

Appendix TR-2

**Transportation Mitigation Strategy
(as presented to the Sacramento
County Board of Supervisors for
the Jackson Corridor
Development Projects, July 23,
2019 and amended by the Board of
Supervisors on March 9, 2021)**

County of Sacramento

Jackson Corridor Development Projects

Transportation Mitigation Strategy

July 23, 2019

Amended March 9, 2021

This Transportation Mitigation Strategy (“Strategy”) shall apply to all development projects within the following Jackson Highway Corridor plan areas:

- a. West Jackson Highway Master Plan
- b. Jackson Township Specific Plan
- c. Newbridge Specific Plan
- d. Mather South Community Master Plan

Development projects within the plan areas are responsible for implementing roadway segment and intersection improvements that are required to mitigate impacts to the transportation network, as set forth in each project’s approved environmental documents and conditions of approval. It is the intent of Sacramento County that impacts to the transportation network be mitigated concurrent with the implementation of the impacting development project. This Strategy will guide the identification, delivery and construction of the regional “Existing plus Project” and “Existing plus Multiple Projects” roadway segment and intersection improvements that will be required to be built with each incremental development project within the above plan areas.

Definitions

Build Improvements: The regional “Existing plus Project” and “Existing plus Multiple Projects” roadway segment and intersection improvement(s) from the plan area’s conditions of approval that will be required to be built to mitigate the impacts of the Development Increment for the plan areas above.

Development Increment: A specified portion of development for the plan areas above for which construction will be undertaken and approvals for that specified portion will be required by the County. A Development Increment may not contain non-contiguous parcels separated by more than 1.5 miles, unless approved by the Director.

Director: The Director of the County’s Department of Transportation.

Fee Increment: The amount of funding that will be generated by the Development Increment through payment of the regional roadway component of the plan area roadway impact fees for the greater of the Development Increment or 300 dwelling unit equivalents (DUEs).

Tool: The County’s Dynamic Implementation Tool; the software and computer model inputs used to determine the impacts to the regional roadway segments and intersections, and the Build Improvements identified to mitigate those impacts. (See Appendix A for detailed description).

Financing of Improvements to Mitigate Transportation Network Impacts

1. Build Improvements will be funded through revenue generated from roadway impact fee programs that have been established by or pursuant to plan area financing plans. Funding

for Build Improvements may also include other transportation infrastructure funding sources, such as Measure A Sales Tax revenues and State and Federal funding programs.

2. The plan area fee programs have recognized Measure A Sales Tax revenues, State and Federal funding programs, and other funding sources that are currently programmed and the adopted roadway impact fees are based on the availability of these funds. It is anticipated that improvement projects utilizing such funding sources will be delivered and constructed by the County. The availability and expenditure of these funds for Build Improvements shall be subject to the requirements applicable to the specific funding source from which they are received.
3. Cost estimates for Build Improvements shall be as set forth in the applicable plan area financing plans and/or the area wide finance document.
4. Any credits or reimbursements due from the construction of Build Improvements shall be in accordance with the applicable fee program or finance plan.

Determining a Development Increment's Build Improvements

5. It is the intent of Sacramento County that impacts to the transportation network be mitigated concurrent with the implementation of the impacting development and that the size of the improvements are commensurate with the size and impact of development and the available funding. The County will determine Build Improvements considering the various improvements identified by the Tool, the estimated cost of the identified improvements, the Fee Increment, and the availability of other funds¹. (See Appendix B for a hypothetical example.)
6. Each Development Increment will have a Fee Increment based on the size of the Development Increment. The Fee Increment is calculated by multiplying the fee rates per DUE for the regional roadway component set forth in the applicable plan area roadway impact fee program by the number of DUEs, as follows:
 - a. For Development Increments with 300 or more DUEs, calculation of the Fee Increment shall be based on the actual number of DUEs.
 - b. For Development Increments with fewer than 300 DUEs, calculation of the Fee Increment shall be based on 300 DUEs. The Director may grant an exemption to the requirements of subsection (b) to Development Increments that are independent development projects and not a phase or subset of a larger project or Development Increment. In such a scenario, the Director shall determine how the Development Increment will satisfy its obligation to mitigate transportation impacts generated by that Development Increment, including, but not limited to, the following:

¹ Jackson Road improvements are high priority projects and when triggered by the dynamic implementation tool, the County will work diligently on implementing those projects, including seeking outside funding sources (including Regional Transportation Improvement Program funds), if necessary.

- i. Constructing Build Improvements identified by the Tool and based on a Fee Increment that utilizes the Development Increment's actual number of DUEs;
 - ii. A payment of the Development Increment's full Fee Increment, in lieu of constructing Build Improvements, prior to issuance of the first building permit; or
 - iii. Payment of the plan area roadway impact fees at time of building permit issuance.
7. The Tool may also be utilized to develop a conceptual set of Build Improvements for the plan area or a Development Increment during the entitlement process to inform the project proponents and the Board of Supervisors. However, the actual Build Improvements required to be constructed by a Development Increment shall be determined by the process described in sections 8 and 9, and may deviate from the conceptual set of Build Improvements previously developed due to a Development Increment's changed circumstances or progress, or changes to the transportation network and/or the Department of Transportation's priority needs.
8. The Build Improvements that the Development Increment will be required to construct shall be determined using the Tool. The Tool will utilize the actual number of DUEs in the Build Increment. The development proponent is responsible for requesting the Tool analysis sufficiently in advance of their Development Increment to allow for timely execution of the agreement described in section 9 and delivery of their Build Improvements as described in section 15.
9. A written agreement between the County and project proponent shall be required to identify the specific Build Improvements assigned to the project and set a date by which construction of the Build Improvements by the project proponent shall commence, or a date for in-lieu payment by the project proponent per section 13 shall occur. The Build Improvements identified by the Tool and the proposed timing of construction may change any time prior to execution of the agreement. The agreement shall be executed prior to recordation of a final small lot subdivision map for a residential Development Increment or initiation of a building permit application for a non-residential Development Increment. If construction is not initiated by the project proponent or the in-lieu payment is not made by the date specified in the agreement, the County, at its discretion, may require different Build Improvements based on changed circumstances or progress, or changes to the transportation network and/or the Department of Transportation's priority needs.

Credits, Reimbursements, and the Cost of Build Improvements

10. A credit and/or reimbursement agreement will likely be needed for each Development Increment that must construct Build Improvements due to the timing of the construction and its acceptance by the County relative to when building permit fees must be paid. Any credit or reimbursement shall be provided in accordance with the associated fee program or finance plan requirements from which the credit or reimbursement is due.

11. When the Development Increment is fewer than 300 DUEs, the Development Increment may be assigned Build Improvements whose cost estimates exceed the fee revenues generated by the actual number of DUEs, as described in section 6. The Development Increment shall be responsible for funding and constructing the Build Improvements assigned by the County, including those improvements which costs exceed the amount of fee revenues generated by the Development Increment's actual number of DUEs. Credit or reimbursement shall be due for the additional eligible costs per the applicable plan area fee program.
12. Constructed Build Improvement costs are unlikely to exactly match the Fee Increment. Lower costs will result in the creation of reserve funding; higher cost Build Improvements will require funds from the reserve, increased funding from the Development Increment, and/or other County funding. It is the County's intent to establish reserve funding to help manage these differences by allocating the Fee Increment as follows: Build Improvements would be assigned based on a target of eighty percent (80%) of the Fee Increment in addition to any other funds the County makes available for that Build Improvement; the remaining (20%) would be placed in reserve to be applied to other transportation mitigation measures (including other assigned Build Improvements) associated with implementation of other development projects in the plan area and other Jackson Highway Corridor plan areas, as determined by the Director. It is anticipated that while the Development Increment's Fee Increment generally will be allocated as noted above, the listed percentages will be adjusted as necessary to conform to Build Improvement costs and address the Department of Transportation's priority needs. The County shall not assign Build Improvements with estimated costs exceeding one hundred percent (100%) of the Fee Increment in addition to any other funds (including available reserve funds noted above). Appendix B includes a hypothetical example of possible Build Improvement scenarios.

Implementing a Development Increment's Build Improvements

13. In lieu of constructing the Build Improvements, the Director may accept an upfront payment up to 100 percent of the full amount of the Fee Increment if the Build Improvements will be constructed by the County or another party. Payment shall be made to the County prior to the recordation of any final map for residential development or issuance of any building permit for non-residential development Increment. This payment shall be considered as satisfying the requirements of section 15.
14. If the project proponent chooses to fund the Build Improvements through a Community Facilities District (CFD) or similar public finance mechanism, the CFD or similar public finance mechanism must be formed prior to the recordation of a small lot final map for a residential Development Increment or issuance of any building permit for a non-residential Development Increment. The formation shall occur regardless of whether the Build Improvements will be constructed concurrent with the Development Increment or an in-lieu amount will be paid up front. An advanced funding agreement with the County for CFD establishment costs must be executed prior to initiation of CFD formation.

15. The delivery and construction of the Build Improvements shall proceed as follows to ensure completion in a timely manner:
- a. The improvement plans for the Build Improvements shall be approved, and construction bonds shall be posted, prior to the recordation of any final map for a residential Development Increment or issuance of any building permit for non-residential Development Increment.
 - b. For residential Development Increments, construction of the Build Improvements shall commence by the date identified in the agreement described in section 9 and prior to twenty-five percent (25%) build-out of the Development Increment (as measured by the number of building permit issuances). Build-out of the Development Increment may proceed beyond this percentage if the project proponent demonstrates, to the satisfaction of the Director, that construction has been delayed due to circumstances beyond the project proponent's control and will commence within a time frame acceptable to the Director.
 - c. If a residential Development Increment is a phase or a subset of a larger development project, a future phase shall not proceed beyond twenty-five percent (25%) build-out of the Development Increment (as measured by the number of building permit issuances) until construction of the Build Improvements assigned to an earlier Development Increment has been substantially completed, as defined in the most recent version of the Sacramento County Standard Construction Specifications, or the project proponent demonstrates, to the satisfaction of the Director, that construction of the Build Improvements for the earlier Development Increment is progressing at an acceptable rate. For large development projects consisting of multiple Development Increments and Build Improvements, the County and project proponent may enter into an implementation agreement specifying the terms and conditions for the delivery and construction of said Build Improvements.
 - d. For non-residential Development Increments, construction shall commence by the date identified in the agreement described in section 9 and be completed prior to County's issuance of a certificate of occupancy, unless otherwise approved by the Director.

Administration and Update of the Strategy

16. The Department of Transportation will manage this Strategy and the Tool. The costs to manage, maintain, update, and conduct Tool analysis, and all other related administrative work tasks, shall be funded by all development projects within the Jackson Highway Corridor plan areas. Funding to support the above efforts will be either in the form of application fees or a development agreement between the County and each project proponent.
17. This Strategy and its components, including the Tool, shall be reviewed and updated as needed, but no less frequently than every five years or at key planning events undertaken by the County including, but not limited to, General Plan updates, and updates to the Jackson Highway Corridor plan area master plans or specific plans. The review and update

of this Strategy and the Tool shall include, but not be limited to, land use changes, revisions to the proposed and completed transportation network, changes in the costs of the Build Improvements, changes in associated escalation values due to inflation, and the securing of new funding sources to supplement the costs of improvements.

18. A project proponent may appeal a determination by Department of Transportation staff concerning the application of this Strategy to its project by submitting a written request for the Director's review. If the project proponent is dissatisfied with the Director's decision following such review, the project proponent may appeal the decision to the County Board of Supervisors by filing a notice of appeal with the Clerk of the Board within fifteen (15) days of the date of the Director's decision. The notice of appeal shall include payment of the applicable appeal fee and the following information: (a) a complete description of the factual basis for the appeal; (b) the legal basis for the appeal; and (c) the remedy sought by the project proponent. The Clerk of the Board shall calendar a hearing on the appeal and notify the person filing the appeal of the date, time and place of such hearing. During the hearing, the project proponent shall be afforded the opportunity to present oral and documentary evidence and offer testimony from any concerned parties as may be necessary for the Board to take action. The Board may affirm, reverse, or modify the decision of the Director. The action of the Board on any such appeal shall be final and conclusive.

Appendix A

The Dynamic Implementation Tool

Sacramento County has developed a new approach for identifying the transportation improvements required to be constructed by a given Development Increment within the Jackson Corridor plan areas that will be much more attuned to the actual location of development and its impacts. This new approach has led to the creation of what is referred to as the Dynamic Implementation Tool (Tool). For any amount of development that is proposed to be implemented in the Jackson Corridor, the Tool is capable of estimating the vehicle trips that would be generated, where those new vehicle trips would go, and whether any of those new vehicle trips would cause specific roadway segments or intersections to operate at an unacceptable Level of Service. The Tool enables Sacramento County and project proponents to monitor and manage the transportation network proactively, and to more effectively identify and assign transportation improvements to County roadways and intersections in support of where incremental growth occurs in the Jackson Corridor.

To accomplish this, the proposed land uses for development projects in the Jackson Corridor plan areas have been subdivided into a geographical network of 64 smaller districts. Each district has a varying mix of residential, employment and commercial land uses but is small enough such that all traffic generated in a district would have a similar trip distribution. These districts are linked to a corresponding spreadsheet-based model — the Tool—that will calculate the amount of traffic generated by a Development Increment in a district and assign this traffic to the roadway network. When an applicant proposes a specific Build Increment and requests an analysis, staff will manually enter the actual number of residential units, or square footage of retail or commercial building space, into the Tool for each district. The Tool will use information contained in the latest edition of *Trip Generation Manual* published by the Institute of Transportation Engineers (ITE) to automatically calculate how much traffic the Development Increment would generate and use the trip distribution information from the Jackson Corridor joint traffic analysis to assign where that traffic will travel on the surrounding roadway network. The Tool also will calculate new roadway traffic volumes and intersection turn movements. County staff will analyze this data to determine which roads and intersections would be impacted and require improvements based on changes in roadway volume to capacity ratios and intersection delays. Staff will use the data generated by the Tool to assign Build Improvements to developers from those listed in each project's conditions of approval consistent with the Transportation Mitigation Strategy.

Appendix B

Transportation Network Mitigation Strategy Examples

Example 1

Project A requests the County run the Tool for 150 dwelling unit equivalents (DUEs) located within the boundaries of district 2.

Step 1 – County staff manually enters 150 DUEs into the Tool for Project A in district 2. The Tool automatically calculates the amount of traffic generated from this number of dwelling units and assigns it to the roads and intersections in the vicinity of district 2. The Tool identifies traffic volume changes on impacted roads and intersections as output and the County staff identifies potential Build Improvements.

Step 2 – Although the size of the Development Increment is 150 DUEs, the Fee Increment is set using the 300 DUEs minimum value. County staff calculates the Fee Increment for this Development Increment, which is the product of the number of Fee Increment DUEs multiplied by the fee rate per DUE identified in the fee program (ex. $300 \times \$15,000 = \$4.5M$).

Step 3 – County staff calculates the 80%/20% Fee Increment split (ex. $\$3.6M/\$0.9M$).

Step 4 – County staff reviews the impacted roadway locations and assigns Build Improvements to the Development Increment based on the output from the Tool and from the project-specific conditions of approval as follows:

- A. If Build Improvements that add up to approximately $\$3.6M$ can be identified, then those are assigned. County staff also collects approximately $\$0.9M$ for the reserve fund. Or;
- B. If Build Improvements that add up to approximately $\$3.6M$ cannot be identified, but Build Improvements that add up to the Fee Increment amount of $\$4.5M$ can, then the latter Build Improvements may be assigned. The difference between $\$4.5M$ and the actual cost of Build Improvements would be placed in reserve. No reserve would be collected if the actual cost of Build Improvements were $\$4.5M$. Or;
- C. If the Build Improvements identified exceeds $\$4.5M$, and the County can fund the difference between the total Build Improvement costs and $\$4.5M$ via reserve funds or other funds, then those Build Improvements may be assigned. Or;
- D. If the County identifies Build Improvements that the County will deliver, then it may choose to collect $\$4.5M$ from the Development Increment as an upfront payment for use on the identified Build Improvement. Or;

E. If Build Improvements cannot be identified either because they do not fit these financial constraints or because no improvements are required, then the County may choose to collect \$4.5M from the Development Increment and place these funds in reserve.

The situation in Step 4.C is used for the remainder of Example 1.

Step 5 – The project proponent and County then enter into an agreement that identifies the Build Improvements, establishes the commencement date for construction and delivery, and terms regarding reimbursement for costs in excess of the Fee Increment.

Step 6 – The project proponent delivers Build Improvements in accordance with the agreement and the Transportation Mitigation Strategy. If the developer fails to comply with applicable timing and delivery requirements, the County has the right to assign different Build Improvements to the Development Increment based on changing circumstances or priorities.

Example 2

Project B requests the County run the Tool for 350 dwelling units located within the boundaries of district 2. The steps are the same as Example 1 except as follows:

Step 1 – County staff manually enters 350 DUEs into the Tool for Project B in district 2.

Step 2 – The Fee Increment is set using the actual number of DUEs (350) because it is above the minimum value of 300 DUEs. County staff calculates the Fee Increment for this Development Increment (ex. $350 \times \$15,000 = \$ 5.25M$).

Step 3 – County staff calculates the 80%/20% Fee Increment split (ex. \$4.2 M/\$1.05M).

Steps 4 are the same as Example 1 but use the \$5.25/\$4.2/\$1.05 figures. For Example 2, the situation in Step 4.D is used.

Step 5 – The project proponent and County then enter into an agreement that identifies the Build Improvements and establishes the timing of payment of the full Fee Increment.

Step 6 – The project proponent pays the full Fee Increment at first building permit issuance in accordance with the agreement and the Transportation Mitigation Strategy. If the developer fails to comply with applicable timing requirements, the County has the right to assign different Build Improvements to the Development Increment based on changing circumstances or priorities.

Example 3

Project C, a small independent development project, requests the County run the Tool for 15 dwelling units located within the boundaries of district 6.

Step 1 – The Director determines this is a small independent development project and not a phase or subset of a larger project or Development Increment. The Director grants

an exemption from the minimum 300 DUE Fee Increment requirement per section 6c and considers the following options:

- A. Assigning Build Improvements identified by the Tool and based on 15 DUEs;
- B. Requiring payment of the Development Increment's full Fee Increment based on 15 DUEs, in lieu of constructing Build Improvements, prior to issuance of the first building permit; or
- C. Requiring payment of the plan area roadway impact fees at time of building permit issuance.

The County elects not to run the Tool given the small size of this project and selects option B because the County is delivering a nearby improvement that is insufficiently funded.

Step 2 – The project proponent and County then enter into an agreement that identifies the requirement to pay the full Fee Increment (15 DUEs x \$15,000 = \$225,000) at time of first building permit issuance and establishes the timing of Fee Increment payment.

Step 3 – The project proponent pays the Fee Increment in accordance with the agreement and the Transportation Mitigation Strategy. If the developer fails to comply with applicable timing and delivery requirements, the County has the right to assign different Build Improvements to the Development Increment based on changing circumstances or priorities.