of the status of these funds. If the PCDC agreements are recognized, as the City believes they must be, the TMF will be adjusted to remove the Redevelopment Supplement. Adjusted to \$9,972,739 to reflect 2014 Bond Proceeds of \$8,836,001.

9. Parking needs identified in SMART White Paper No. 11 (February 2008)

Source: City of Petaluma, 2015.

Table 3-6 presents the growth projections used in the analysis. Compared to the projections used in the 2012 analysis, 65 accessory dwelling units, and 16 gas/service station fuel positions have been added to the growth scenario.

| TABLE 3-6: CITY OF PETALUMA DWELLING UNIT EQUIVALENT (DUE) CONVERSION FACTORS | | | | | | |
|---|---------------|--------|--------|--------|-----------------------------|----------|
| Land Use Category | Unit | 2007 | 2012 | 2025 | Total Growth (2012 to 2025) | % Growth |
| Single-Family Dwelling Unit | Dwelling Unit | 18,251 | 18,266 | 19,796 | 1,530 | 8% |
| Multi-Family Dwelling Unit | Dwelling Unit | 2,558 | 2,820 | 6,380 | 3,560 | 126% |
| Accessory Dwelling Unit | Dwelling Unit | | | | 65 | |
| Senior Housing | Dwelling Unit | 1,554 | 1,612 | 1,731 | 119 | 7% |
| Office | KSF | 5,820 | 6,044 | 8,676 | 2,632 | 44% |
| Hotel/Motel | Room | 682 | 682 | 879 | 197 | 29% |
| Commercial/Shopping | KSF | 4,421 | 4,524 | 7,148 | 2,624 | 58% |
| Industrial/Warehouse | KSF | 5,504 | 5,027 | 5,449 | 422 | 8% |
| Education | Student | 18,036 | 18,036 | 23,087 | 5,051 | 28% |
| Institution | KSF | 1,432 | 1,432 | 1,432 | - | 0% |
| Gas/Service Station | Fuel Position | 142 | 142 | 158 | 16 | 11% |

Source: City of Petaluma, 2015.

Table 3-7 recalculates the dwelling unit equivalent (DUE) factors, using updated data from the Institute of Traffic Engineers Trip Generation Handbook, 9th Edition, and SANDAG's Brief Guide of Vehicular Traffic Generation Rates (July 2002). The "Percent New Trips" column need only be multiplied by the peak hour trip rate in order to estimate vehicle trips per unit. Vehicle trips per unit for each land use is then divided by the vehicle trips per single family dwelling unit to determine the DUE factor for each land use.

| TABLE 3-7: CITY OF PETALUMA DWELLING UNIT EQUIVALENT (DUE) CONVERSION FACTORS | | | | | |
|---|---------------|----------------------------------|--------------------------|--------------------------|---------------------------|
| Land Use Category | Unit | Peak Hour Trip Rate ¹ | % New Trips ² | VT per Unit ³ | DUE per Unit ⁴ |
| Single-Family Dwelling Unit | Dwelling Unit | 1.01 | 86% | 0.87 | 1.00 |
| Multi-Family Dwelling Unit ⁵ | Dwelling Unit | 0.62 | 86% | 0.53 | 0.61 |
| Accessory Dwelling Unit ¹² | Dwelling Unit | 0.28 | 86% | 0.24 | 0.28 |
| Senior Housing ⁶ | Dwelling Unit | 0.27 | 86% | 0.23 | 0.27 |
| Office ⁷ | KSF | 1.49 | 77% | 1.15 | 1.32 |
| Hotel/Motel | Room | 0.59 | 58% | 0.34 | 0.39 |
| Commercial/Shopping ⁸ | KSF | 3.73 | 45% | 1.68 | 1.93 |
| Industrial/Warehouse ⁹ | KSF | 0.86 | 79% | 0.68 | 0.78 |
| Education ¹⁰ | Student | 0.15 | 57% | 0.09 | 0.10 |
| Institution ¹¹ | KSF | 0.55 | 64% | 0.35 | 0.41 |
| Gas/Service Station ¹³ | Fuel Position | 13.38 | 21% | 2.81 | 3.23 |

Notes:

1. ITE Trip Generation, 8th Edition, 2008. Rates based on PM peak hour of adjacent traffic.
2. SANDAG Brief Guide of Vehicular Traffic Generation Rates, July 2002.
3. VT (vehicle trip) per unit = peak hour trip rate * % new trips.
4. DUE per unit = VT per unit / VT per single-family dwelling unit
5. ITE Apartment rate used.
6. ITE Senior Adult Housing – Detached rate used.
7. ITE General Office Building (PM peak hour) rate used.
8. ITE Shopping Center rate used for all commercial uses.
9. ITE Industrial Park rate used for all industrial uses.
10. ITE Elementary school (PM peak hour generator) rates used for all educational uses.
11. ITE Church rate used for all general institutional uses.
12. Assuming one person on average lives in accessory unit, use ITE peak hour rate of 0.28 per person.
13. ITE Service Station w/Convenience Market used.

Source: Fehr & Peers, 2012. Willdan, 2015.

Table 3-8 recalculates the growth in DUE using the revised DUE factors from the preceding table. The growth per dwelling unit, thousand square feet, hotel room, student or fuel position is multiplied by the corresponding DUE factor from Table 3-7 to convert projected growth into DUEs. Using the revised growth scenario and revised DUE factors results in a growth increment of 12,772 DUEs, compared to the 9,096 calculated in the City's 2014 analysis. Total DUEs at buildout have also increased. These adjustments result in new development representing a larger share of total build out DUEs, compared to the 2014 analysis (22.43% v. 19.53%).

| TABLE 3-8: CITY OF PETALUMA GROWTH IN DWELLING UNIT EQUIVALENTS (DUE) | | | | |
|--|---------------|---------------------------------|---------------------------------|---------------------------------|
| Land Use Category | Unit | Total Growth¹ | DUE per Unit² | Growth Converted to DUEs |
| Single-Family Dwelling Unit | Dwelling Unit | 1,530 | 1.00 | 1,530 |
| Multi-Family Dwelling Unit | Dwelling Unit | 3,560 | 0.61 | 2,185 |
| Accessory Dwelling Unit | Dwelling Unit | 65 | 0.28 | 18 |
| Senior Housing | Dwelling Unit | 119 | 0.27 | 32 |
| Office | KSF | 2,632 | 1.32 | 3,477 |
| Hotel/Motel | Room | 197 | 0.39 | 78 |
| Commercial/Shopping | KSF | 2,624 | 1.93 | 5,071 |
| Industrial/Warehouse | KSF | 422 | 0.78 | 330 |
| Education | Student | 5,051 | 0.10 | 0 ³ |
| Institution | KSF | - | 0.41 | 0 |
| Gas/Service Station | Fuel Position | 16 | 3.23 | 52 |
| Total New Development DUEs | | | | 12,772 |
| Total Build Out DUEs ⁴ | | | | 56,941 |
| Percentage of Total Build Out DUEs ⁵ | | | | 22.43% |

Notes:

1. Table 3-6: City of Petaluma Travel Demand Model Land Use Projections
2. Table 3-7: City of Petaluma DUE Conversion Factors
3. While a growth in student enrollment is projected, no new schools are anticipated to be constructed.
4. Total Build Out DUEs = DUE per unit * 2012 land use projections (Table 3-6) + total new development DUEs
5. Percentage of Total Build Out DUEs = Total New Development DUEs / Total Build Out DUEs

Source: Fehr & Peers, 2012. Willdan, 2015.

Table 3-9 recalculates new development's share of the intersection projects included in the TIF. Adjustments have been made to projects where the fair share is equal to the new development's share of DUEs at buildout. After the adjustments, a larger share of projects has been allocated to new development compared to the 2012 analysis (\$1,668,224 v. \$1,646, 472).

| TABLE 3-9: CONSTRUCTION OF NEW INTERSECTIONS FEE CONTRIBUTIONS | | | | |
|---|----------------------------------|---|------------------------------|-----------------------------------|
| Intersection | Net City Cost¹ | Cross-Town Reliever?² | New Development Share | Potential Fee Contribution |
| Industrial @ Corona | \$300,000 | Yes | 100% | \$300,000 |
| Rainier and Maria | \$450,000 | Yes | 100% | \$450,000 |
| Caulfield and Ely | \$450,000 | Yes | 100% | \$450,000 |
| Casa Grande / McDowell | \$450,000 | No | 22.43% | \$100,934 |
| Lindberg/Lakeville | \$300,000 | Yes | 100% | \$300,000 |
| South McDowell/Lakeville | \$300,000 | No | 22.43% | \$67,290 |
| Total | \$2,250,000 | -- | -- | \$1,668,224 |

Notes:

1. Based on Traffic Impact Mitigation Fee Program Update Memo from the City dated 5/1/12.
2. Based on discussions with the City. Out of the six intersections encompassing the \$2.25M cost, only four relieved crosstown traffic and were included 100% in the final fee contribution total.
3. See Table 3-8 City of Petaluma Growth in DUEs for calculation detail.

Source: Fehr & Peers, 2012. Willdan, 2015.

Table 3-10 recalculates new development's share of pedestrian/bicycle projects. The "new miles contribution" is equal to: minimum new miles for new DUE / new miles X new value. This results in an allocation of \$8,978,853 worth of pedestrian and bicycle improvements to new development.

| TABLE 3-10: CITY OF PETALUMA PEDESTRIAN/BICYCLE FEE CONTRIBUTION CALCULATION | |
|---|--------------|
| Existing Bicycle Miles ¹ | 74.6 |
| Existing Value ¹ | \$48,980,000 |
| Existing DUE ² | 44169.30 |
| Existing Bicycle Miles per DUE | 0.0017 |
| New DUE ³ | 12772 |
| Minimum Miles for new DUE | 21.6 |
| New Miles ¹ | 65.80 |
| New Value ¹ | \$27,389,000 |
| New Miles Contribution | \$8,978,853 |
| % of Total Cost | 33% |

Notes

1. City of Petaluma, 2012
2. 2012 Land Use (per Table 3-6 Travel Demand Model) * DUE per unit (per Table 3-7 DUE Conversion Factors)
3. See Table 3-8 Growth in DUE.
4. =Miles for new DUE/New Miles * New Value

Source: Fehr & Peers, 2012. Willdan 2015.

Table 3-11 recalculates new development's share of circulation improvement projects based on the adjustments in the preceding tables. In total, \$173.4 million in improvement costs are allocated to 12,772 DUEs of growth, resulting in a fee of \$13,577 per DUE.

Table 3-11: City of Petaluma Circulation Improvements Fee Contributions

| Improvement | Net City Cost | New Development Share | Potential Fee Contribution |
|--|----------------------|-----------------------|----------------------------|
| Rainier Avenue Extension and Interchange – locally preferred alternative | \$89,725,097 | 100.00% | \$89,725,097 |
| Caulfield Lane Extension | \$54,561,194 | 100.00% | \$54,561,194 |
| Old Redwood Highway Interchange Improvements | \$2,879,990 | 100.00% | \$2,879,990 |
| Caulfield Lane/Payran Street Intersection Improvements | \$500,000 | 100.00% | \$500,000 |
| Petaluma Boulevard/Magnolia Avenue – Payran Street Intersection | \$500,000 | 100.00% | \$500,000 |
| Construction of New Intersections Throughout the City ¹ | \$2,250,000 | 74.14% | \$1,668,224 |
| Traffic Signal Upgrades Throughout the City ² | \$1,885,000 | 22.43% | \$422,803 |
| Pedestrian/Bicycle Improvements Throughout the City ³ | \$27,389,000 | 32.78% | \$8,978,853 |
| Transit Improvements Throughout the City ² | \$2,500,000 | 22.43% | \$560,746 |
| Redevelopment Supplement | \$9,972,739 | 100.00% | \$9,972,739 |
| SMART Station (350 Parking Spaces) ² | \$10,500,000 | 22.43% | \$2,355,134 |
| Administration Costs ⁴ | -- | -- | \$1,278,262 |
| Total | \$202,663,020 | -- | \$173,403,042 |
| Projected Growth in DUEs ² | | | 12,772 |
| Fee Per DUE | | | \$13,577 |
| Prior Fee per DUE ⁵ | | | \$12,949 |

Notes:

1. See Table 3-9 Construction of New Intersections Fee Contributions for calculation detail.
2. See Table 3-8 City of Petaluma Growth in DUEs for calculation detail.
3. See Table 3-10 Pedestrian/Bicycle Contribution Calculation for detail.
4. Provided by the City of Petaluma, 2012.
5. Based on Fee per DUE contained in 2015 Addendum 1.

Source: Fehr & Peers, 2012. Willdan, 2015. City of Petaluma, 2016.

Table 3-12 presents the revised traffic impact fees. The revised fee per DUE from Table 3-11 is multiplied by the revised DUE factors from Table 3-7 to determine the fee per land use category.

| Table 3-12: City of Petaluma Traffic Impact Fees | | | | |
|---|---------------|---------------------------|--------------------------|----------|
| Land Use Type | Unit | DUE per Unit ¹ | Fee per DUE ² | Fee |
| Single-Family Dwelling Unit | Dwelling Unit | 1.00 | \$13,577 | \$13,577 |
| Multi-Family Dwelling Unit | Dwelling Unit | 0.61 | | \$8,334 |
| Accessory Dwelling Unit | Dwelling Unit | 0.28 | | \$3,764 |
| Senior Housing | Dwelling Unit | 0.27 | | \$3,629 |
| Office | KSF | 1.32 | | \$17,933 |
| Hotel/Motel | Room | 0.39 | | \$5,349 |
| Commercial/Shopping | KSF | 1.93 | | \$26,236 |
| Industrial/Warehouse | KSF | 0.78 | | \$10,619 |
| Education | Student | 0.10 | | \$1,336 |
| Institution | KSF | 0.41 | | \$5,502 |
| Gas/Service Station | Fuel Position | 3.23 | | \$43,919 |

Notes:

1. Table 3-7 City of Petaluma DUE Conversion Factors
2. Table 3-11 City of Petaluma Circulation Improvements Fee Contributions

Source: Fehr & Peers, 2012. Willdan, 2015