

**RESOLUTION NO. 4443**

**A RESOLUTION ADOPTING TRAFFIC CONGESTION MITIGATION FEES IN ACCORDANCE WITH TITLE 15 CHAPTER 27A OF THE EL SEGUNDO MUNICIPAL CODE.**

BE IT RESOLVED by the Council of the City of El Segundo as follows .

**SECTION 1** The City Council finds and declares as follows

- A This Resolution is adopted pursuant to Title 15 Chapter 27A of the El Segundo Municipal Code ("ESMC") for the purpose of calculating development impact fees,
- B The findings set forth in Ordinance No. 1389 are incorporated by reference into this Resolution as if fully set forth,
- C This Resolution relies upon the documentary and testimonial evidence submitted to the City during the public hearing held on November 15, 2005 in addition to such additional information that may be in the administrative record,
- D The report entitled "Traffic Impact Fee Study Update," dated November 2, 2005 and drafted by MuniFinancial ("Fee Report"), sets forth reasonable methodology and analysis for the determination of the impact of new development on the need for and costs for additional capital facilities improvements in the City. The Fee Report is attached as Exhibit "A," and incorporated by reference, and
- E This Resolution relies upon the calculations and traffic modeling set forth in the Report in addition to all other matters in the City's records

**SECTION 2** **Calculation of Traffic Improvement Fees**

- A The Traffic Congestion Mitigation Fee amount is set in accordance with the Fee Report. The Fee is applicable to all new development as set forth in the El Segundo Municipal Code ("ESMC") utilizing the following unit rates for projects with a prepared traffic study and trip generation projections from an engineer

<u>AREA</u>	<u>Rate per P.M. Peak Hour Generated Trip</u>
Zone 1	\$2,564
Zone 2	\$105
Zone 3	\$116

Projects that lack specific trip generation projections may use the fees per dwelling unit for residential developments and per square foot for nonresidential uses

### Traffic Facilities Fee Zone 1

<u>Land Use</u>	<u>Fee / Sq. Ft.</u>
Commercial	\$9 61
Office	\$3 82
Industrial	\$2 51

### Traffic Facilities Fee Zone 2

<u>Land Use</u>	<u>Fee / Unit</u>
Single Family	\$105
Multi-Family	\$63

<u>Land Use</u>	<u>Fee / Sq. Ft.</u>
Commercial	\$ 0 39
Office	\$ 0 16
Industrial	\$ 0 10

### Traffic Facilities Fee Zone 3

<u>Land Use</u>	<u>Fee / Unit</u>
Single Family	\$116
Multi-Family	\$69

<u>Land Use</u>	<u>Fee / Sq. Ft.</u>
Commercial	\$ 0 43
Office	\$ 0 17
Industrial	\$ 0 11

- B Each land use category has its own trip generation factor based upon a designated measurement unit. The actual computation of the P M peak trips can be determined by a traffic study.

For example, a single family home in Zone 3 is projected to produce 1.01 P M. peak trips. The Traffic Improvement Fee for a single family home would therefore be \$117 (\$116 x 1.01 PM).

- C **Definitions** Unless the contrary is stated or clearly appears from the context, the following definitions will govern the construction of the words and phrases used in this section.

- 1 "Development" means any discretionary or ministerial action by the city resulting in the issuance of grading, building, plumbing, mechanical, or electrical permits, conditional use permits, other land use entitlement permits or certificates of occupancy issued by the city to construct, change, or make lawful the use of a building or property.
- 2 "Future growth" means the level of new development anticipated in El Segundo consistent with the general plan and will be expressed in terms of square footage for commercial and industrial uses and in terms of dwelling units for residential uses.
- 3 "Level of service" means the different operating conditions which occur at an intersection or on a roadway when accommodating various traffic volumes. It is a qualitative measure of the effect of traffic flow factors, such as speed and travel time, interruptions, freedom to maneuver and driver comfort and convenience.
- 4 "Passby trip" means a trip end that is actually a stopping off point along a trip on the way to another destination. Passby trips are not included in the calculation of traffic mitigation fees.
- 5 "Roadway improvements" means those improvements necessary to implement the traffic circulation improvement plan, including but not limited to, paving, grading, roadway substructure, curb and gutter, sidewalks, medians with landscaping, drainage facilities, bridges, traffic signals, street lighting, signing, striping, noise walls, utility relocations, rights-of-way and other improvements or actions necessary to mitigate adverse environmental impacts.

- 6 "Select link model run" means the computerized accounting program, developed by the city's traffic engineering consultant and adopted by legislative action of the city council, which traces trip ends from each category of land use of new development to a traffic impact, excluding passby trips, and then determines the pro rata share of each impact attributable to the new development
  - 7 "Traffic circulation improvement plan" means the program for maintaining and upgrading the city's traffic circulation system consistent with the general plan. The plan will contain the improvements necessary to construct the traffic circulation system and all estimated associated costs, including by way of example, and without limitation, engineering, right-of-way acquisitions, and necessary legal fees. The traffic circulation improvement plan will be adopted by city council resolution, and be revised as necessary
  - 8 "Trip" means a one-direction vehicular movement with an origin, destination, and no stops in between
  - 9 "Trip end" means the beginning or ending point of a trip
- D Traffic mitigation fees will be calculated in accordance with the following procedures
- 1 The computerized traffic modeling study will be used to identify future traffic volumes and the resulting future traffic impacts based on the build-out of the City's General Plan,
  - 2 A traffic facilities plan will be established for mitigating the traffic impacts identified by the computerized traffic modeling study,
  - 3 An estimate will be made of the costs associated with the traffic facilities plan,
  - 4 An estimate will be made of the current and anticipated funding available to finance the improvements identified in the traffic facilities plan,
  - 5 A determination will be made of the difference, if any, between the estimated costs and estimated funding,

- 6 The extent to which the estimated cost exceeds the estimated funding will be the unfunded costs of the improvements to be funded by the traffic mitigation fee,
  - 7 Traffic mitigation fee zones ("zones") will be established by City Council resolution based on geographic areas within the city where new development generally impacts the same locations,
  - 8 The Traffic Impact Fee Study Update will be used to determine the share of each impact caused by each new development in each district,
  - 9 The unfunded traffic improvement costs for each improvement will then be distributed to each land use category of new development in each district in accordance with the same pro rata share developed by the Traffic Impact Fee Study Update in determining the percentage of impact attributable to that land use category of new development,
- E New Mixed Use Buildings Where there are multiple uses within a new building (mixed use building), the following applies
- 1 For each new mixed use building where there are multiple uses proposed, the traffic mitigation fee will be in an amount equal to the combined total of the traffic mitigation fees for each of the uses proposed within the building
- F Change in Use
- 1 For any change in use or uses, if the new use or uses are in a traffic mitigation fee category that has fee amounts greater than the existing use or uses, then the additional traffic mitigation fee will be an amount equal to the difference between the traffic mitigation fee for the new use or uses and the traffic mitigation fee for the former use or uses
  - 2 For any of the uses that cannot clearly be segregated into separate categories, the traffic mitigation fee for the unsegregative uses will be based on the mixed use traffic mitigation fee formula

**SECTION 3 Schedule of Development Impact Fees.** Based upon the foregoing calculations, the Traffic Improvement Fees are established as set forth in the Fee Report. Trip Generation Factors are provided on Table 8A – 8C of Exhibit "A "


**SECTION 4 Exempt under the California Environmental Quality Act.** This Resolution is exempt from review under the California Environmental Quality Act (Cal Pub Res Code §§ 21000, *et seq.*, "CEQA") and CEQA regulations (Cal Code Regs Title 14, §§ 15000, *et seq.*) because it establishes, structures, and approves rates and charges to obtain funds for capital projects needed to maintain service within existing service areas. This Resolution, therefore, is categorically exempt from further CEQA review under Cal Code Regs Title 14, § 15273

**SECTION 5 Effective Date of this Resolution.** The effective date of this Resolution will coincide with the effective date of Ordinance No<sup>1389</sup>, and will remain in effect unless repealed or superseded

PASSED AND ADOPTED this 15 day of November, 2005

  
\_\_\_\_\_  
Kelly McDowell,  
Mayor

ATTEST

  
\_\_\_\_\_  
Cindy Mortesen,  
City Clerk

APPROVED AS TO FORM  
Mark D Hensley, City Attorney

By   
\_\_\_\_\_  
Karl H Berger,  
Assistant City Attorney

# TRAFFIC IMPACT FEE STUDY UPDATE

CITY OF EL SEGUNDO

FINAL  
NOVEMBER 2, 2005



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## TRAFFIC CONGESTION MITIGATION FEE UPDATE

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This report is an update to the Traffic Impact Fee report dated March 19, 1996. The purpose of this update is to adjust the fee to reflect changes in project costs, project phasing, updated land-use projections and modified traffic fee zones. These changes, are prompted, in part, by a revised and updated Circulation Element adopted by the City in September, 2004. This updated element of the General Plan helps to inform and guide the future traffic improvements in the City.

This fee update is based on a 20-year planning horizon for the roadway system in the City of El Segundo. Planned facilities to meet development needs over the next 20 years are shown in Table E.

### Table E: Planned Traffic Facilities

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#### Project Description

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- 1) Widening of Aviation Boulevard - Rosecrans to Imperial Highway (Add one lane in each direction)
  - 2) Douglas Street Extension - Park Place to Alaska
  - 3) Convert Nash/Douglas - Two-Way operating between Imperial and El Segundo Boulevard
  - 4) Grand Extension - Duley to Douglas
  - 5) Park Place Extension
  - 6) Miscellaneous Signalization, Widening and Intersection improvements
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Sources: Kimley-Horn and Assoc., City of El Segundo, MuniFinancial

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## PURPOSE OF STUDY

The purpose of this update is to adjust the fee to reflect changes in project costs, project phasing, updated land-use projections and modified traffic fee zones in response to a revised and updated Circulation Element, as adopted by the City in September, 2004. This updated element of the General Plan helps to inform and guide the future traffic improvements in the City.

The primary policy objective of a development impact fee program, also known as a public facilities fee program, is to ensure that new development pays the capital costs associated with the facilities needed to serve the population growth caused by that new development. To fulfill this objective, public agencies should periodically review the need for public facilities fees to serve future growth.

The primary purpose of this fee analysis report is to develop and recommend fees to facilitate the construction of traffic facilities needed to serve a 2025 population for the City of El Segundo. A planning horizon of 2025 was selected, as that year is soon enough to provide reasonable growth projections, yet far enough into the future to provide the City with the flexibility to adjust fees should actual growth either exceed, or be lower than, the growth projections used in this report

The City can impose fees under authority granted by the Mitigation Fee Act contained in California Government Code §§66000 - 66025. This report provides the necessary findings required by the Act for adoption of the fees presented in the tables contained herein. The five statutory findings required for adoption of the proposed fees in accordance with the Act are summarized in the following section

The determination of fees begins with the selection of a planning horizon and development of projections for population, workers and vehicular trips. These projections assist in determining a master plan and related facility standards necessary for determining fees for necessary facilities. These growth projections are shown in **Table 1**. Imposed fees are set for the following use classifications: Single Family, Multi-Family, Commercial, Office, and Industrial, based on industry-standard density and traffic generation standards

## **PUBLIC FACILITIES FINANCING IN CALIFORNIA**

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out

- ♦ The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996,
- ♦ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ♦ Steep reductions in federal and state assistance

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way". This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an

appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

## APPROACH

Public facilities fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in any development impact fee study include:

1. Prepare growth projections;
2. Identify facility standards,
3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections,
4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development.

Between steps #1 and #2 planned facilities are identified to serve new development. These data provides a basis for the facility standards used in this study. Fee revenues alone are insufficient to fully fund all planned facilities. The City of El Segundo will need to identify other sources of funding including but not limited to, local taxes, general fund revenues, regional, State, and federal transportation funds.

### ***TYPES OF FACILITY STANDARDS***

The key public policy issue in development impact fee studies is the identification of facility standards. Facility standards determine new development's total need for new facilities and each development project's fair share of those needs. Standards also ensure that new development does not fund deficiencies associated with existing development.

The types of standards that may be used in a development impact fee study include:

- ♦ *Demand standards* determine the amount of facilities required to accommodate growth, for example park acres per thousand residents, traffic level of service, or gallons of water per day per dwelling unit.
- ♦ *Design standards* determine how a facility should be designed to meet expected demand, for example park improvement requirements, street intersection design, and water storage needs.
- ♦ *Cost standards* determine the cost per unit of demand based on the estimated cost of facilities, for example cost per capita, cost per vehicle trip, or cost per gallon of water per day.

### **DETERMINING FACILITY STANDARDS**

The most commonly accepted approaches to determining a facility standard are described below

- ♦ The **existing inventory method** uses a facility standard based on the ratio of existing facilities to the existing service population. Under this approach new development funds the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process.
- ♦ The **master plan or system method** calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.
- ♦ The **planned facilities method** calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there are specific engineering reports and studies that support the nexus between new development and the need for the facility.

**In this report, the planned facility method is utilized for traffic fees in the City of El Segundo**

## **MITIGATION FEE ACT FINDINGS**

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Traffic facilities fees, also referred to as public facility fees, are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees, the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act*, contained in *California Government Code* Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the maximum justified public facilities fees documented in this report are presented in this chapter and supported in detail by the report that follows. All statutory references are to the *Act*.

### **PURPOSE OF FEE**

For the first finding the City must:

Identify the purpose of the fee (§66001(a)(1))

The policy of the City of El Segundo is that new development will not burden existing development with the cost of public facilities, including traffic facilities, required to accommodate growth. The purpose of the public facilities fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the City by enabling the City to provide municipal services to new development.

### **USE OF FEE REVENUES**

For the second finding the City must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged (§66001(a)(2)).

The traffic facilities fee will fund expanded facilities to serve new development. All planned facilities will be located within the City of El Segundo. These facilities included in the findings presented here include:

- ♦ Roadway widening,
- ♦ Roadway extension;
- ♦ Intersection signalization, and,
- ♦ Other roadway improvements in the City of El Segundo

Planned traffic facilities are identified in this report. This report provides the size and cost estimate for each planned facility. More detailed descriptions of certain planned facilities, including their specific location, if known at this time, are included in various City planning documents including the General Plan Circulation Element and other studies. The City may change the list of planned traffic facilities to meet changing circumstances and needs, as it deems necessary. The fee program should be updated if these changes result in a significant change in the fair share cost allocated to new development. Planned facilities to address existing deficiencies in the roadway system represent approximately 5% of the total project costs. It is estimated that 35% of project costs will be funded from non-fee revenue. Therefore, development impact fees will not be used for the purpose of correcting existing deficiencies in the roadway system.

## **BENEFIT RELATIONSHIP**

For the third finding the City must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The City will restrict fee revenues to the acquisition of land, construction of traffic facilities, and purchase of related equipment to serve new development. Public facilities funded by the fee will provide a citywide network of services accessible to the additional residents and workers associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

The planned facilities that will be funded by the fee are described in the following chapter.

## **BURDEN RELATIONSHIP**

For the fourth finding the City must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed (§66001(a)(4))

New dwelling units and building square footage are indicators of the demand for traffic facilities needed to accommodate growth. As additional dwelling units and building square footage are created, the occupants of these structures will place additional burdens on the traffic facilities. The need for the fee is based on traffic engineering reports prepared by the City that quantify the expected traffic impacts of new development.

## PROPORTIONALITY

For the fifth finding the City must.

Determine how there is 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 (§66001(b))

This reasonable relationship between the traffic impact fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated vehicle trips the project will add to public roadways. The City has been divided into three fee zones. These three zones are the subject of a computer traffic model to determine the expected impacts of each zone on the traffic network and the need for new facilities. The total fee for a specific project is based on number of new dwelling units for residential development and building square feet for commercial development. The fee schedule converts the units or estimated square footage of a development project into a fee based on the size of the project and the fee zone in which it resides. Larger projects of a certain land use type will have a higher trip generation and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the traffic impact fee for a specific development project and the cost of the facilities attributable to that project.

## **TRAFFIC DEMAND FROM NEW DEVELOPMENT**

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This chapter summarizes an analysis of the need for traffic improvement facilities that include roadway and intersection improvements, to accommodate new development. The chapter documents a reasonable relationship between new development and the impact fee for funding of these facilities.

### **FACILITIES STANDARDS**

The City's traffic facility standards are based on a measure of congestion commonly used in traffic planning and known as "level of service" (LOS). LOS is calculated based on the volume of traffic on a roadway or at an intersection compared to the capacity of the roadway or intersection. LOS "A," "B," and "C" suggest that delays are insignificant to acceptable. LOS "D" suggests tolerable delays though traffic is high and some short-term back-ups occur. LOS "E" and "F" suggest restricted speeds and significant delays as traffic volumes meet or exceed the capacity of the facility.

The following policies present the performance standards acceptable to the City of El Segundo:

- ♦ Strive to maintain level of service (LOS) "D" or better on the City's arterials
- ♦ LOS "E" or "F" are not considered acceptable

Prevailing traffic conditions in the City were analyzed in conjunction with an updated Circulation Element in September 2004. The study found that most roadways in the City operate at LOS "C" or better. Roadway segments currently at the standard LOS "D" and "E" numbered four and two respectively. No roadway segments operate at LOS "F". A number of intersections operate at LOS "E" and "F". Five intersections on Sepulveda Boulevard operate at less than LOS "D," one on Rosencrans Avenue and one on Avation Boulevard.

Existing roadways and intersections that do not meet City LOS standards are considered existing deficiencies. For the purpose of this study, the planned facility approach has been utilized to determine facility needs. Because development impact fees may only be used to fund the impacts of new development, existing deficiencies must be funded by other funding sources. Existing deficiencies are discussed later in this chapter and listed in Table 5.

### **LAND USE SCENARIO**

The City of El Segundo General Plan is the basis for estimating future trips in this study. Based on the best available determination from the City of El Segundo, overall land use is



projected to reach 80% of remaining build out through the year 2025. Table 1 lists the existing and projected land uses based on General Plan build out. Also shown are trip forecasts by land use for both existing and buildout conditions. "P.M Trip Rate" refers to the number of afternoon, peak-period trips generated by residential uses per unit and non-residential uses per 1,000 square feet. The values used are industry standards derived by the Institute of Transportation Engineers.

**Table 1 Land Use Scenario and Total P M Peak Trips Citywide**

Land Use	P M Trip Rate	Existing Land Use		Buildout Land Use		Difference	
		Units/ 1K s f	Trips	Units/ 1K s f	Trips	Units/ 1K s f	Trips
<b>Residential (Units)</b>							
Single Family	1.01	2,590	2,616	2,609	2,635	19	19
Multi Family <sup>1</sup>	0.52	4,881	2,538	4,910	2,553	29	15
		7,471	5,154	7,519	5,188	48	34
<b>Non - Residential (1,000 Sq Ft)</b>							
Commercial Retail	3.75	1,172,267	4,396	2,708,800	10,158	1,538,533	5,762
Office <sup>2</sup>	1.49	16,436,913	24,491	24,902,013	37,104	8,465,101	12,613
Light Industrial	0.98	1,019,388	999	2,651,020	2,598	1,631,633	1,599
Manufacturing	0.74	13,117,568	9,707	12,552,703	9,289	(564,865)	(418)
Warehousing	0.47	1,106,383	520	1,251,064	588	144,681	68
		32,852,518	40,113	44,065,600	59,737	11,213,083	19,624
<b>Total P M Peak Trips<sup>3</sup></b>		<b>32,859,989</b>	<b>46,105</b>	<b>44,073,119</b>	<b>65,763</b>	<b>11,213,130</b>	<b>19,658</b>

<sup>1</sup> Includes apartments for which no growth is projected in the General Plan buildout

<sup>2</sup> Includes Commercial Office, Office, and Mixed Use

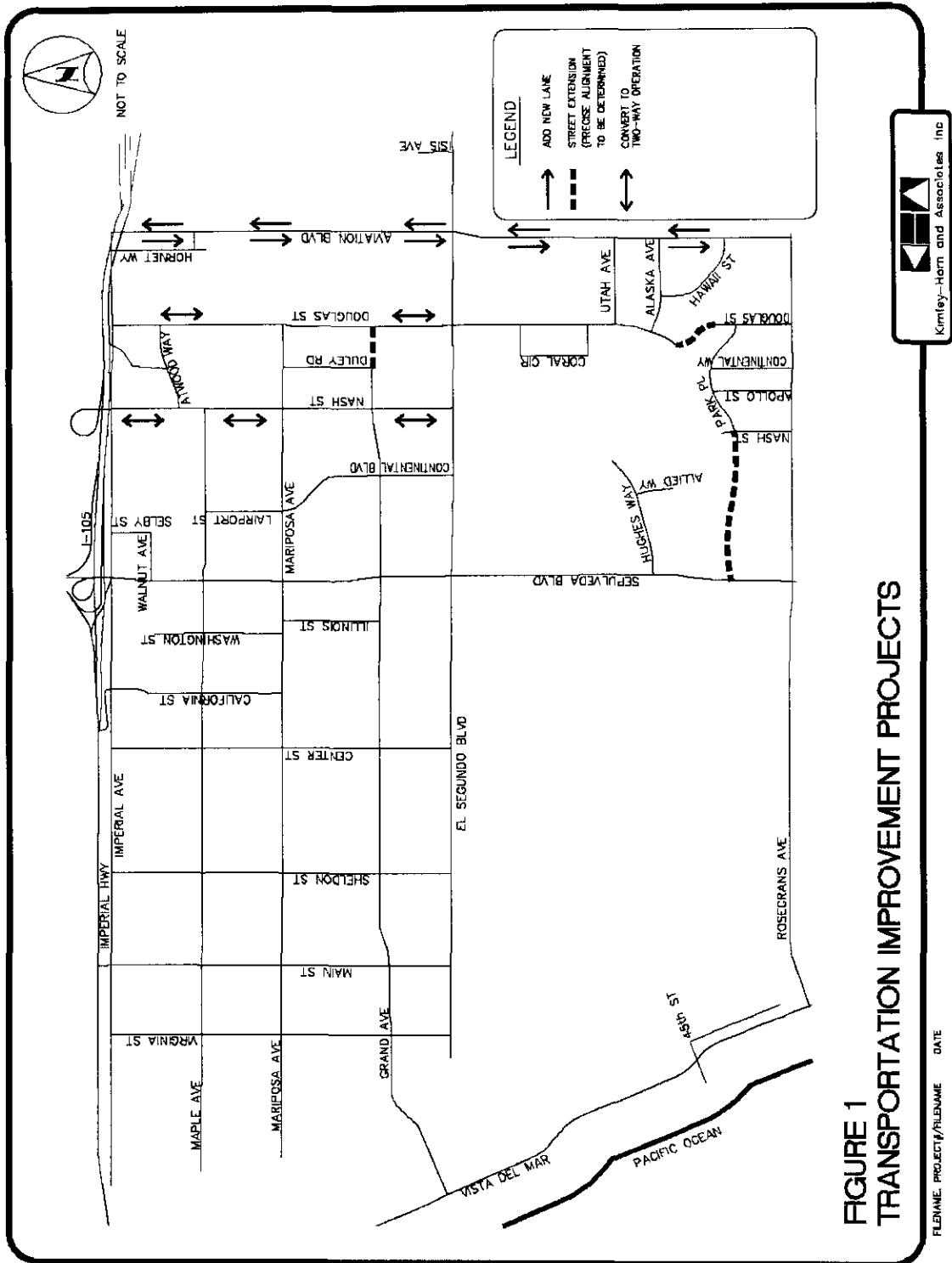
<sup>3</sup> The following non-residential land uses are already at full build-out and are not listed individually but included in totals: Government Office, School, Parks, Post Office, Hotel/Motel, Church, Club or Lodge. These land uses represent 838 trips.

Note: TAZ #25 has been removed from the land use scenario above resulting in lower office and multi-family trips. 1,000,000 square feet of office is added due to the Corporate Campus Project.

Sources: Kimley-Horn and Assoc., June 8, 2005 Memo, El Segundo General Plan, City of El Segundo

## FACILITY COSTS TO ACCOMMODATE GROWTH

This update includes six projects to accommodate development in the City of El Segundo through 2025. These projects are shown in Figure 1 and listed in Table 2. Project costs are shown net of other available funds and existing fund balances.



Note. Transportation Improvement Projects shown are components of the adopted Circulation Element.

**Table 2. Planned Traffic Facilities**

Project Description	Total 1996 Cost <sup>1</sup>	Estimated 2005 Cost <sup>2</sup>	Less Other Funding Sources <sup>3</sup>	Less Fund Balance Allocation	Adjusted Project Cost
Widening of Aviation Boulevard - Rosecrans to Imperial Highway (Add one lane in each direction)	\$ 4,600,000	\$ 12,000,000	\$ 5,867,000	\$ 397,201	\$ 5,735,799
Widening of Sepulveda Boulevard - Rosecrans Avenue to El Segundo Boulevard (Add one lane in each direction) - PROJECT COMPLETE	870,000	-	-	-	-
Douglas Street Extension - Park Place to Alaska	9,500,000	32,543,000	16,681,000	1,027,294	14,834,706
Convert Nash/Douglas - Two-Way operating between Imperial and El Segundo Boulevard	500,000	1,900,000	1,255,000	41,773	603,227
Huges Way Extension - 600' E of Allied Way to Douglas Street/ Coral Circle intersection - PROJECT REMOVED <sup>4</sup>	7,168,000	35,000,000	-	-	-
Lairport Extension - Maple to Walnut - PROJECT REMOVED <sup>4</sup>	1,465,250	18,000,000	-	-	-
Grand Extension - Duley to Douglas	3,678,000	7,200,000	6,200,000	64,764	935,236
Park Place Extension	N/A	17,000,000	-	1,100,996	15,899,004
Miscellaneous Signalization, Widening and Intersection Improvements	400,000	2,185,000	-	141,510	2,043,490
Subtotal	\$ 28,181,000	\$ 125,828,000	\$ 30,003,000	\$ 2,774,000	\$ 40,051,000

<sup>1</sup> Based on prior traffic impact fee report dated March 19 1996

<sup>2</sup> Cost estimates provided by the City of El Segundo Public Works and Engineering Department

<sup>3</sup> Other sources of funding include regional State and Federal grants and other project-specific allocations

<sup>4</sup> Projects removed from fee program based on City of El Segundo determination that facilities will not be required during the planning horizon of this fee program. Removed projects represent 42% of the total gross fee costs

Note: Existing fund balance as of July 2005 allocated to all projects \$ 2,773,539

Totals may not add due to rounding

Sources: Evaluation of a Traffic Congestion Mitigation Fee Report, March 19 1996, City of El Segundo Public Works, Kimley Horn and Assoc.

## ALLOCATION OF FEE RESPONSIBILITY

In the process of creating the Circulation Element of the General Plan, the City of El Segundo created a Traffic Model. The Traffic Model was used to develop an approach for allocating Traffic Mitigation Fee responsibility amongst future development. The build-out land use and network assumptions in the City's current Traffic Model are up to date, as a result of the recently completed Circulation Element update effort by Kimley-Horn and Associates. The "No Land Use Change" alternative was used, which reflects General Plan Build-out according to the land uses and Floor Area Ratios (FAR) allowed by current zoning. Only trips expected from future development in the City of El Segundo will be subject to the fee program.

Select Link runs of the model were conducted for each of the improvement projects included in the Fee Program. A Select Link run allows isolation of the traffic on a roadway segment where an improvement is planned, and to identify where the traffic that

will be using each link is coming from. With this information, the cost of the improvement can be fairly apportioned according to which future developments will benefit the most from it.

For fee assignment purposes, there are four types of trips identified through each Select Link process.

- 1 Trips that both start and end in the City of El Segundo
- 2 Trips that have an origin in the City of El Segundo, and a destination outside the City,
- 3 Trips that have an origin outside the City of El Segundo, and a destination in the City;
- 4 Trips that have neither an origin nor a destination in the City of El Segundo, but are using a City street to pass through the City

Trip types that fall into Category 4 are “through” trips, and are not subject to the fee program. Although these through trips take up capacity on the roadway and thereby contribute to the need for the improvement, local development cannot be held responsible for the impact of through traffic on the transportation system.

The proportion of trips on the selected link that have neither an origin nor a destination in the City will be applied to the cost of the improvement, and that portion of the improvement cost will not be subject to the Traffic Mitigation Fee Program. The portion of the Fee Program that cannot be funded by local development will be the City’s responsibility, to be covered with other funding sources, such as local, state, and federal grants, and local gas tax allocations.

All other trip types with either an origin or destination or both in the City of El Segundo are subject to the fee program. Only trips expected from future development in the City of El Segundo will be subject to the fee program. Output from the Select Link process was used to identify the proportion of each improvement that should be assigned to each fee zone Area in the City, based on the number of trips from each future development that uses the selected link. The final fee structure for each fee zone area is based on the average of the proportioned fees for each of the Fee Program improvements. Fee zones in the City of El Segundo are shown in **Figure 2**.

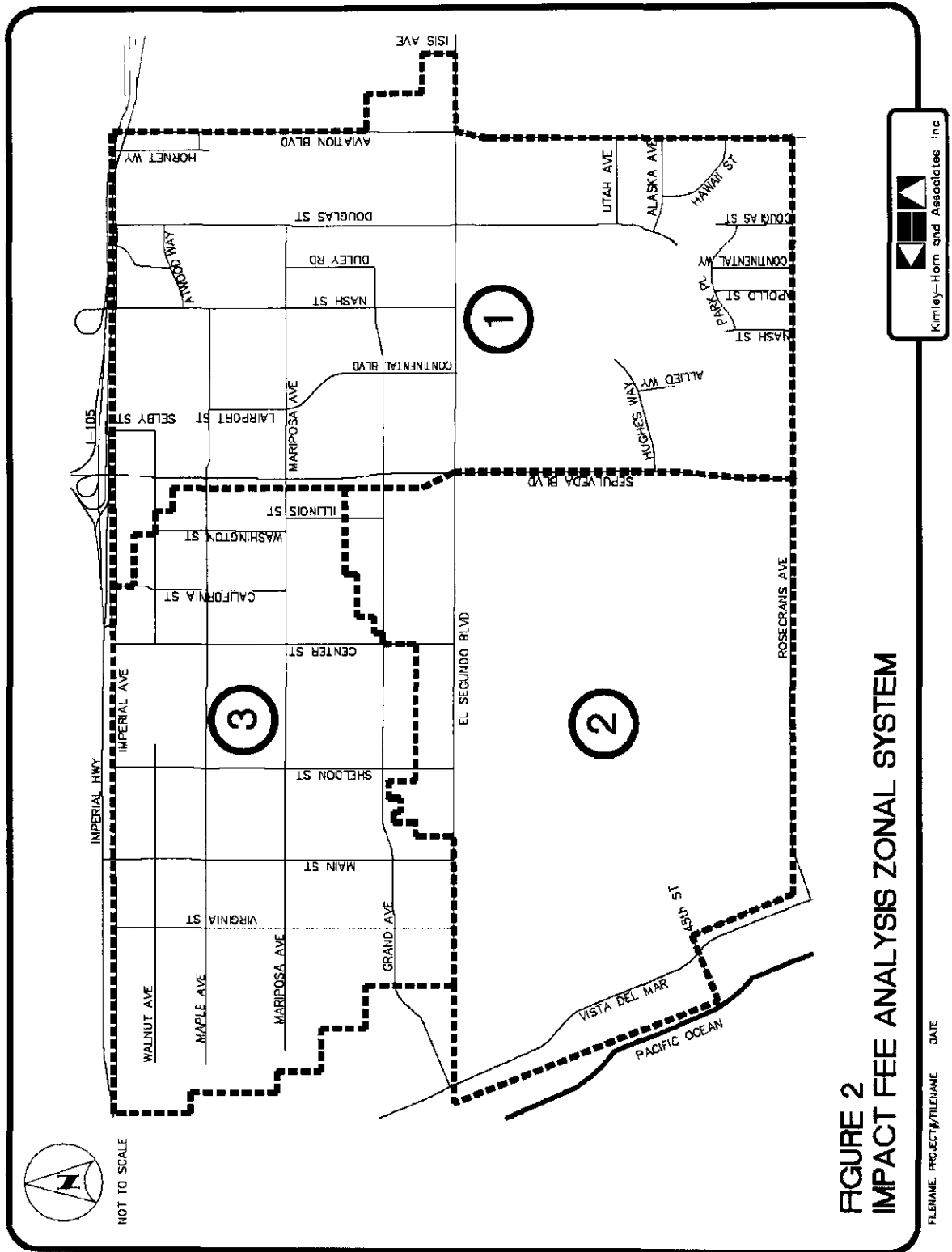


FIGURE 2  
IMPACT FEE ANALYSIS ZONAL SYSTEM

FILENAME: PROJECT#/FILENAME DATE

Based on the methodology discussed above, project costs were allocated to the fee zones as shown in Table 3.

**Table 3 Allocation of Internal Trips by Project by Zone**

Project Description	Adjusted Project Cost	Internal Share <sup>1</sup>	External Share <sup>1</sup>	Project Cost Subject to Fee	Allocation of New Internal Trips by Zone <sup>1</sup>		
					Zone 1	Zone 2	Zone 3
Widening of Aviation Boulevard - Rosecrans to Imperial Highway (Add one lane in each direction)	\$ 5,735,799	52%	48%	\$ 3,000,160	99.95%	0.03%	0.03%
Douglas Street Extension - Park Place to Alaska	14,834,706	93%	7%	13,773,996	99.98%	0.00%	0.02%
Convert Nash/Douglas - Two-Way operating between Imperial and El Segundo Boulevard	603,227	96%	4%	577,403	99.97%	0.01%	0.01%
Grand Extension - Duley to Douglas	935,236	91%	9%	849,965	99.80%	0.02%	0.17%
Park Place Extension	15,899,004	100%	0%	15,899,004	99.98%	0.00%	0.02%
Miscellaneous Signalization, Widening and Intersection Improvements	<u>2,043,490</u>	80%	20%	<u>1,634,792</u>	100.00%	0.00%	0.00%
<b>Subtotal</b>	<b>\$ 40,051,000</b>			<b>\$35,735,000</b>			

<sup>1</sup> Allocations and trip shares based on traffic model output prepared by Kimley-Horn and Assoc. September 2005  
 Note: Totals may not add due to rounding

Sources: Tables 1 & 2 Kimley-Horn and Assoc. City of El Segundo MuniFinancial

Based on the allocations provided by the Select Link model run, Table 4 lists the distribution of project costs to fee zones

**Table 4: Allocation of Project Costs by Zone**

Project Description	Project Cost Subject to Fee	Allocation of Project Costs by Zone		
		Zone 1	Zone 2	Zone 3
Widening of Aviation Boulevard - Rosecrans to Imperial Highway (Add one lane in each direction)	\$ 3,000,160	\$ 2,998,550	\$ 805	\$ 805
Douglas Street Extension - Park Place to Alaska	13,773,996	13,771,363	-	2,634
Convert Nash/Douglas - Two-Way operating between Imperial and El Segundo Boulevard	577,403	577,237	83	83
Grand Extension - Duley to Douglas	849,965	848,297	196	1,472
Park Place Extension	15,899,004	15,896,390	-	2,614
Miscellaneous Signalization, Widening and Intersection Improvements	<u>1,634,792</u>	<u>1,634,792</u>	-	-
<b>Subtotal</b>	<b>\$35,735,000</b>	<b>\$ 35,727,000</b>	<b>\$ 1,000</b>	<b>\$ 8,000</b>

Note: Totals may not add due to rounding

Sources: Tables 1, 2 & 3 Kimley-Horn and Assoc. City of El Segundo MuniFinancial

The preceding tables demonstrate the methodology utilized to allocate costs of the planned facilities to the fee program and each of the three zones. Table 5 addresses the allocation of project cost attributable to new development.

**Table 5: New Development Contribution to Planned Traffic Facilities**

	<b>Project Costs</b>
Gross Project Costs	72,828,000
Project Cost Subject to Fee Program	35,735,000
Existing Fund Balance	<u>2,774,000</u>
Subtotal	38,509,000
Percentage of Costs Paid by New Development	53%
<u><i>Projects Addressing Existing Deficiencies</i></u>	
Aviation Boulevard Widening - Estimated 15% of project attributable to deficiency	\$ 1,800,000
Miscellaneous Signalization, Widening and Intersection Improvements	<u>2,185,000</u>
Subtotal	\$ 3,985,000
Percentage of Costs Attributable to Existing Deficiencies	5%

Note: Totals may not add due to rounding

Sources: Tables 2, 3 & 4, Kimley-Horn and Assoc., City of El Segundo Circulation Element, MuniFinancial

As shown in the table above, new development is paying approximately 53% of project costs through impact fees. The remainder of funds will come from City general revenues, regional, State, and federal funding sources.

As discussed earlier, the City of El Segundo has identified existing roadway deficiencies in the Circulation Element of the General Plan. Development impact fees may not be used to fund these "existing deficiencies." As shown in the table above, these deficiencies represent approximately 5% of the total project costs and are fully covered by funding sources other than development impact fees.

## EXISTING AGREEMENTS

The City of El Segundo entered into development agreements with a number of developers who are entitled to build large development projects within the City. Development Agreements are commonly used by cities throughout the State to better

plan and set the terms for large developments within the land use jurisdiction of the City. Because these agreements are in place prior to the adoption of a traffic mitigation fee, these developments will not be subject to the fee. It is necessary, therefore, to adjust both future trips and project costs to reflect these agreements. Known development agreements in the City of El Segundo are shown in Table 6.

**Table 6: Existing Development Agreements in Zone 1**

<b>Existing Development Agreement</b>	<b>Fee Contribution</b>	<b>P.M. Peak Trips</b>
El Segundo Corporate Campus	\$ 2,386,385	2,795
Mattel North @ Continental Way	433,164	447
Mattel North @ Grand Avenue	<u>298,783</u>	<u>260</u>
Subtotal	<b>\$ 3,118,000</b>	<b>3,502</b>

Note: Fee contributions and trip assumptions are based on development agreements executed between the City of El Segundo and the parties listed above. Totals may not add due to rounding.

Sources: Kimley-Horn and Assoc., City of El Segundo, MuniFinancial

## FEE SCHEDULE

Table 7 shows the calculated equity (cost) per P.M. peak trip. For projects with a prepared traffic study and trip generation projections from an engineer, the fee can be calculated by multiplying the equity per trip by the number of trips that will be generated. The subsequent tables, Tables 8A, B, and C, show fees per dwelling unit for residential developments and per square foot for nonresidential uses. These values will be useful for projects that lack specific trip generation projections.

The fee also includes an administrative charge of 10 percent to fund:

- ◆ A standard overhead charge for legal, accounting, and other departmental and citywide administrative support,
- ◆ Capital planning, programming, project management costs associated with the share of projects funded by the impact fee; and
- ◆ Impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses



**Table 7: Equity Per Trip**

	Zone 1	Zone 2	Zone 3	Total
<i>Trips</i>				
New P M Peak Trips at Buildout <sup>1</sup>	19,559	12	87	19,658
Less Existing Agreements	(3,502)	-	-	(3,502)
Subtotal	16,057	12	87	16,156
 New Trips at 80% Buildout <sup>2</sup>	 12,846	 10	 70	 12,925
<i>Fee Program Project Costs</i>				
Allocated Project Costs	\$ 35,727,000	\$ 1,000	\$ 8,000	\$ 35,736,000
Less Existing Agreements	(3,118,000)	-	-	(3,118,000)
Subtotal	\$ 32,609,000	\$ 1,000	\$ 8,000	\$ 32,618,000
 Equity Per P M Peak Trip	 \$ 2,539	 \$ 104	 \$ 115	
Administrative Fee of 1% <sup>3</sup>	25	1	1	
Total Equity per Trip	\$ 2,564	\$ 105	\$ 116	

<sup>1</sup> Total P M Peak Trips based on City of El Segundo General Plan Circulation Element Allocation among zones based on Kimley-Horn Associates traffic model

<sup>2</sup> New trips in Table 1 represent total new trips at General Plan Buildout Based on 20 year time horizon, study assumes 80% of General Plan Buildout based on City of El Segundo planning estimates

<sup>3</sup> Administration fee equal to 1.0 percent of base fee to fund (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses

Sources Tables 1, 4 and 6, Kimley-Horn and Assoc, City of El Segundo

Based on the equity per trip calculated above, Tables 8 A, B, and C show the traffic impact fee for the three respective zones

**Table 8A: Traffic Facilities Fee Zone 1**

Land Use	Equity Per P M. Trip		Fee	Fee / Sq. Ft.
	Trip	Rate		
<i>Nonresidential (per 1,000 square feet)</i>				
Commercial	\$ 2,564	3.75	\$ 9,615	\$ 9.61
Office	2,564	1.49	3,820	3.82
Industrial	2,564	0.98	2,513	2.51

Sources Table 7, ITE Manual, Kimley-Horn Assoc, City of El Segundo, MuniFinacial

**Table 8B: Traffic Facilities Fee Zone 2**

<b>Land Use</b>	<b>Equity Per Trip</b>	<b>P.M. Trip Rate</b>	<b>Fee</b>	<b>Fee / Sq. Ft.</b>
<i>Residential (per dwelling unit)</i>				
Single Family	\$ 104	1 01	\$ 105	
Multi-family	104	0 60	63	
<i>Nonresidential (per 1,000 square feet)</i>				
Commercial	\$ 104	3 75	\$ 391	\$ 0 39
Office	104	1 49	155	0 16
Industrial	104	0 98	102	0 10

Sources Table 7, ITE Manual, Kimley-Horn Assoc , City of El Segundo, MuniFinancial

**Table 8C: Traffic Facilities Fee Zone 3**

<b>Land Use</b>	<b>Equity Per Trip</b>	<b>P.M. Trip Rate</b>	<b>Fee</b>	<b>Fee / Sq. Ft.</b>
<i>Residential (per dwelling unit)</i>				
Single Family	\$ 115	1 01	\$ 116	
Multi-family	115	0 60	69	
<i>Nonresidential (per 1,000 square feet)</i>				
Commercial	\$ 115	3 75	\$ 431	\$ 0 43
Office	115	1 49	171	0 17
Industrial	115	0 98	113	0 11

Sources Table 7, ITE Manual, Kimley-Horn Assoc , City of El Segundo, MuniFinancial

## IMPLEMENTATION

This section identifies tasks that the City should complete when implementing the fee programs

### ***COUNCIL ADOPTION***

The City Council should adopt the proposed fee schedule in compliance with *California Government Code* Sections 66016 through 66018. The City should:

- ◆ Send a notice of a public hearing at least 14 days prior to the hearing to any party that has submitted a written request for such a notice. Have this report and all supporting documentation such as the updated facility master plans available for review by the public at least 10 days prior to the hearing;
- ◆ Hold the public hearing to consider adoption of the fee schedule,
- ◆ Adopt an implementing ordinance to establish the City's authority to impose the proposed fee and automatically adjust the fee annually for inflation, and adopt a resolution to set the fee based on the proposed fee schedule,
- ◆ Begin collecting the fee no sooner than 60 days following adoption of the ordinance and resolution.

### ***FEE ACCOUNTING***

The City should deposit fee revenues into existing restricted fee accounts for each traffic facility zone. Interest earned on fund balances should be credited to the fund.

### ***PROGRAMMING REVENUES***

The City should annually update the plan to program all existing fund balances and projected fee revenue to specific capital projects. The City should only use fee revenues for projects that expand the City's ability to expand traffic facilities to accommodate new development. Use of the fees in this manner documents a reasonable relationship between new development and the use of fee revenues. Programming all fund balances and fees to specific projects also ensures that the City will not violate the statutory limitation against holding undesignated fee revenues longer than five years.

The City should update its facility master plans as its needs change. The City may alter the scope of the planned projects, or substitute new projects as long as the project continues to represent an expansion of the City's general public facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

**IDENTIFY NON-FEE REVENUE SOURCES**

The City should identify non-fee revenue sources necessary to fully fund the program. The City should take any actions necessary to secure those funds. The City will need to identify the source and timing of these revenues every five years as part of statutory reporting requirements (see *Reporting Requirements*, below)

**INFLATION ADJUSTMENT**

The City should adjust the fee annually for inflation in the cost of projects to be funded by the fee. A construction cost index should be based on a reputable and easily identifiable source such as the *Engineering News Record*.

**REPORTING REQUIREMENTS**

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq*. Annually the City must identify the fee revenues received and for what purposes they were expended. For facilities to be funded with a combination of impact fees and other revenues, every five years the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.