

# Congestion Mitigation Fee Study

## *Phase II Update*

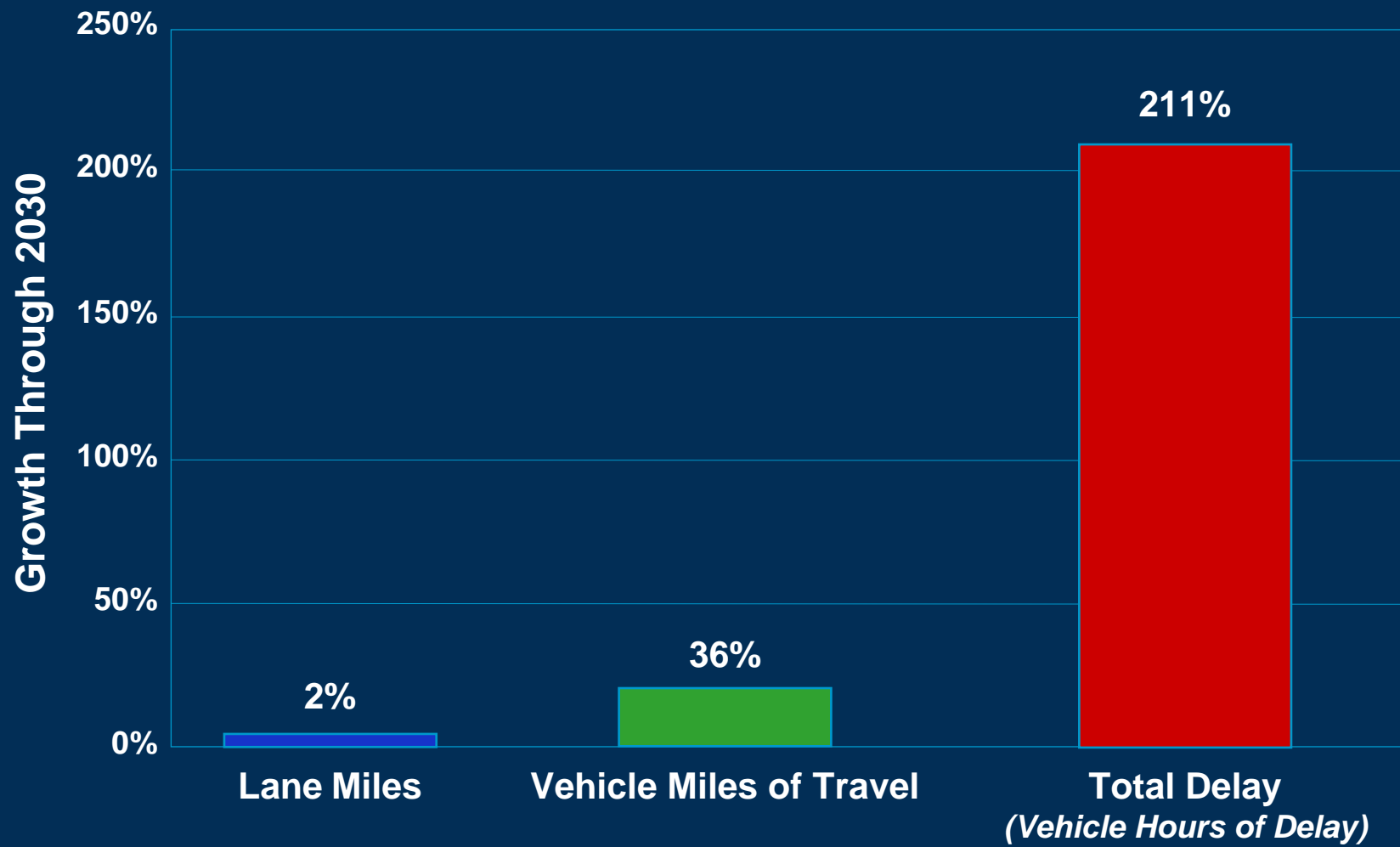
*presented to*  
**Metro Planning & Programming Committee**



*presented by*  
**Robert D. Spencer, MuniFinacial**

**May 17, 2006**

# The Region Needs Substantial Infrastructure Investment



# Objectives

- **Establish a regional mitigation program**
  - Replace CMP debit-credit system
  - Meet regional CEQA mitigation responsibilities
- **Generate new revenue for unmet LA County transportation needs**
- **Leverage regional and local dollars**
- **Provide a level playing field countywide**
- **Window of opportunity**
  - Adjacent counties evaluating or implementing similar fees (Riverside, San Bernardino, San Diego)

# How Would it Work?

- **Statutory authority:**
  - Metro: component of Congestion Management Program
  - Cities and County: impact fee ordinance under Mitigation Fee Act
- **Administration: Countywide program implemented locally not by Metro**
- **Eligible projects: freeways, regional arterials, transit capital**
- **Project selection:**
  - Cities and/or COGs select projects subject to regional criteria
- **Level of investment (fee amount):**
  - Each city/county contributes fair share
  - Seek consistency within subregions if not countywide
  - Potential to generate \$2 – 15 billion over 25 years countywide

# Advantages for Cities

- **New Source of money**
- **Potential for incentives in Call for Projects**
- **Conformance with the CMP**
  - **Prop 111 (Section 2105) gas tax (\$94 million annually)**
  - **Conformity prerequisite to be included in Call for Projects**
- **Potential to replace Caltrans CEQA mitigation approach**
- **Create more level playing field for attracting development**

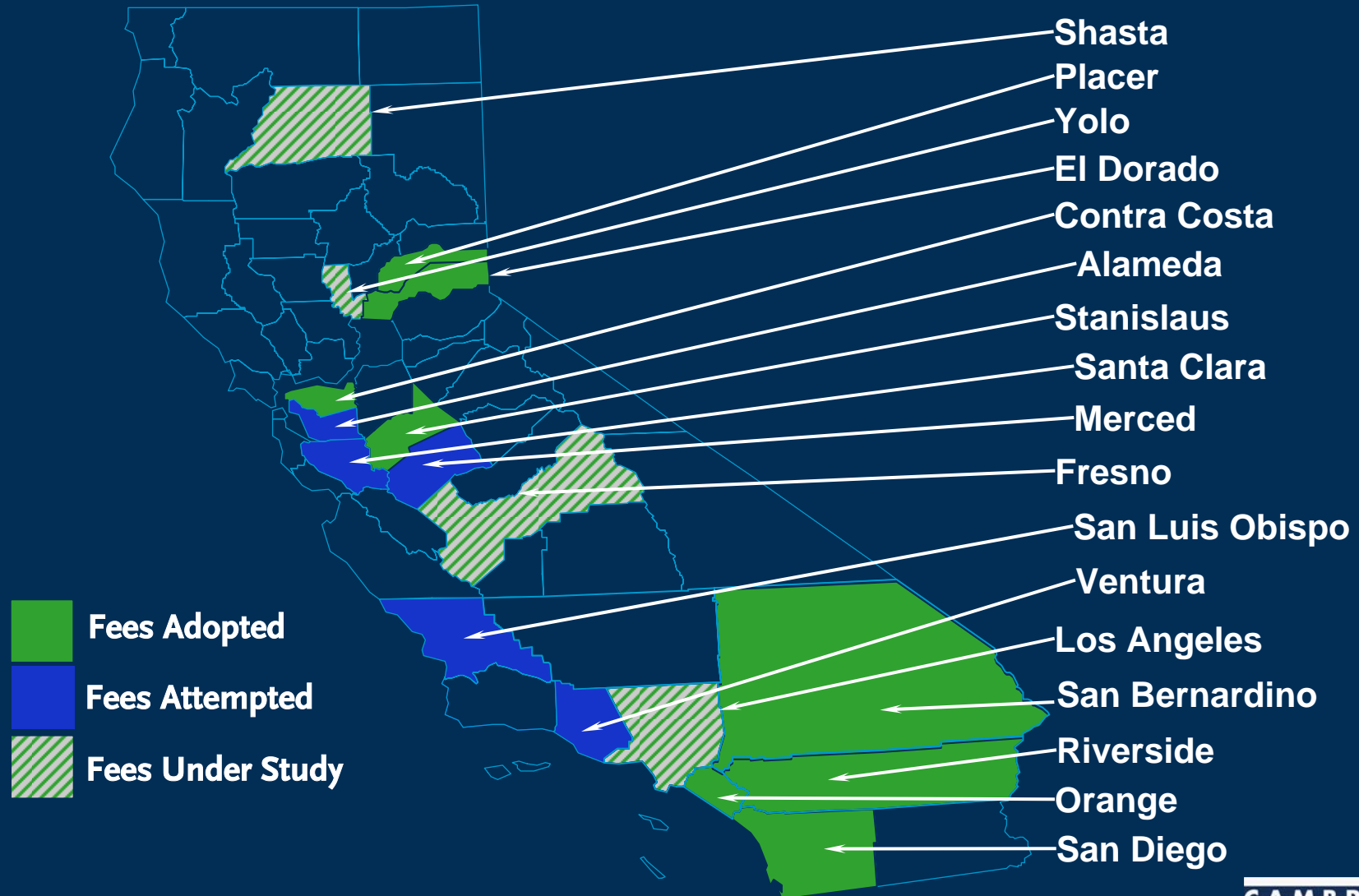
# Advantages for Building Industry

- **Streamlines entitlements**
- **Potential to leverages regional, state and federal funds**
- **Provides more certainty in entitlement costs**
- **Includes all new development in regional mitigation**
- **Counters no-growth or slow-growth advocacy**
- **Addresses CEQA regional mitigation requirements**
- **All new development pays fair share**

# Advantages for the Public

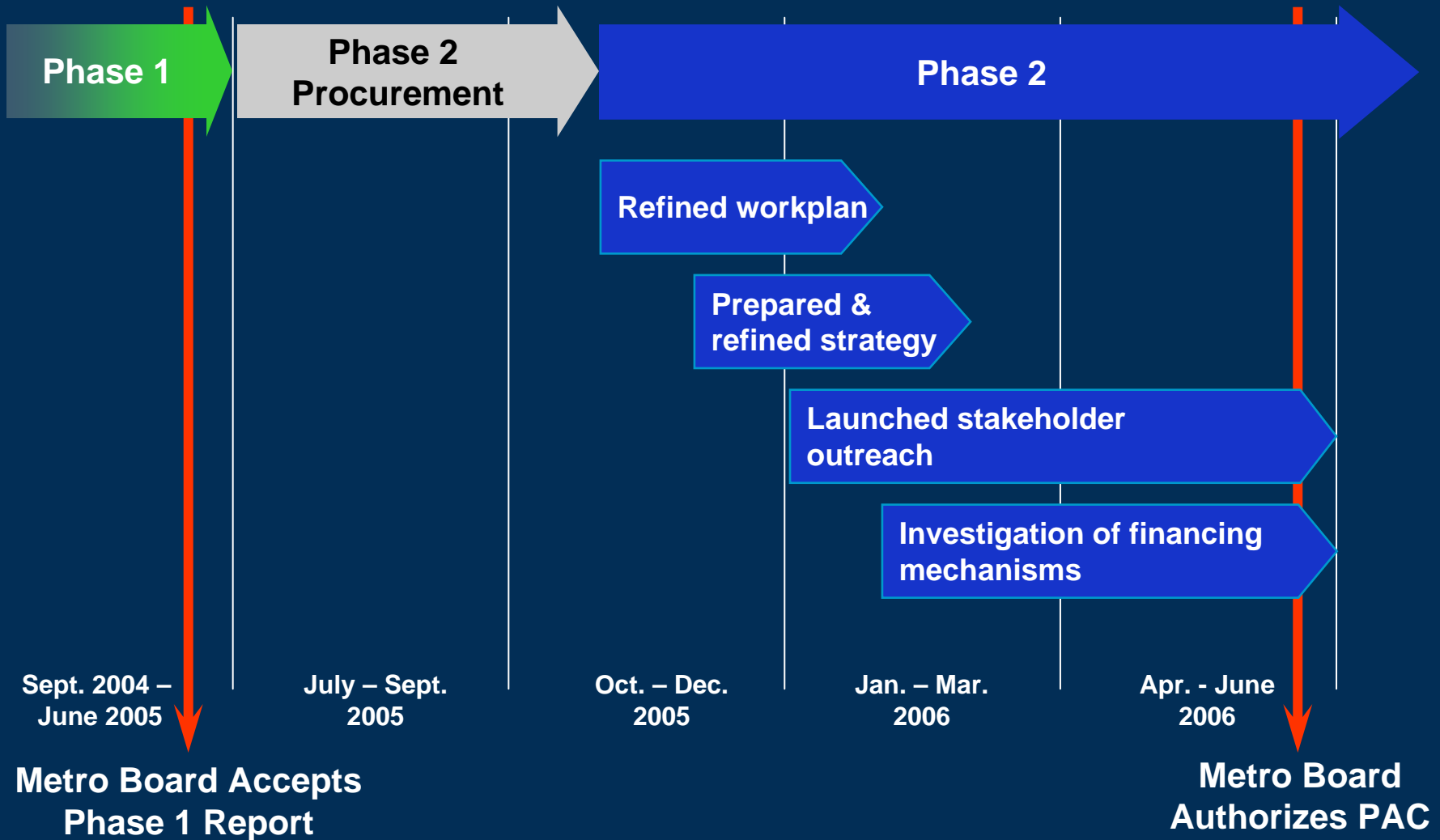
- **Fee builds new regional transportation projects**
- **Improves mobility and reduces congestion on regional transportation system**
- **Improves air quality and quality of life**
- **Development pays its fair share for regional improvements**

# Transportation Impact Fees Regional or Countywide Developer Mitigation Programs





# Work Completed To Date



# Phase 2 Stakeholder Outreach

- **29 jurisdictions with highest share of projected growth, including:**
  - LADOT
  - County of Los Angeles
  - Santa Clarita
  - Long Beach
  - Lancaster
  - Carson
  - Torrance
  - Burbank
  - Palmdale
  - And 20 others
- **Other organizations:**
  - Building Industry Association
  - Caltrans District 7
  - Private Developers
  - Council of Governments
  - Underwriters & Bond Counsels

# Program Reflects Others' Experience

<b>Practice</b>	Western Riverside	San Bernardino	Contra Costa	San Diego	Orange
<b>Agency</b>	WRCOG	SANBAG	CCTA	SANDAG	TCA
<b>Project Selection</b>	WRCOG	Local	CCTA	Local	TCA
<b>Matching Funds</b>	Sales Tax	Gas Tax	Sales Tax	Sales Tax	Tolls
<b>Total Funding</b>	\$6.0 B	\$1.3 B	\$700 M	\$650 M	\$600 M
<b>Fee per SF Home</b>	\$7,248	\$450-\$5,060	\$2,400-\$3,800	\$2,000	\$3,500
<b>Credit For Existing Fees</b>	Yes	Yes	No	Yes	Yes
<b>Leverage Other Funds</b>	Yes	Yes	Yes	No	Yes
<b>Land Use Categories</b>	2 - Res. 4 - Non Res.	2 - Res. 4 - Non Res.	2 - Res. 4 - Non Res.	Res. Only	Res., Retail Commercial
<b>Year Adopted</b>	2001	2005	1994	2005	1993

# Establish a Policy Advisory Committee

## Final Recommendations for Program Design



# Five Tasks for Policy Advisory Committee Regional Congestion Mitigation Fee

## Project List

Cities review regional priorities and provide a ranked list of regional transportation improvements with estimated costs

## Growth Forecast

Cities can either accept the Metro forecasts or suggest revisions for some or all land uses

## Credits & Discounts

Cities receive credit for current regional mitigation requirements imposed on new development

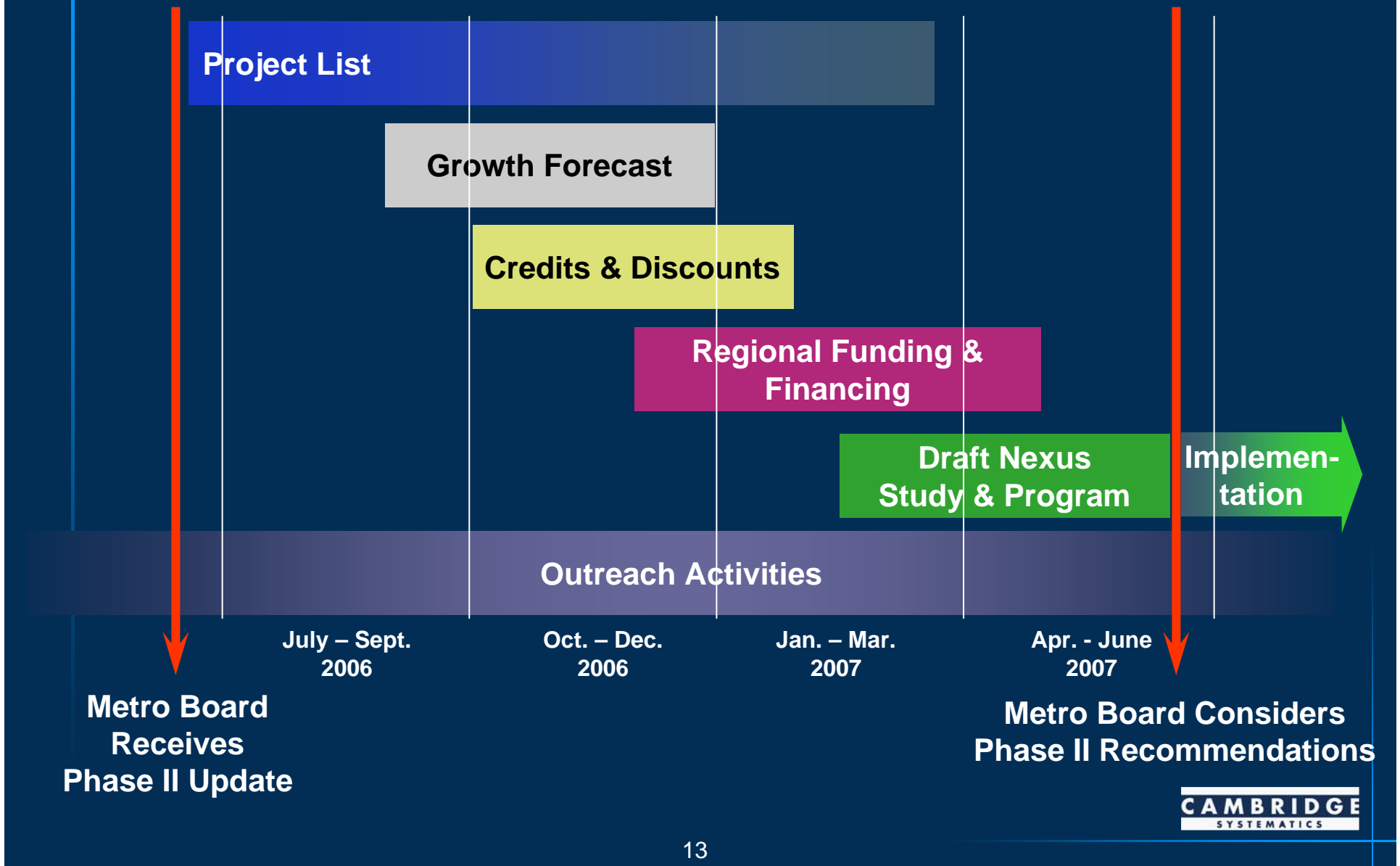
## Regional Funding & Financing

Consultant team will develop financing strategies for fee revenues collected by cities

## Implementation & Administration

Metro will work with Policy Advisory Committee to develop program requirements

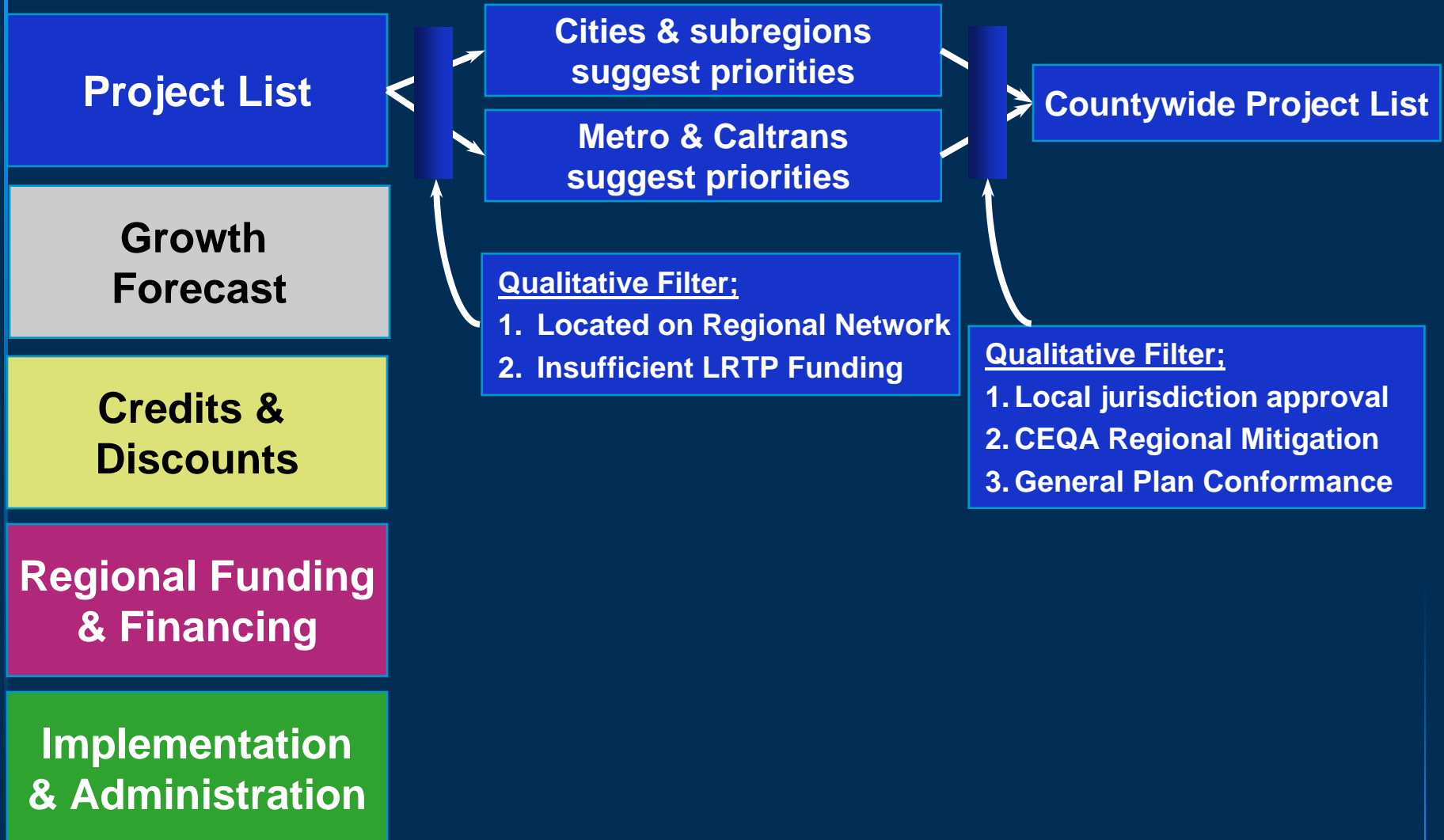
# Schedule for Policy Advisory Committee Next 12 Months



# Appendix

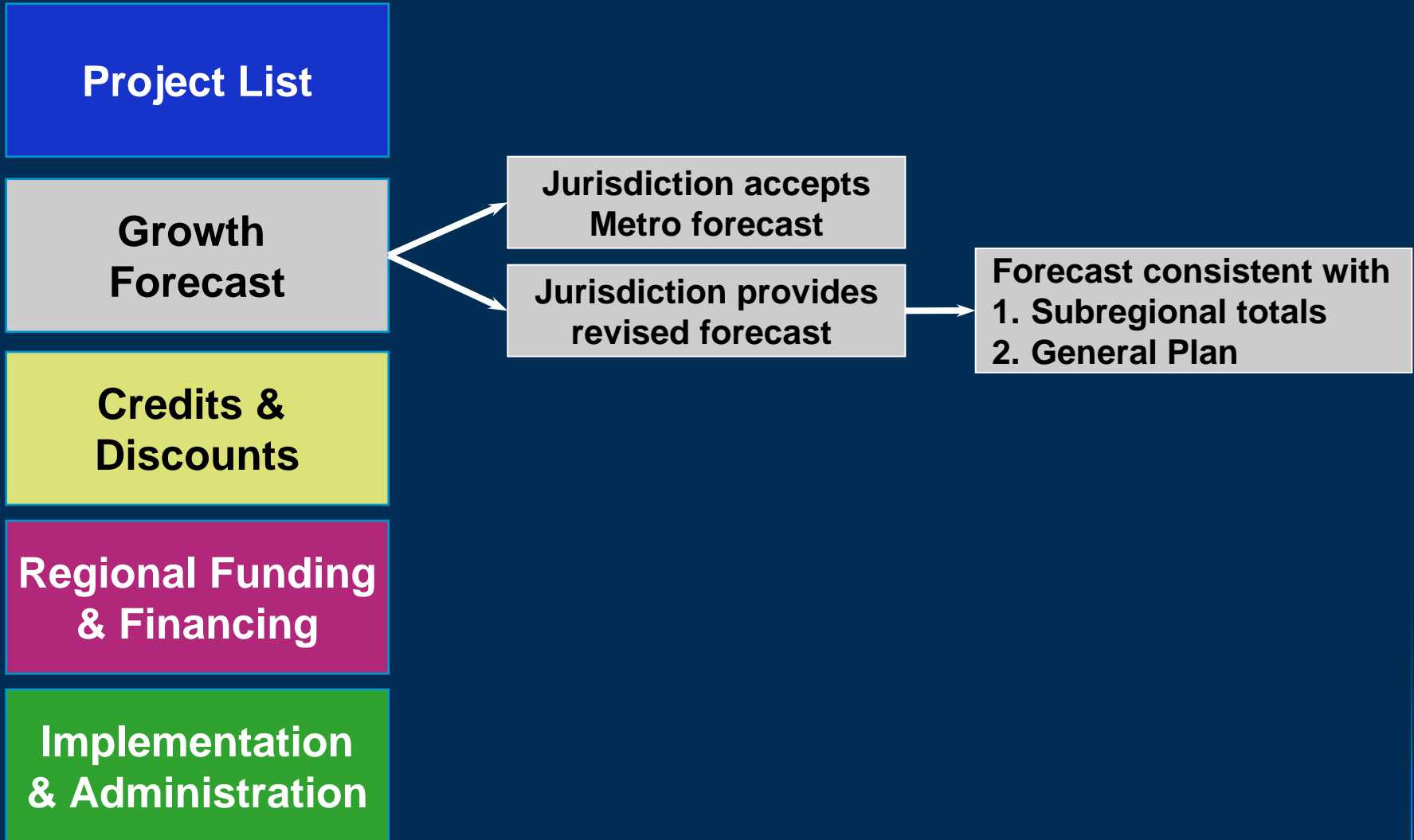
## *Details for Local Jurisdictions*

# First Task: Project Selection & Cost Estimation

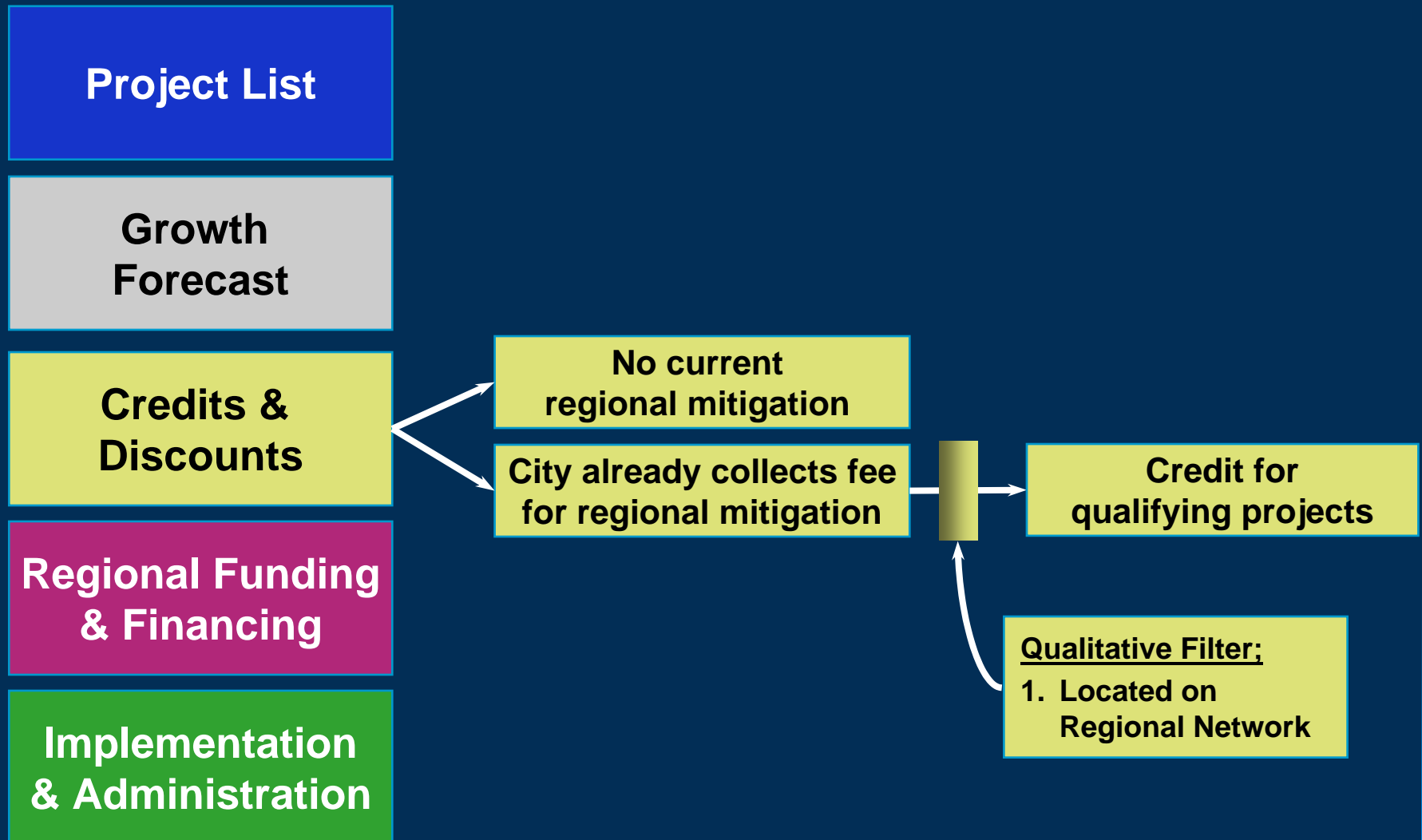




# Second Task: 25-Year Land Use Growth Forecast



# Third Task: Credit for Existing Regional Mitigation



# Fourth Task: Regional Financing

Project List

Growth  
Forecast

Credits &  
Discounts

Regional Funding  
& Financing

Implementation  
& Administration

Explore Leveraging  
With Regional \$

Explore Innovative  
Financing

Calculate Congestion  
Mitigation Fee

# Fifth Task: Local Jurisdiction Adoption & Implementation

