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PLANNING & PROGRAMMING COMMITTEE
June 18, 2008

SUBJECT: CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

ACTION: APPROVE FINAL DRAFT CONGESTION MITIGATION FEE STUDY REPORT AND AUTHORIZE STEP 2 OF CONGESTION MITIGATION FEE WORK PLAN

RECOMMENDATION

Approve Final Draft Congestion Mitigation Fee Feasibility Study Report (Final Draft Study Report – Attachment A) and authorize the Chief Executive Officer to initiate Step 2 of the Congestion Mitigation Fee Work Plan (Attachment B) consisting of project selection, estimating project costs, and confirming growth forecasts.

ISSUE

Staff has prepared a Final Draft Study Report after circulating the Draft Study Report for stakeholder review. This Board Report is to brief the Board on the Final Draft Study Report stakeholder review process and the comments received from stakeholders from January 11, 2008 through April 25, 2008. See Attachment C for a summary of the Final Draft Study Report.

POLICY IMPLICATIONS

These recommendations are consistent with the direction given by the Board to explore the feasibility of implementing a congestion mitigation fee when the Board adopted the 2003 Short Range Transportation Plan in August 2003.

OPTIONS

The Board could decide not to adopt the Final Draft Study Report. However, this is not recommended as the proposed Congestion Mitigation Fee program has been developed to meet the statutory requirements of the Deficiency Plan of the Congestion Management Program (CMP), and allows the county's jurisdictions to generate new revenue for local projects with a regional benefit that mitigate the impacts of new development.

FINANCIAL IMPACT

Implementing the congestion mitigation fee program would meet CMP conformance requirements allowing jurisdictions to continue receiving Section 2105 State gas tax funding in the annual amount of $95 million, as well as other state and federal transportation funds. The approved FY09 Budget for Cost Center 4220, Project Number 405544, Task Number 01, includes $933,500 to conduct Step 2 of the Congestion Mitigation Fee Work Plan.

DISCUSSION

Due to projected growth challenges and on-going transportation funding shortfalls, the Board authorized work on a Congestion Mitigation Fee Feasibility Study to explore the feasibility of implementing a congestion mitigation fee in Los Angeles County. Staff has been meeting with sub-regional Councils of Governments (COGs), local jurisdictions, the private sector, the Congestion Mitigation Fee Policy Advisory Committee (PAC) and other stakeholders to solicit input on whether a Congestion Mitigation Fee program would work in a complex county such as Los Angeles. On February 20, 2008, staff provided a Receive and File Board Report on the status of the work conducted with stakeholders and the PAC. As a result of this work effort and input received from stakeholders noted above, a congestion mitigation fee program is feasible and summarized in the Congestion Mitigation Fee Program Summary. (Attachment C)

The Congestion Mitigation Fee program will not solve all of the County's congestion problems. It is one of a several strategies currently being considered by us for generating new revenue that could be used to build much needed transportation projects in Los Angeles County. The Draft 2008 Long Range Transportation Plan (LRTP) has addressed the current funding crisis by committing to "explore new transportation revenues such as public-private partnerships, congestion pricing, and a congestion mitigation fee." The Final Draft Study Report describes a program that can generate additional revenue for funding local projects with a regional benefit that would provide mobility benefits to jurisdictions across the county. As stated in the Final Draft Study Report, the proposed program can be modified and updated by the Board at each step of the Work Plan.

Stakeholder Review Period

Approximately 1,000 copies of the Draft Study Report were distributed for review during the stakeholder review period that took place from January 11, 2008 through April 25, 2008. This review period coincided with the 45-day public comment period of the Draft 2008 LRTP. All 89 jurisdictions received copies of the Draft Study Report through their mayors, supervisors, city and county officials, as well as sub-regional COG executive directors, transit operators, Congestion Mitigation Fee Policy Advisory Committee members, development representatives, and other interested parties. During this period, staff conducted 29 presentations to the sub-regional COGs, local jurisdictions, Caltrans, Metro Technical Advisory Committee (TAC), and other stakeholders. See Attachment D.

In response to staff's outreach activities, staff received 28 letters (Attachment E) commenting on the Draft Study Report from local jurisdictions, sub-regional COGs, development community, business associations, and other stakeholders. The majority of the comments received were technical in nature and will be addressed in Step 2 when project selection, cost estimates, and growth forecasts will be discussed with jurisdictions and other stakeholders.

Some stakeholders such as the San Gabriel Valley COG, the City of Los Angeles, and the County of Los Angeles expressed a willingness to work with staff on Step 2 of the Work Plan, provided we address their concerns and abide by the Guiding Principles adopted by the Board in April 2007. Some other stakeholders such as the Gateway Cities COG, the Cities of Bellflower, Signal Hill, Cerritos, Long Beach, and organizations such as the Building Industry Association, Central City Association, stated their opposition to the congestion mitigation fee program. Their concerns were primarily centered on the impact the fee would have on the economic development potential of their city or the burden it would impose on businesses. Although these stakeholders expressed opposition, many of them also stated they would want to be involved in future discussions of the fee program if this program is developed further. Other stakeholders identified specific issues or concerns without taking a position on the congestion mitigation fee program. A summary of the comments received are summarized in the following paragraphs and in Attachment F.

A number of comments staff received during the meetings with stakeholders related to the process of developing and implementing the congestion mitigation fee program, which have been addressed in the Guiding Principles that were presented to the Board in April 2007. During the outreach process, jurisdictions expressed strong support for Board commitment to the Guiding Principles as set forth in this program. Some of the other comments included issues pertaining to the importance of local control of the fee program where jurisdictions would charge, collect and retain the fee revenue; the assurance that transportation projects will be constructed within a reasonable time period, as well as select the transportation projects, and that new development should only pay its fair share and not pay for existing deficiencies.

Other concerns that were expressed in writing and in meetings dealt with the issues that will be addressed during Step 2 of the Work Plan such as determining whether the project list will be developed at the sub-regional level or at the local level; providing flexibility in the fee program such as modifying trip generation rates where it is justified, including freight movement transportation projects as a category of projects; resolving how cities can receive benefit from the credit balances that they have accumulated as a result of complying with the CMP Deficiency Plan's debit-credit methodology; pooling resources among jurisdictions to generate enough revenue to make the program meaningful, and developing a consensus among jurisdictions generating a list of multi-jurisdictional projects. Several stakeholders such as smaller cities stated that since they are already built out, they may not generate as much revenue as those cities projected to have significant growth placing them at a comparative disadvantage if matching funds become available. In response to jurisdictions' concern regarding the credit balances they have accumulated implementing the debit-credit methodology of the Deficiency Plan, staff is proposing to continue to explore options to address this issue in Step 2.

Additional comments received pertained to the Draft Study Report document such as correcting errors and modifying language to certain sections of the document to enhance the effectiveness of the program. These comments include adding language regarding how the fee would only apply to the net increase in residential, industrial, or commercial space, and would not apply to remodeling that does not generate new trips. Also, the document has been modified in other sections to address various issues such as our commitment to working with jurisdictions during Step 2 to confirm or reconcile their growth forecasts and make them consistent with each jurisdiction's General Plan forecasts; clarifying that compliance with the congestion mitigation fee program and the CMP Deficiency Plan would consist of good faith effort on part of the jurisdiction to implement the Congestion Mitigation Fee program (such as adopting the fee program ordinance, collecting the fee revenue, and submitting the required annual CMP Local Development Reports); establishing a CMP Technical Advisory Committee comprised of stakeholders to work with Metro staff to address technical issues as they arise during Step 2 of the Work Plan; and clarifying local representation on the CMP Appeals Panel. See Attachment F for a bulleted summary of key points expressed by stakeholders during discussions in meetings and through written correspondence.

Work Plan Milestones

Staff completed Step 1 of the Work Plan (Attachment B), which consisted of the Feasibility Study, Final Draft Study Report, and receiving input from stakeholders through the outreach activities carried out by staff and the contractor. The outcome of this work effort is documented in the Final Draft Study Report, which will be distributed to stakeholders upon approval by the Board.

If the Board adopts the Final Draft Congestion Mitigation Fee Study Report and authorizes staff to proceed, then staff would work with jurisdictions to confirm their growth forecasts, identify local projects with regional benefit, and estimate the cost of these transportation projects. Staff has prepared a growth forecasting and fee revenue calculation tool to assist jurisdictions and other parties to review growth forecasts, and to conduct "what if", or pro-forma, scenarios regarding mitigation fee amounts. This calculation tool estimates the fee amount a jurisdiction would need to have in place to pay for the cost of transportation projects needed to help mitigate the impacts of growth. Step 2 is currently scheduled to occur between July 2008 and May 2009 with results to be presented to the Board in June 2009. If the Board directs staff to proceed to Step 3, then the Nexus Study technical analysis would take place between July 2009 and January 2010 with results to be presented to the Board in February 2010. The final step, or Step 4, of the Work Plan is local program implementation, which consists of jurisdictions adopting ordinances to implement the Congestion Mitigation Fee program at the local level with a project list and a corresponding fee amount. After these steps are completed, then staff would update the CMP and replace the debit-credit methodology of the Deficiency Plan with the Congestion Mitigation Fee Program.

NEXT STEPS

Upon Board approval, staff will work with jurisdictions and other stakeholders on Step 2 of the Congestion Mitigation Fee Wok Plan, which consists of identifying projects, estimating project costs, and reviewing growth forecasts with jurisdictions. If the Board adopts the Final Draft Study Report, it will establish the program guidelines for the proposed program and establish the framework for proceeding to work with local jurisdictions to identify projects and review growth forecasts (Step 2 of Work Plan), as well as guide the development of the Nexus Study (Step 3 of Work Plan). Each of these steps requires Board action to proceed.

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Heather Hills, Director, Long Range Planning

ATTACHMENTS

A. Final Draft Congestion Mitigation Fee Feasibility Study Report
B. Congestion Mitigation Fee Work Plan
C. Congestion Mitigation Fee Program Summary
D. Stakeholder Review Meetings Matrix
E. Letters Received From Stakeholders
F. Summary of Stakeholder Comment

Carol Inge
Chief Planning Officer
Countywide Planning & Development

Roger Snoble
Chief Executive Officer

ATTACHMENT A

Final Draft Congestion Mitigation Feasibility Study Report

FINAL DRAFT
CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

A SELF-HELP PROPOSAL FOR CONGESTION RELIEF IN LOS ANGELES COUNTY

Metro

June 2008

Final Draft Congestion Mitigation Fee Feasibility Study Report: A Self-Help Proposal for Congestion Relief in Los Angeles County

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GRAY SHADED SECTIONS CONTAIN THE CHANGES MADE TO THE DRAFT STUDY REPORT.

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1. PREFACE

As part of its approval of the 2003 Short Range Transportation Plan, the Metro Board authorized work on a nexus study to explore the feasibility of working with local jurisdictions to implement a congestion mitigation fee. Since then, staff has been meeting with sub-regional Councils of Governments (COGs), local jurisdictions (the cities and the county), the private sector, the Congestion Mitigation Fee Policy Advisory Committee (CMF PAC) and other stakeholders to solicit input on "how" and "if" a Congestion Mitigation Fee Program would work in a complex County like Los Angeles. After considerable discussion with the CMF PAC and other stakeholders, Metro staff have concluded that a congestion mitigation fee program in Los Angeles County is feasible. Metro has developed the following congestion mitigation fee program proposal that uses others' experiences and attempts to address many issues raised over the course of the study effort.

The time has come to face the fact that public resources are not infinite and increasing congestion is facing us if we do not act soon. Los Angeles County is constantly being confronted with significant funding challenges due to uncertainty of funding from both state and federal resources. This type of environment jeopardizes both existing transportation priorities that are needed now, let alone the ever growing demand for both new unmet needs.

The CMP congestion mitigation fee program is not intended to be "the end all solution" for transportation funding needs. Instead, it is only one strategy of a larger and more comprehensive package of strategies for generating new revenue that could help fund new and much needed transportation projects. Some options that Metro is pursuing include opportunities such as tolls/congestion pricing, increasing local sales tax, increasing state or federal gas tax, and others. Furthermore, Metro acknowledges that any new funding proposal will require a broad consensus building period prior to its approval.

While we recognize Los Angeles County is very complex and contains 89 unique jurisdictions, staff has strived to put together a program that is straight forward and can be easily implemented by all of the local jurisdictions in Los Angeles County.

This document serves as the ~~Draft~~ Congestion Mitigation Fee Feasibility Study Report (~~Draft~~ Study Report) and is the final ~~draft~~ product for Step I of the Congestion Mitigation Fee Work Plan outlined in Table 1-1. This work plan shows the milestones and decision points that need to be taken by the Metro Board. In addition, the proposed program can be modified and updated at each step of the Work Plan.

This Draft Study Report is being distributed to stakeholders throughout the County including the CMF PAC, COGs, local jurisdictions, private sector representatives, environmental groups, and other stakeholders for their further review and comment. Metro staff is committed to working with county stakeholders to ensure their concerns and comments are reflected in this report.

Table 1-1
Congestion Mitigation Fee Work Plan

Work Plan Components	Preliminary Schedule	Estimated Dates for Metro Board Action
Step 1: Feasibility Study & Program Guidelines • Review with PAC, local jurisdictions, COGs, & Others	**Jan. '08-April. '08**	**June '08**
Step 2: Local Project Identification • Work with local jurisdictions to confirm growth forecasts • Work with local jurisdictions to identify local projects with regional benefits	**July '08–~~Jan~~May~~.~~ '09**	**~~February~~June '09**
Step 3: Nexus Study • Technical work effort to determine nexus • Final Metro Board action to authorize program	**July~~March~~ '09–~~June~~Jan. '~~09~~10**	**~~July~~Feb. '~~09~~10**
Step 4: Local Implementation • Work with local jurisdictions to adopt Local Ordinance	**~~August~~March '~~09~~10 +**	

After stakeholder review of the Draft Report, Metro Staff will prepare a revised Study Report, which is anticipated to be presented to the Metro Board for action in ~~April~~June 2008. If the Metro Board adopts this Report, it will establish the guidelines for the proposed program, and establish the framework for proceeding to work with local jurisdictions to identify projects (Step 2), as well as guide the development of the Nexus Study (Step 3). Please note that each step requires Metro Board action to proceed to the next step, with final action to implement the fee being Board approval of the Nexus Study (Step 3). (See Table 1-1.)

2. BACKGROUND

2.1 OVERVIEW

Forecasters predict that Los Angeles County will be home to more than two million new residents by 2030. We will also see more than 250,000 new homes along with nearly 400 million square feet of new retail, office, industrial, or other non-residential development. This kind of growth can enhance our economic future.

Such robust growth, however, will also strain the county's already burdened transportation infrastructure. We could see 39 percent more traffic on our congested roadways during a time when roadway expansion only increases by 3 percent. This could mean that congestion levels could increase by more than 200 percent in the next 25 years. It is critical that we plan for this coming growth by finding new ways to pay for the transportation system we need to keep our region moving.

Due to these growth challenges and on-going transportation funding shortfalls, the Metro Board of Directors authorized work on a Congestion Mitigation Fee Feasibility Study to explore the feasibility of implementing a Congestion Mitigation Fee Program jointly with local jurisdictions in Los Angeles County. This would be a one-time fee applied to all types of new development to fund transportation improvements that mitigate the impact of growth on the regional transportation network. If implemented, a Congestion Mitigation Fee Program would generate new revenue for local governments to build transportation projects that address future congestion. It would also help meet local responsibilities to implement a Countywide Deficiency Plan under the state-mandated Congestion Management Program (CMP). By complying with the CMP, local jurisdictions receive approximately $95 million annually in State gas tax revenue.

2.2 THE NEED FOR A COUNTYWIDE CONGESTION MITIGATION FEE

Los Angeles County is a large, urbanized county with a diverse and growing population. The population today is nearly 10 million and is projected to grow to over 12 million – a ~~25~~20% increase – by 2030. Additionally, the county currently contains over 3.3 million housing units and occupies over 4,000 square miles. The county is at the heart of the Southern California regional economy, one of the largest in the world.

Among the effects of this enormous scale of economic activity are serious problems with traffic congestion and air quality. Many of the county's highways and roadways experience heavy congestion lasting many hours daily.

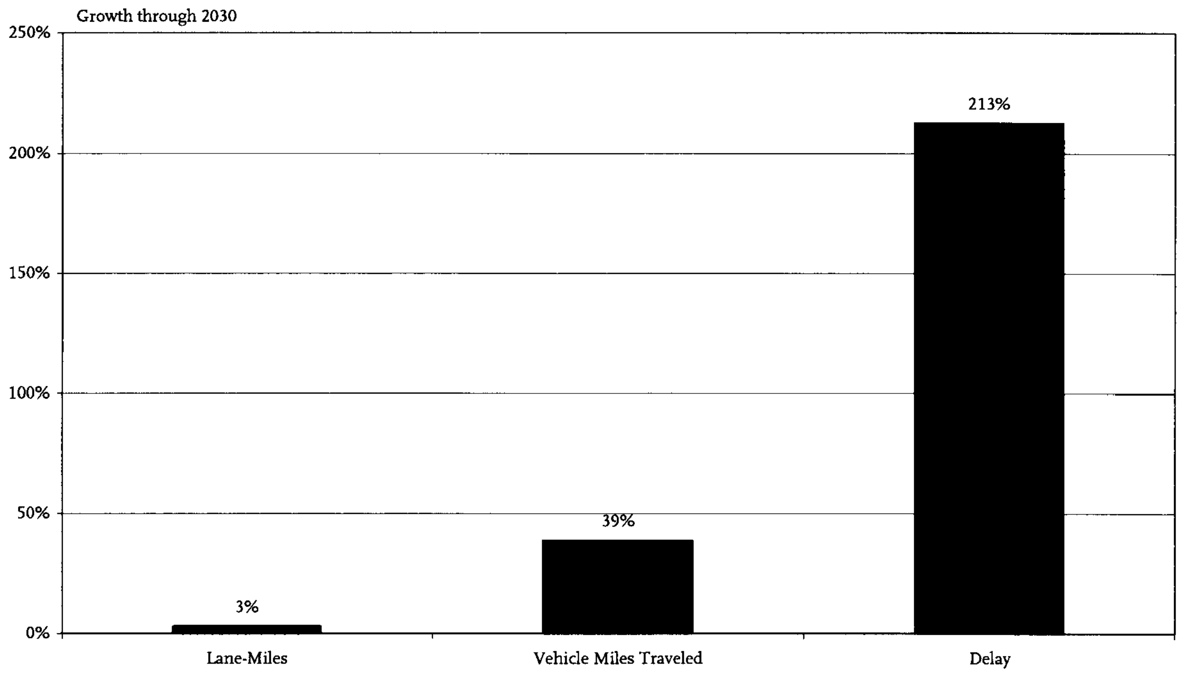
As our region continues to grow, so do the challenges to developing a transportation system that can keep Los Angeles County moving. Without proper mitigation, traffic from new growth could choke our regional roads and transit systems. Providing new transportation facilities is an expensive undertaking. Not providing them, however, will result in a decreased quality of life due to significant increases in traffic congestion, negative impacts on economic prosperity, adverse air quality, and degradation of mobility throughout Los Angeles County.

Four issues have converged that highlight our transportation challenges:

1) Los Angeles County Keeps Growing

Congestion is projected to increase 200 times faster than new roadway capacity. (See Figure-2-1) Over two million more residents are expected in our county by 2030, a ~~25~~20 percent growth in population. Studies project 257,000 new homes; 382 million square feet of new retail, office, industrial or other non-residential development; almost 9 million new auto trips on the county's congested roadways, and additional strain on the transit system. With new roadways growing by 3 percent during that time, keeping our county moving will get tougher.

Figure 2-1
Increases in Countywide Lane Miles, Vehicle Miles Traveled and Delay Indexed From 2001 to 2030



2) Opportunity to Grow Transportation Funds

During the past five years, transportation needs have outstripped the availability to fund congestion-relieving transportation projects. The financial picture today is one in which transportation revenue sources from both the federal and state levels are being threatened. The State Legislature and Governor have adopted a budget which redirects $1.3 billion in transportation funding to other State programs. This action jeopardizes highway and transit projects throughout the state, including and especially in Los Angeles County. These cuts could have far reaching consequences, if the California Transportation Commission is not able to fully allocate funds to already committed projects in the 2008 State Transportation Improvement Program (STIP). In addition, the State is seriously considering borrowing from GARVEE Bonds for freeway capital management projects.

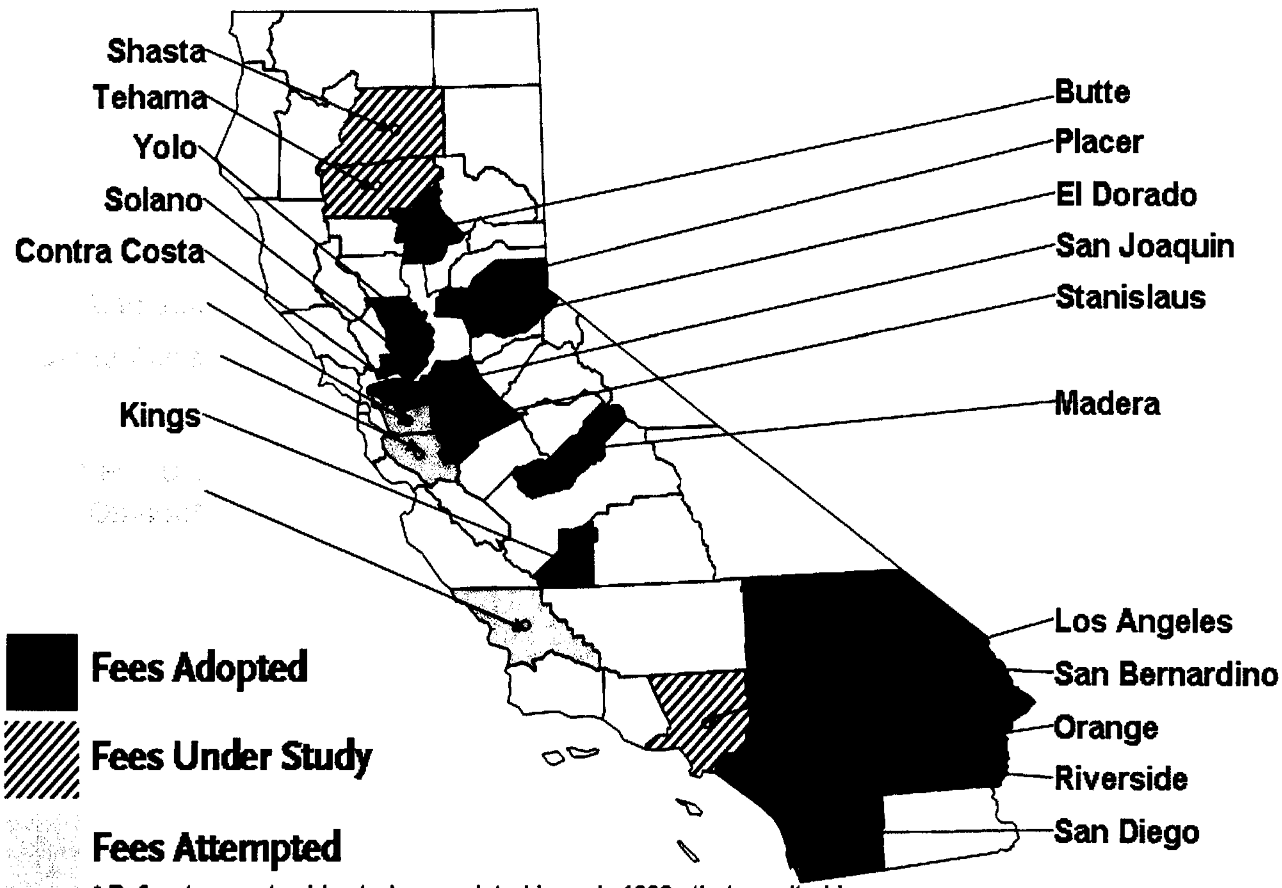
As we advocate for Los Angeles County's share of state and federal funding, we also must look to ourselves for local funding solutions, which will ensure that our future transportation needs are met. In fact, counties that have self-help programs may find themselves in a better position to compete for limited state and federal transportation dollars in the future.

Therefore, the Congestion Mitigation Fee Program proposal provides an opportunity for Los Angeles County to look to itself to grow the transportation funding pie by requiring future development to pay its fair share for transportation infrastructure. A countywide mitigation approach also provides a level playing field, with all jurisdictions having equal mitigation responsibilities.

3) <u>Not a New Idea</u>

Congestion mitigation fees are not a new idea. A number of counties (14) throughout the state have similar programs in place (see figure 2-2). Adjacent counties to Los Angeles County have adopted congestion mitigation fees, including Western Riverside Council of Governments, San Bernardino Associated Governments, Orange County, and San Diego County.

Figure 2-2
Countywide or Regional Transportation Fees



* Refers to countywide study completed in early 1990s that resulted in impact fees adopted for the unincorporated area only.

4) <u>Need to Replace CMP Debit and Credit Methodology</u>

As the State-mandated Congestion Management Agency for Los Angeles County, Metro is charged with the responsibility to develop a countywide program to meet its regional congestion mitigation requirements. Conformity with CMP legislation provides $95 million annually in gas tax revenue (Section 2105) to the 89 jurisdictions in Los Angeles County. However, many local jurisdictions have raised concerns about whether the current debit and credit approach to the Countywide Deficiency Plan requirement of the Congestion Management Program is the best way to mitigate regional traffic impacts from growth.

Given the above circumstances, the Metro Board directed staff to explore whether a congestion mitigation fee in Los Angeles County could help new growth pay its fair share for future transportation improvements.

2.3 CONGESTION MANAGEMENT PROGRAM (CMP) STATUTORY REQUIREMENTS

Jurisdictions are required to conform to local requirements of the CMP in order to continue receiving their portion of state gas tax money allocated by Section 2105 of the California Streets and Highways Code, and to preserve their eligibility for state and federal funding for transportation projects.

As required by state statute, the Los Angeles CMP has the following elements:

- A system of highways and roadways, with minimum levels of service performance measurements designated for highway segments and key roadway intersections on this system.
- A performance element that includes performance measures to evaluate multimodal system performance.
- A transportation demand management (TDM) element that promotes alternative transportation strategies.
- A land use analysis program to analyze the impacts of local land use decisions on the regional transportation system, including an estimate of the costs of mitigating those impacts.
- A seven-year capital improvement program of projects that benefit the CMP system.
- A deficiency plan pursuant to Section 65089.4 when highway and roadway level of service standards are not maintained on portions of the designated system.

2.4 LOS ANGELES COUNTY'S APPROACH TO THE CMP COUNTYWIDE DEFICIENCY PLAN

Deficiency plans are required by CMP statute when level of service (LOS) standards are not maintained on portions of the CMP highway and roadway system. A deficiency is defined as an intersection or segment of highway or roadway that has a reduction in LOS that exceeds the minimum standard of LOS "E." In summary, deficiency plan must include the following:

- An analysis of the cause of the deficiency;
- A list of improvements needed to maintain the LOS standard, and their estimated cost;
- A list of improvements, programs or actions, and estimates of their cost, that will:

- Measurably improve multimodal performance;
- Contribute to significant improvements of air quality; and

- An action plan, consisting of identified improvements and including a specific implementation schedule.

Statute also provides guidelines for the determination of deficiencies, deficiency plan contents, and agencies that must be consulted during deficiency plan development. The city or county must forward its adopted deficiency plan to the Congestion Management Agency (Metro) for approval.

Several different approaches for satisfying statutory deficiency plan requirements have been implemented throughout the state, which use a "project-level" approach to analyzing the traffic impacts of new development. Samples of these alternatives include: (1) mandatory local participation on multi-jurisdictional transportation improvement projects, (2) development impact fees for specific jurisdictions or projects, and (3) local deficiency plans prepared by each jurisdiction when they approve a development project which contributes to a deficiency.

In 1993, Metro adopted a countywide approach to meet deficiency plan requirements of the CMP statute for Los Angeles County. This countywide approach was selected after a two year work program and after consideration of several alternatives by the CMP Policy Advisory Committee, a CMP Technical Forum, and ongoing meetings and input from local jurisdictions, the private sector, and environmental interests. The consensus was that a countywide approach requiring the participation of all local jurisdictions would be best able to address the following issues:

- Because of the complexity and interrelatedness of transportation impacts, local jurisdictions could not bear the burden of addressing the cumulative impacts of all types and sizes of development;

- The high level of traffic congestion in Los Angeles County, and the long and interrelated travel patterns that exist, mean that a deficiency at any one location has multiple causes;

- Many of the most effective mitigation strategies will require partnerships that combine the resources of multiple jurisdictions and other government agencies;

- A uniform countywide approach provides certainty and predictability among jurisdictions as well as to the business community; and

- It provides a framework which can be integrated with existing mitigation programs, and avoids delay to development approvals.

<u>Congestion Mitigation Fee Retains the CMP Countywide Deficiency Plan Approach</u>

The proposed congestion mitigation fee program discussed in this report retains a CMP countywide approach for all jurisdictions' participation while at the same time providing substantial new funding for transportation needs related to new development. In addition, the Congestion Mitigation Fee Program proposal would continue to meet Deficiency Plan requirements of the CMP statute for Los Angeles County.

However, this proposal is a departure from the current CMP countywide debit/credit approach since, by design, that program provided no new revenue sources to any agency or entity required by statute to monitor or implement the CMP Deficiency Plan. The Countywide Deficiency Plan, as it has been implemented since 1993 linked deficiencies on the transportation system to new development activity, and set a uniform point system (based on new trips generated by new development). These points became known as "debits". The local jurisdiction was responsible for implementing sufficient mitigation measures (with point values or "credits" assigned to the benefit) to equal or exceed its debits on an annual basis.

It is important to note that the 1993 Countywide Deficiency Plan was based on the expected benefits of $183 billion of regional transportation improvements funded through The 30-Year Integrated Transportation Plan ("30-Year Plan") as adopted by Metro's predecessor, the Los Angeles County Transportation Commission (LACTC). Just as Metro's Long Range Transportation Plan (LRTP), and the emerging 2008 LRTP update with a $153 billion program of improvements, forecasts what revenues and expenditures are required to deliver a balanced multi-modal program of transportation projects over a 25-year period, the 30-Year Plan performed this function.

The difference between the 30-Year Plan and Metro's 2008 LRTP update go beyond the differences between the $183 and $153 billion dollar package comparison. The differences in the mobility benefits generated through the 30-Year Plan and what Metro has actually been able to fund and deliver by 2010 are sobering. To name a couple examples, the 30-Year Plan proposed to implement 350 miles of Metro rail by 2010. Fast forward to today, and with the opening of the Gold Line Eastside Extension by 2009 and Expo Phase I by 2010, the total will be 86.5 miles of rail countywide. The 30-Year Plan touted 300 miles of express bus service on a projected 300 mile system of carpool lanes to be constructed by 2010 as well. Approximately 20 major freeway bus stations, and 250 smaller on-freeway stations, would allow express buses to operate at much higher speeds.

These differences are relevant today, as the modeling runs conducted for the 1993 countywide program assumed the implementation of the 30-Year Plan by 2010 and were used to forecast countywide congestion levels. Congestion which remained on the CMP system after making these improvements determined local jurisdiction's mitigation responsibilities under the Countywide Deficiency Plan. In general terms, the original model runs indicated that roughly 15% of the new trips generated by new development within Los Angeles County through 2010 would contribute to CMP deficiencies.

The transportation program in subsequent LRTPs, and the emerging 2008 LRTP update is significantly reduced from what was envisioned in the earlier 30-Year Plan. If Metro were to update the model run with the current and more modest LRTP transportation program, the number of deficiencies attributed to new trips generated by new development would greatly increase, thereby increasing a local jurisdiction's responsibilities under the debit/credit system. So even if the Congestion Mitigation Fee proposal is not adopted, the CMP Deficiency Plan would likely need to be updated to reflect a greater local share of responsibility for mitigating impacts to the regional transportation system.

The proposed Congestion Mitigation Fee Program represents a move away from an accounting exercise of "debits" and "credits". Instead, the proposal would continue to link deficiencies on the transportation system to new development activity with a trip fee amount based on new trips generated by new development. The proposal offers substantial new funding for additional transportation capacity, while focusing exclusively on mitigating the impact of new development on the regional transportation system throughout Los Angeles County.

In response to jurisdictions' concern as to what will happen to the credit balances they have accumulated implementing the debit-credit methodology of the Deficiency Plan, staff is proposing to continue to explore options to address this issue in Step 2.

A Congestion Mitigation Fee program would also be consistent with reasons originally cited in 1993 for implementing a countywide approach to the Deficiency Plan:

- "It is able to account for and address the cumulative impacts of all types and sizes of development; and
- Many of the most effective mitigation strategies will require partnerships that combine the resources of multiple jurisdictions and other government agencies, and
- It provides a framework which can be integrated with existing mitigation programs, and avoids delay to development approvals."

And more currently ~~currrecentlyently~~, one of the Guiding Principles adopted by the Metro Board in April 2007 for the Congestion Mitigation Fee Feasibility Study states that "The program will be developed in a manner to encourage certainty and predictability among local jurisdictions, business, environmental and development communities." Thus, a countywide congestion mitigation fee would be consistent with the purpose and ongoing practices of the CMP.

2.5 STAKEHOLDER OUTREACH AND GUIDING PRINCIPLES

Metro staff has been meeting with sub-regional COGs, local jurisdictions, the private sector, the ~~CMF~~ Congestion Mitigation Fee PAC and other stakeholders to solicit input on how a new program could be developed, address outstanding concerns, and continue to build consensus on the Congestion Mitigation Fee Feasibility Study. Numerous written and verbal comments have been received at all stages thus far in this Feasibility Study. This input has been, and continues to be, critical to developing and implementing a meaningful program that meets the complex needs of Los Angeles. During these extensive outreach efforts, stakeholders expressed a number of questions and concerns that revolved around a number of themes:

1. Equity and trust
2. Economic development and jobs
3. Level playing field and fairness
4. Housing affordability
5. Program flexibility
6. Administrative burden on local jurisdictions
7. Multi-jurisdictional collaboration
8. Transit oriented and smart growth land use initiatives
9. Fee consistency with a countywide approach
10. New development should not pay for existing transportation deficiencies

In an effort to address the concerns that were raised, Metro developed a set of Guiding Principles to establish a common understanding of the Congestion Mitigation Fee Program goals. Nearly 500 copies were distributed to stakeholders for a 45-day public review period. The Metro Board adopted the final set of Guiding Principles on April 25, 2007. This action was intended to provide a significant measure of assurance that Metro is being responsive to local jurisdiction's needs and concerns. Based on comments received during the review of the Guiding Principles, the final set of Guiding Principles adopted by the Metro Board are as follows:

- **Fees should be structured to mitigate congestion from new development without discouraging economic development.** One of the key elements of this program is to respect the diverse economic development programs and initiatives within each jurisdiction to ensure the fee program supports economic development to the fullest extent possible.

- **Fees are to augment other regional funds, not replace or redirect them.** The intent of the Congestion Mitigation Fee program is not to shift regional resources or regional responsibility, but rather to help local jurisdictions mitigate the regional impacts of new development by increasing funding options that can generate needed revenue.

- **Local jurisdictions identify local projects with regional benefit consistent with agreed upon guidelines.** Local jurisdictions identify local projects with regional benefit that will conform to agreed upon policies and proposed Program Guidelines.

- **Local jurisdictions adopt, collect, and administer congestion mitigation fees.** Local jurisdictions are responsible for adopting a fee program authorizing them to collect the congestion mitigation fee, and also retaining the congestion mitigation fee revenues in their own accounts. This uses the same local processes that local jurisdictions use to collect other impact fees and minimizes the administrative burden to local staff. In addition, local jurisdictions have the flexibility to administer the program locally or sub-regionally in a manner agreed to by the local jurisdictions that are collecting the funds. Thus, this principle guarantees that all congestion mitigation fee revenue will be returned to the source.

- **Local jurisdictions build projects (or local jurisdictions may choose to participate in multi-jurisdictional or regional projects, if mutually desired).** Local jurisdictions are responsible for building projects that they identify in their local ordinance. Local jurisdictions may also choose to participate in contributing to regional transportation projects that are constructed by others.

- **Local jurisdictions with existing fee programs receive dollar-for-dollar credit for local projects with a regional benefit consistent with agreed upon guidelines.** Local jurisdictions that have existing local traffic mitigation fees would receive credit for transportation projects in their fee program that are also part of the regional mitigation program. This would ensure no double counting. Funds collected by local fee programs would not be affected.

- **Fees should be structured to support transit-oriented development, and to exempt mixed use and high-density residential development within ¼ mile of rail stations consistent with CMP statute.** Per state of California Government Code (Section 65089.4) the fee shall exclude high-density residential and mixed-use development within ¼ mile of a fixed rail passenger station.

- **The program will be developed in a manner to encourage certainty and predictability among local jurisdictions, business, environmental and development communities.** A principle of the Congestion Mitigation Fee program will be to simplify the environmental review process, whenever possible, by promoting a structured approach to dealing with future traffic. This Guiding Principle is not intended to reduce or limit a local jurisdiction's entitlement authority in the project development/approval process.

In developing the proposed Congestion Mitigation Fee Program contained in this Draft Study Report, Metro has attempted to strike a balance between either addressing or incorporating the concerns and Guiding Principles precepts, while ensuring a technically sound approach for the nexus study and ultimate congestion mitigation fee program. Furthermore, during the outreach process jurisdictions expressed strong support for Board commitment to the Guiding Principles as set forth in this program.

3. CONGESTION MITIGATION FEE PROGRAM REQUIREMENTS

The program proposed in this report reflects the experiences of other similar fee programs, incorporating the best and most effective elements of these existing programs that have been successful in helping address the transportation impacts of growth. Details of the program are described below and a summary of program requirements can be found in Table 3-5 at the end of this chapter.

3.1 DESCRIPTION OF PROPOSED FEE PROGRAM

The purpose of the proposed Congestion Mitigation Fee Program is to address the impact of new development on the regional transportation system. An impact fee, like those contemplated by the Congestion Mitigation Fee Program, cannot fund transportation projects that address existing transportation deficiencies. This fee program is typically different than what many local jurisdictions do to mitigate local impacts of development, as local jurisdictions generally mitigate the local impact of development in close proximity to that development. Addressing the regional impacts of development is an existing local responsibility under the Congestion Management Program, and this requirement would be met by the proposed fee. The proposed fee would be a one time fee applied to all types of new development based on trips generated by different land uses. Local jurisdictions would be responsible for selecting eligible projects that mitigate growth on the regional system, collecting fee revenues, and implementing projects. Local jurisdictions are encouraged to develop a sub-regional or multi-city approach to this program, and are encouraged to coordinate with regional and state transportation providers. Also, Metro will consider opportunities for incentives, through the Call-For-Projects or in other ways, to encourage jurisdictions to collaborate with other jurisdictions to implement multi-jurisdictional projects or programs.

3.2 APPLICABILITY OF FEES

The Congestion Mitigation Fee Program shall apply to all new development in all local jurisdictions. However, the fee would only apply to those development projects that receive approval through a building permit process after the fee program has been adopted by the Board and enacted by the city through an ordinance. Also, local jurisdictions who can demonstrate that the amount of fees to be generated within its jurisdiction is so small that the cost to the jurisdiction of administering the program would exceed the amount of those fees may be exempt.

3.3 ROLES AND RESPONSIBILITIES

The roles and responsibilities for Metro and local jurisdictions are described below.

3.3.1 Metro Responsibilities

Program Authorization: As the statutorily designated Congestion Management Agency for Los Angeles County, Metro could authorize a Congestion Mitigation Fee by adopting it as the CMP Deficiency Plan.

Program Guidelines: Metro would be responsible for defining local implementation responsibilities. This document, if adopted by the Metro Board, would constitute the Program Guidelines.

Local Jurisdiction Consultation: Metro will consult with local jurisdictions to review population forecasts and the proposed regional arterial network, to confirm growth trends and ensure that an appropriate regional arterial network has been defined.

Program Oversight: Metro will annually determine local compliance with the fee program through the annual Congestion Management Program local conformance finding process. Local jurisdictions not complying with the program are subject to the loss of funds in accordance with existing CMP requirements (see Section 3.16)

3.3.2 Local Jurisdiction Responsibilities

Review Population Forecast and Regional Transportation Network: Local jurisdictions have the opportunity to review the study's population forecast and to advise Metro on whether the forecast is consistent with anticipated growth trends. Local jurisdictions also have the opportunity to review the regional transportation network and recommend modifications to the network.

Adoption of Local Fee Ordinance: If the fee program is adopted by the Metro Board, local jurisdictions would be responsible for adopting a local fee ordinance. Such an ordinance would be required in order for a local jurisdiction to collect mitigation fees. This is further discussed in Section 3.4 below.

Sub-regional/Multi-jurisdiction Fee District: Local jurisdictions may participate with other local jurisdictions in creating a sub-regional or multi-jurisdictional mitigation fee district. Such fee districts are encouraged, as they provide greater opportunities to generate revenues for larger capital improvement projects that may have a greater regional mobility benefit.

Consultation with Regional/State Transportation Providers and Development Community: Local jurisdictions are encouraged to consult with transportation providers (Caltrans, Metro, Metrolink, and municipal transit operators) regarding regional needs and transportation mitigation measures as well as to coordinate with developers regarding effective mobility strategies that benefit planned new development. If projects are selected that must be implemented by regional or state transportation providers, local jurisdictions should coordinate with those providers to seek any necessary approvals.

Project Selection: Local jurisdictions are responsible for selection of projects consistent with eligibility criteria. Metro will work with local jurisdictions during Step 2 of the Congestion Mitigation Fee work plan in the selection of projects. Local jurisdictions will be asked to identify a program of eligible projects during this step. Such projects would be the evaluated in the Nexus Study (Step 3) and would be the projects that would be funded through the local jurisdiction's fee program. As discussed above, sub-regional/multi-jurisdictional programs are encouraged to maximize regional mobility, and consultation with transportation providers and the development community are recommended in the project development process. (See section 3.9 for more information on eligible projects.) Jurisdictions can fund transportation projects outside of their jurisdiction and in adjacent counties provided a nexus can be made between the mitigation fee collected from a development project and the transportation improvements that are proposed. The countywide nexus analysis will be conducted by Metro in Step 3 of the Work Plan. In addition, Metro will consider opportunities for incentives to encourage jurisdictions to collaborate with other jurisdictions to implement multi-jurisdictional projects or programs.

Revenue Collection, Program Administration and Project Implementation: Local jurisdictions are responsible for collecting fees at the building permit stage, administering the fee program and managing the local fee account, and for implementing projects. Local jurisdictions may, as appropriate, designate responsibility for constructing projects to another agency at their discretion (i.e., developer, private contractor, local, regional, or state transportation provider). Jurisdictions need to comply with the annual and five-year reporting requirements of Government Code § 66000 *et seq.*

3.4 ADOPTION OF LOCAL FEE ORDINANCES

If the Metro Board adopts the mitigation fee program, each local jurisdiction would be responsible for adopting a Congestion Mitigation Fee local ordinance. Metro will develop a model fee ordinance at a later date, to assist local jurisdictions in meeting this requirement. The Congestion Mitigation Fee local ordinance adopted by each local jurisdiction would include the list of projects to be funded from the fee revenues. Local jurisdictions with existing development fee ordinances may integrate the provisions of the Congestion Mitigation Fee local ordinance into their existing ordinances.

3.5 PROPOSED FEE STRUCTURE

The proposed Congestion Mitigation Fee Program is a one time fee applied to all types of new development. The proposed program recommends a countywide program comprised of a single, countywide minimum fee applied across all land uses. The fee would only apply to the net increase in residential, industrial, or commercial space, and would not apply to remodeling that does not generate new trips. The ~~The~~ actual fee amount will be determined as part of final Metro Board adoption.

Local jurisdictions would ~~be permitted~~ have the option ~~be permitted~~ to adopt a fee amount higher than the minimum fee if they have identified growth trends that compel them to build additional transportation projects requiring additional revenues over the countywide minimum amount. In addition, Metro will consider opportunities for incentives to encourage jurisdictions to collaborate with other jurisdictions to implement multi-jurisdictional projects or programs. ~~jurisdictions would have the flexibility to collaborate with neighboring local jurisdictions, form groupings of jurisdictions, use the COG process, and/or develop a sub-regional and/or sub-area approach for their program.~~ This ~~flexibility~~ would enable local jurisdictions to pool their resources, identify transportation projects that mitigate impacts that cross jurisdictional boundaries, and thereby effecting mitigation addressing congestion on the sub-regional system. Local jurisdictions may combine mitigation fee dollars with other available funding sources to fully fund mitigation program projects. State law allows jurisdictions to charge a reasonable administrative fee for administering the fee program.

3.6 HOW THE FEE IS CALCULATED

Calculating a congestion mitigation fee is a straightforward process consisting of five-steps that convert population and employment forecasts into impacts on the transportation network and then develop a fee amount to pay for transportation improvements that would offset the growth impacts on the transportation network (see section 4.1).These steps are consistent with the regulations in Government Code 66000 *et seq.* (drafted as AB 1600, Mitigation Fee Act), to which all mitigation fee programs in California must conform. The state law requires that local jurisdictions charge new development for no more than the cost of the facilities needed to serve it and the funds collected must be spent exclusively on the capital facilities for which it was specifically earmarked.

3.7 REGIONAL GROWTH FORECASTS

The Congestion Mitigation Fee Feasibility Study process to date has developed a methodology to forecast land-use growth by each jurisdiction by converting the population and employment forecasts provided by SCAG. The SCAG forecasts were then modified to reflect each individual jurisdiction's growth during the planning period for 2005-2030. This information is critical for determining the mitigation improvements, the costs associated with the improvement, and the fee that would need to be assessed to generate the funds to pay for that improvement. Metro will provide each jurisdiction with a mitigation fee revenue calculation tool that will include the forecasts of population, employment and land use by jurisdiction. Metro is committed to working with jurisdictions during Step 2 to confirm or reconcile their growth forecasts and make them consistent with each jurisdiction's General Plan forecasts.

3.8 ESTIMATES OF REVENUE POTENTIAL

The amount of the proposed fee has not been determined at this time. In order for local jurisdictions to explore how much revenue could be generated through a fee and what types of projects could be implemented with fee revenues, Appendix A identifies how much revenue could be collected at different fee amounts for each sub-region and each local jurisdiction within Los Angeles County. These tables are provided for illustrative purposes only, to identify how much revenue would be collected on all types of development, using a range from $2,000, $4,000, $6,000, and $16,000 fee amount per single family residential home as a proxy for all types of development. For illustrative purposes, Table 3-1 summarizes the range of fees that could be generated for each sub-region at different fee levels.

Table 3-1
Countywide Congestion Mitigation Fee Methodology—Sub-Regional Level

Subregional Area	Proxy Fee Amount Per Single Family Residence	Cost per new trip	Number of New Trips	Total Revenue
Arroyo Verdugo	$2,000	$200 per trip	466,145	$93,229,000
	$4,000	$400 per trip		$186,458,000
	$6,000	$600 per trip		$279,687,000
	$16,000	$1,600 per trip		$745,832,000
Gateway Cities	$2,000	$200 per trip	1,246,064	$249,212,800
	$4,000	$400 per trip		$498,425,600
	$6,000	$600 per trip		$747,638,400
	$16,000	$1,600 per trip		$1,993,702,400
Las Virgenes-Malibu	$2,000	$200 per trip	103,787	$20,757,400
	$4,000	$400 per trip		$41,514,800
	$6,000	$600 per trip		$62,272,200
	$16,000	$1,600 per trip		$166,059,200
City of Los Angeles	$2,000	$200 per trip	3,357,867	$671,573,400
	$4,000	$400 per trip		$1,343,146,800
	$6,000	$600 per trip		$2,014,720,200
	$16,000	$1,600 per trip		$5,372,587,200
North County	$2,000	$200 per trip	1,173,892	$234,778,400
	$4,000	$400 per trip		$469,556,800
	$6,000	$600 per trip		$704,335,200
	$16,000	$1,600 per trip		$1,878,227,200
San Gabriel Valley	$2,000	$200 per trip	1,331,557	$266,311,400
	$4,000	$400 per trip		$532,622,800
	$6,000	$600 per trip		$798,934,200
	$16,000	$1,600 per trip		$2,130,491,200
South Bay	$2,000	$200 per trip		$154,311,400

	$4,000 $6,000 $16,000	$400 per trip $600 per trip $1,600 per trip	771,557	$308,622,800 $462,934,200 $1,234,491,200
Westside Cities	$2,000 $4,000 $6,000 $16,000	$200 per trip $400 per trip $600 per trip $1,600 per trip	363,837	$72,767,400 $145,534,800 $218,302,200 $582,139,200
Un-Incorporated Area	$2,000 $4,000 $6,000 $16,000	$200 per trip $400 per trip $600 per trip $1,600 per trip	587,078	$117,415,600 $234,831,200 $352,246,800 $939,324,800
TOTAL	$2,000 $4,000 $6,000 $16,000	$200 per trip $400 per trip $600 per trip $1,600 per trip	9,365,784	$1,873,156,800 $3,746,313,600 $5,619,470,400 $14,985,254,400

3.9 ELIGIBLE PROJECTS

3.9.1 Project Eligibility and Selection

Congestion Mitigation Fee revenues would fund local transportation improvements that mitigate the impact of growth on the regional system. As a starting point, the Congestion Mitigation Fee Transportation Network was defined by including all state highways as required by CMP statute, the adopted Countywide Significant Arterial Network ~~(CSAN Network)~~, which includes the statutorily required CMP roadway system, and transit corridors (Figure 3.1). The Congestion Mitigation Fee Transportation Network will be used as the basis for determining eligibility of projects included in the proposed Congestion Mitigation Fee Program. County stakeholders have developed criteria for assisting decision makers on whether an arterial is eligible for inclusion in the Congestion Mitigation Fee Transportation Network (Table 3.2). Projects included in the Countywide Congestion Mitigation Fee Program must be located on the Congestion Mitigation Fee Transportation Network. Arterials not currently identified on the network may be added through an iterative process between Metro and local jurisdictions during project selection in Step 2 of the Work Plan.

Eligible projects would include capacity increasing improvements which benefit the regional system. Local jurisdictions are encouraged to consult with Caltrans, sub-regional COGs, adjacent jurisdictions, transit operators, and developers in preparing the mitigation fee project list. Jurisdictions can fund transportation projects outside of their jurisdiction and in adjacent counties provided a nexus can be made between the mitigation fee collected from a development project and the transportation improvements that are proposed. The countywide nexus analysis will be conducted by Metro in Step 3 of the Work Plan. Projects can be selected from the following categories that local jurisdictions throughout the county are already familiar and accustomed to planning and building:

- State Highway improvements such as HOV lane and carpool interchange connector.
- Regional surface transportation improvements such as arterial widening, bottleneck intersection improvements, closure of gaps in the arterial system, and grade separations.
- Signal synchronization, bus speed improvements, bottleneck intersection improvements, traffic control and monitoring systems, and Intelligent Transportation System.

- Bus and rail transit capital and/or construction of transit stations and centers, park and ride lots, commuter rail stations, transit stop improvements and transit vehicle purchases.
- Others to be determined on a case-by-case basis

3.9.2 Cost Estimates and Constrained Funding Requirements

Once an initial set of candidate projects have been identified, Metro staff will work with individual jurisdictions, sub-regional COGs, or geographic groupings of local jurisdictions to prepare rough order-of magnitude cost estimates. Costs may include planning, project administration and management, design and engineering, Project Study Reports, environmental documents, right-of-way acquisition, and construction. Projects selected by local jurisdictions should be fully funded.

3.9.3 Unit Cost Estimates of Candidate Projects

Also for illustrative purposes, table 3-3 provides an estimate for the different types of capital projects eligible to be funded in the proposed Congestion Mitigation Fee Program. The dollar amounts provided are rough orders of magnitude of costs using average construction time frames based on practical experience of Metro and its consultant staff. The ultimate list of improvements selected by the local jurisdictions will determine actual project cost estimates.

Figure 3-1
Preliminary Congestion Mitigation Fee Transportation Network

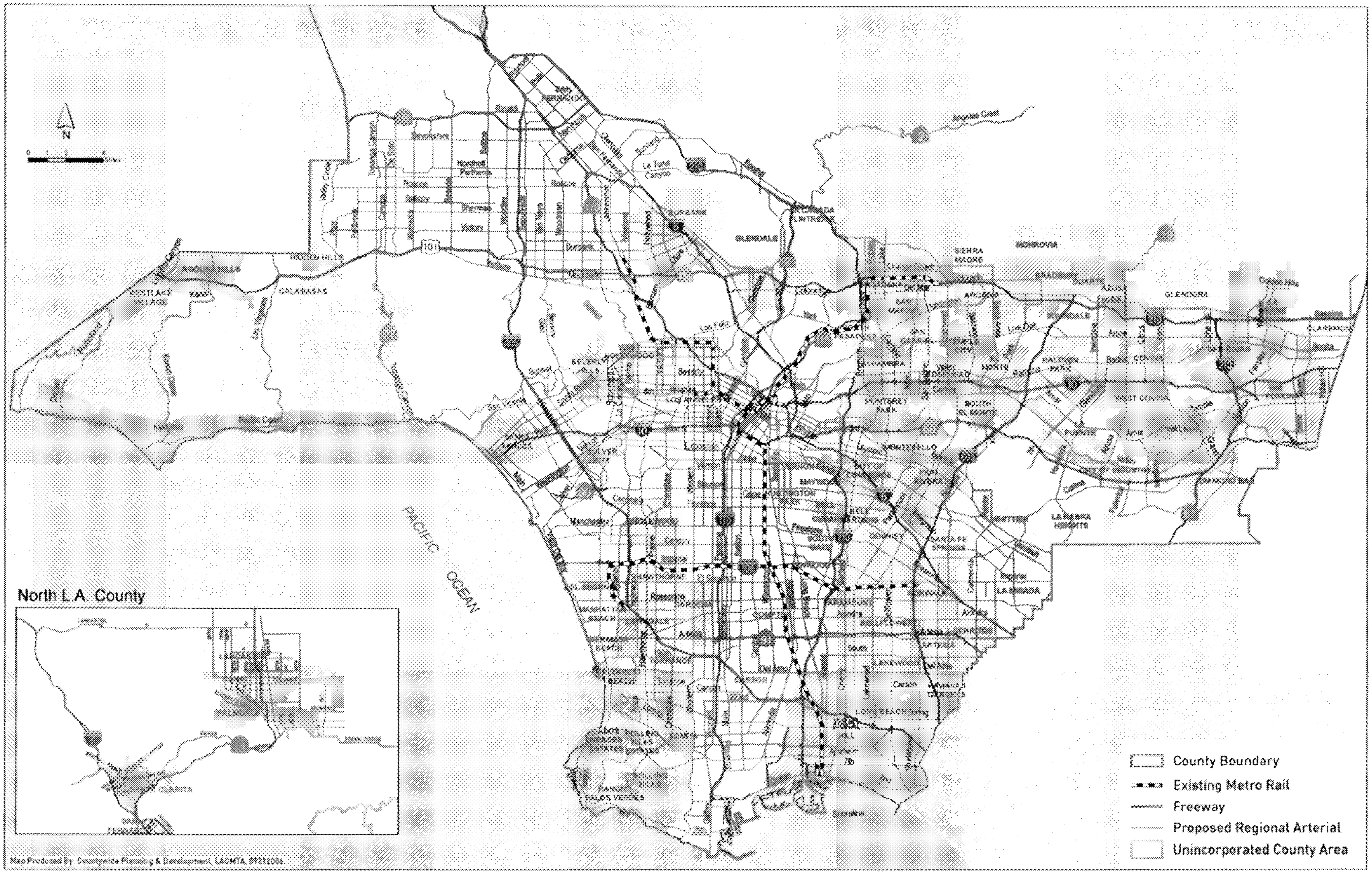


Table 3-2
Final Criteria for Selection of Significant Arterials

#	Baseline Criteria	Data Source	Discussion/Example	Tier
1	FHWA/Caltrans Functional Classification	Caltrans	All Principal (Urban and Rural) Arterials in FHWA System	FINAL SELECTION CRITERIA
2	CMP Roadways	Metro	All non-freeway CMP routes to be included	
3	Regional Transit Routes	Metro	Certain level and above (e.g. 20,000+ boardings)	
4	Traffic Volumes	Local agencies/ HPMS	All arterials with a volume threshold of at least 25,000 ADT	
5	Goods Movement Significance	Metro/Local jurisdictions	Designated truck routes and arterials with heavy duty truck volumes over 1,000 and 4% of total ADT	
6	Number of Lanes	Local agencies	All arterials with a minimum of 3-lanes in each direction	
7	Direct Access to Freeways	Caltrans	All routes with Freeway Interchanges or grade separations	CRITERIA FOR SYSTEM REFINEMENT
8	Traffic Operations and Significance in ITS Master Plan	Metro/ City of LA/ LA County	Part of "smart corridor", on ATSAC/ATCS system, above a certain signal density, part of IEN- Information Exchange Network Traffic Forums, etc.	
9	Multi-jurisdictional Connectivity and Continuity	Metro	Number of local jurisdictions crossed and longer than a certain defined length	
10	Use as a Freeway Alternate	Visual	Continuity and proximity, congestion	
11	Multimodal Corridors	Metro	LRT, BRT, Busway, express bus routes, bikeways	
12	Major Activity Centers	GIS/Land Use	Major access route to airports, sea ports, regional employment centers, transit centers, visitor/tourist centers	
13	Network Spacing Needs	Visual	To maintain a certain minimum spacing between designated routes	
14	Gap Closures	Visual	Completes gaps between Other designated routes	
15	Connectivity with Adjacent Counties	Visual	Routes that provide major connections with adjacent counties and their CMP system	

Table 3-3
Rough Orders of Magnitude Costs for Regional Projects

Highway Improvements
Additional Carpool Lane (cost per lane mile on average): ~~TBD~~$21 million
Additional mixed flow lane (cost per lane mile on average): ~~TBD~~$26 million
Freeway Interchange Improvement (cost per interchange on average): ~~TBD~~$46 million
Carpool Connectors (Cost per connector on average): ~~TBD~~$244 million
On-Ramp/Off-Ramp (Cost per ramp on average): TBD
Operational Improvements (e.g., Auxiliary lanes on average): ~~TBD~~$26 million

Arterial Improvements
Arterial Lane Miles (ROW Costs, bikeway, median, etc.: $6 million per lane mile
Intersection Improvements: $10 million per intersection
Grade Separation Average Cost: $50 million
Signal Synchronization (per signal interconnect project) Average Cost: $20 million
Bus Speed Improvements – Signal Priority: $50,000 per mile
Traffic Control and Monitoring Systems: $120,000 - $140,000 per signalized intersection
Intelligent Transportation System: Regional Integration of Intelligent Transportation System L. A. County: $5-$6 million initial investment plus $1.5 million per year for operational maintenance and enhancement.

Transit Improvements
Light Rail transit capital (construction)per mile: At Grade: $65 million - $75 million Below Grade: $150 million - $160 million Above Grade: $125 million - $135 million
Light Rail Transit Station: At-Grade: $2 - $2.5 million Above Grade: $15 - $20 million Below Grade: $35 million
Light Rail Transit Car Cost (per car): $2.75 - $3.5 million
Heavy Rail Transit Capital (subway construction) Heavy Rail Line per mile: $350 $400 million
Heavy Rail Transit Station: $75-$100 million
Heavy Rail Transit Cars Cost (per car): $2.5 - $3 million
Bus Rapid Transit (BRT)capital (construction) per mile: $30 million

Transit Improvements
Transit/Bus Stations (BRT Style): Includes Concrete Pad 6'x38'; Canopy 16'w/lighting; 2 Benches; Lean Bars; Map and Advertising Case; Bus Sign ("flag pole"); Waste Can; Electronic Next Bus Message Sign: $56,000 Bus Concrete Pad on Street: $100,000
Local Transit/Bus Stop Enhancements: Pre-fabricated Common Shelter with Bench: $15,000 Bus Concrete Pad on Street: $100,000
Local Transit/Bus Stop Enhancements: Benches: $2,000 Trash Can: $2,000 Concrete Pedestrian Pad: $10,000 Bus Concrete Pad on Street: $100,000
Park and Ride Lots: At Grade: $12,000 per parking space Above Grade: $15,000 per parking. space Subterranean: $50,000 per parking space
Commuter Rail Line Track per Mile: $7 to $13 million (depending on number of structures (bridges) and grade crossings and excluding ROW costs. Costs should also include equipment such as one 6-car set which is about $21 million (2007 $)
Commuter Rail Stations: $8 to $20 million
Commuter Rail Station Parking Lot (500 spaces min grade separated pedestrian access.): At Grade: $12,000 per parking space Above Grade: $15,000 per parking. space Subterranean: $50,000 per parking space
Bus Transit vehicle purchases: 45' Bus Vehicle: $368,000
Bus Transit vehicle purchases: 60 Foot Articulated Buses: $635,000 - $735,000 65 Foot Articulated Buses: $760,000

3.10 LAND USE ANALYSIS

3.10.1 Land Use Categories

Simply stated, all land uses would be subject to the Congestion Mitigation Fee based on their trip generation rate by land use type. For convenience, land uses have been categorized under six categories: Single Family Residential, Multi-Family Residential, Commercial Retail, Office, Industrial, and Hotel/Motel.

3.10.2 Trip Generation Rates by Land Use

Table 3-4 summarizes the trip generation rates as set forth by the Institute of Transportation Engineers (ITE). It lists the seven land uses that were chosen as the land use groupings for the Proposed Congestion Mitigation Fee Program, and the corresponding fee amounts per land use category. These are the major land uses for which building permits are issued across the county, and are consistent with the CMP Countywide Deficiency Plan land use categories.

Table 3-4
Land Use Categories and Corresponding Fee Amounts

Land Use Category	Trip Generation Rate	Cost Per Trip	Fee Amount
Single Family	9.9 (per dwelling unit)	$200 $400 $600 $1,600	$1,980 $3,960 $5,940 $15,840
Multi-Family	6.9 (per dwelling unit)	$200 $400 $600 $1,600	$1,380 $2,760 $4,140 $11,040
Office	11.4 (per 1,000 sq. ft.)	$200 $400 $600 $1,600	$2,280 $4,560 $6,840 $18,240
Retail	31.2 (per 1,000 sq. ft)	$200 $400 $600 $1,600	$6,240 $12,480 $18,720 $49,920
Industrial	6.6 (per 1,000 sq. ft.)	$200 $400 $600 $1,600	$1,320 $2,640 $3,960 $10,560
High-Cube Warehouse Distribution Center[1]	1.9 (per 1,000 sq. ft.)	$200 $400 $600 $1,600	$382 $763 $1,145 $3,045
Hotel/Motel	5.9 (per room)	$200 $400 $600 $1,600	$1,180 $2,360 $3,540 $9,440

1. High-Cube Warehouse/Distribution Centers are used primarily for the storage and/or consolidation of manufactured goods (and to a lesser extent, raw materials) prior to their distribution to retail locations or other warehouses. They are generally greater than 100,000 SF in size with a land coverage ratio of approximately 50% and a dock-high loading door ratio of approximately 1:5,000 – 10,000 SF; they are also characterized by a small employment count due to a high level of automation, truck activities frequently outside of the peak hour of the adjacent street system and good freeway access. ITE Land Use: 152 (High-Cube Warehouse) is similar. The National Association of Industrial and Office Properties (NAIOP) has prepared a report dated January, 2005 entitled *San Bernardino/Riverside County Warehouse/Distribution Center Vehicle Trip Generation Study.*

These rates are illustrative and provide a basis for moving forward with the next step. The CMP program will continue to provide an appeals process for a city who determines their land use trip rates or one of the land use categories deviate from this Draft Study Report. This appeal process is discussed in further detail on page 22, section 3.15 of this Draft Study Report.

3.11 PROGRAM EXEMPTIONS

Per state of California Government Code (Section 65089.4) and Metro's 2004 CMP, the following types of development are exempted from payment of the Congestion Mitigation Fee:

- Low/Very Low-Income Housing: as defined by the California Department of Housing and Community Developments.
- High Density Residential Near Passenger Rail Stations: ~~High Density Residential within ¼ mile of a fixed rail passenger~~ Development located within 1/4 mile of a fixed rail passenger station and that is equal to or greater than 120 percent of the maximum residential density allowed under the local general plan and zoning ordinance. A project providing a minimum of 75 dwelling units per acre is automatically considered high density.
- Mixed-use development located within ¼ mile of a fixed rail passenger station, if more than half of the land area, or floor area, of the mixed use development is used for high density residential housing.
- Any project of a federal, state or county agency that is exempt from local jurisdiction zoning regulations and where the local jurisdiction is precluded from exercising any approval/disapproval authority such as federal and military installations, state and federal courthouses, U.S. Post Office sites, and state buildings. These locally precluded projects do not have to be reported in the Local Development Report. ~~Projects that are not subject to approval through the local entitlement process~~
- Reconstruction or replacement of any residential or non-residential structure which is damaged or destroyed, to the extent of not less than 50% of its reasonable value by fire, flood, earthquake or other similar calamity.
- Projects that entered into a development agreement (as specified under Sections 65864 through 65869.5 of the California Government Code) with a local jurisdiction prior to July 10, 1989.

3.12 CREDIT FOR DEVELOPER-FINANCED MITIGATION PROJECTS

The approval of a particular development project or subdivision may be conditioned upon a requirement to improve the regional transportation system, including the dedication of right-of-way. In order to avoid double counting, a developer shall receive credit against the fee obligation for the costs of improvements or right-of-way dedications for projects on the local jurisdictions' adopted Project List.

If the cost of qualified improvements exceeds the Congestion Mitigation Fee that would otherwise be due, the developer may request reimbursement of the excess. The developer may enter into an agreement with the local jurisdiction prior to recordation of final tract or parcel maps to identify the difference in the dollar amount between the estimated costs of the improvements, and/or right-of-way, and the calculated fees. Such agreements will establish the amount of reimbursement after acceptance of improvements by the local jurisdiction or other applicable agency, to the extent funds from the local jurisdiction's Congestion Mitigation Fee Program are available for reimbursement after satisfaction of all other obligations of the local jurisdiction for which such fees are required.

3.13 PROCESS FOR CREDITING EXISTING MITIGATION FEE PROGRAMS

Some local jurisdictions have existing fee programs that fund transportation projects. In order to avoid assessing multiple fees to address the same impact, local jurisdictions with existing mitigation fee programs will receive dollar-for-dollar credit for fees from the existing program that are used to develop transportation projects with a regional benefit consistent with the eligibility requirements established in section 3.9.1.

To qualify for credit, transportation projects must be included on the Congestion Mitigation Fee Program Project List, evaluated in the Nexus Study. This ensures no double counting. Funds collected by local fee programs for other uses would not be affected.

Jurisdictions will retain the right to establish their own local congestion mitigation fees in addition to the proposed countywide congestion mitigation fee. This proposed fee program would not preclude any jurisdiction from enacting its own fee program apart from this program.

3.14 PROGRAM UPDATES

Periodic mitigation fee updates are essential for the Congestion Mitigation Fee Program to maintain adequate funding for planned transportation projects. Updates will occur in two cycles:

- Annual Inflation Update: as provided in the Model Fee Ordinance, the fee schedule will update each year to account for inflation.

- Five-Year comprehensive mitigation fee updates: each local jurisdiction must conduct a full review and update every five years to reflect any changes in the demographics and project costs to remain in compliance with the congestion mitigation fee program as required by Government Code § 66000 *et seq.*. When sufficient funds have been collected to construct a project, the funds must be expended on the project, or refunded to the property as provided by the Government Code. In conjunction with the five-year update, a local jurisdiction may amend the list of projects to be funded by the Congestion Mitigation Fee Program. To amend the list of projects or remove a project from the project list ~~A~~a new or updated nexus study ~~may be~~ may be required.

When conducting its biennial CMP update, Metro will undertake a review of all components of the Congestion Mitigation Fee Program in accordance with AB 1600 and other applicable laws, and, if necessary, recommend Program amendments and/or adjustments. A local jurisdiction may amend the list of projects to be funded by the Congestion Mitigation Fee Program. Such amendments should be done in consultation with Metro for any necessary update to the nexus analysis. Amendments required to the Congestion Mitigation Fee Program Ordinance in each local jurisdiction will be approved by each jurisdiction, acting on recommendations provided by Metro. Metro is committed to conducting these periodic comprehensive updates to the congestion mitigation fee program.

3.15 CONGESTION MITIGATION FEE APPEALS PANEL

Since the inception of the CMP, the practice has been to utilize a group of individuals who are representative of the diverse agencies who either have to implement all or parts of the CMP, or who have a vested interest in the intent and spirit of the overall program. It is the intent of the proposed Congestion Mitigation Fee Program to continue this practice; and to utilize the CMP Appeals Panel described in the 2004 CMP as the appeals panel and process for the Congestion Mitigation Fee.

The CMP Appeals Panel would assist Metro by providing a forum to resolve Congestion Mitigation Fee issues, including implementation concerns, appeals, and help make policy recommendations as they arise. The intent of the Panel is to assure a fair and balanced approach with the fee program implementation and administration process. This Panel will serve as an advisory body to Metro, in that CMP statute puts ultimate responsibility for conformance decisions with the Metro Board.

The CMP Appeals Panel will consist of one city representative from each of the sub-regional COGs ~~Metro's area team planning areas~~, as well as one representative each from the County of Los Angeles, CALTRANS, SCAG, AQMD, ~~the private sector,~~ development community, environmental community, and business associations. ~~business community~~. Examples of some of the areas that Panel would be convened to provide recommendations may include:

- Interpretation of Program Requirements:
- Project Eligibility:
  A jurisdiction may wish to select a project that does not meet the criteria as defined in the proposed Study Report.
- Additions to Congestion Mitigation Fee Transportation Network:
  A jurisdiction may wish to add an arterial to the network that does not meet the criteria as defined in the proposed Study Report.

3.16 CMP NONCONFORMANCE FINDING

If the Congestion Mitigation Fee is adopted by the Metro Board, each jurisdiction would be responsible for implementing the fee program, as local responsibility for the CMP Deficiency Plan. Compliance with the CMP Deficiency Plan would consist of good faith effort on part of the jurisdiction to implement the Congestion Mitigation Fee program such as adopting the fee program ordinance, collecting the fee revenue, and submitting the required annual CMP Local Development Reports. As such, local implementation of the fee would be part of Metro's annual conformance finding, as required by CMP statute. As is currently the case under state CMP statute, if a local jurisdiction is found to be in non-conformance with local CMP responsibilities, CMP statute requires that Metro notify the State controller. Upon notification of non-conformance, the Controller will withhold from that jurisdiction its allocation of the state gas tax increase enacted with the passage of Proposition 111 in June 1990 (Streets and Highways Code, Section 2105 funds). In order to receive the withheld gas tax funds, jurisdictions must achieve CMP conformance within twelve months. Otherwise the Controller will reallocate the jurisdiction's withheld funds to Metro for regionally significant projects. Additionally, CMP statute prohibits the programming of Federal Surface Transportation Program or Congestion Mitigation and Air Quality funds in jurisdictions in non-conformance with the CMP unless Metro finds that the project is of regional significance. Finally, local jurisdictions that are not in compliance with the CMP are not eligible to compete in Metro's Call for Projects process.

3.17 OPPORTUNITIES TO ACCELERATE REVENUE COLLECTION

Under the proposed workplan, jurisdictions would be responsible for maintaining accounts where fee revenues are deposited and managing the construction of the projects for which the fees are being collected. The stream of revenues from payment of development impact fees cannot be used directly to issues bonds, so projects are funded only as sufficient funds are accumulated in the accounts. There are four methods for accelerating the accumulation of funding:

- Consolidation of fee accounts among multiple jurisdictions: A single account would accumulate funds more quickly and thus reach a level that would fund projects more quickly. While this method would still be pay-as-you-go, the larger amounts may provide a more competitive match for state or federal funds.
- Encouraging developers to construct projects: Some large development projects may regard turn-key construction of specific fee project as a better alternative to paying fee. Jurisdictions will work with developers to provide every incentive for them to pursue this in-lieu of payment alternative. Incentives will include reimbursement from future fee revenues for any additional cost above the amount the developer would have paid in fees (see page 21, section 3.12).
- Financing of the development impact fees and forming an assessment district: One or more jurisdictions could work with developers to form assessment districts. These assessment districts convert a one-time fee payment into an annual assessment placed on the Los Angeles County tax roll. Tax-exempt bonds can be issued to finance the development impact fees. Bond proceeds would be available to the jurisdictions for immediate construction of projects.

  An example of how to implement an assessment district concept is the Statewide Community Infrastructure Program (SCIP). SCIP is a program offered by the California Statewide Communities Development Authority (California Communities), a joint powers authority sponsored by the League of California Cities and California State Association of Counties. Participating in SCIP offers qualifying property owners the opportunity to obtain low-cost, long-term bond financing for paying congestion mitigation fees in advance. To do this a jurisdiction approves a one-time resolution authorizing California Communities to form an assessment district within its jurisdiction. An assessment district is created and administered by California Communities with an assessment paid on an annual basis by the property owner over a 30 year period. This allows the developer to pay the fee in advance at a low cost with minimal impact to their business operations. SCIP offers jurisdictions an economic development tool to provide an incentive for property owners to pay their congestion mitigation fees in advance, avoiding deferral fee agreements and other delays in paying these fees.

- Use of a bondable revenue source as matching funds: Four counties that have adopted regional transportation impact fees have also adopted new sales taxes dedicated to transportation funding.[1] These counties use their developer impact fees as a match for sales tax funding. This not only leverages the fee revenues, but allows for bonding against the sales tax revenues. In all of these cases, voter support for the sales tax measures increased significantly because the impact fees demonstrated that new development was contributing funds for its share of new transportation capacity.

- Use of other available matching funds: Local jurisdictions may combine mitigation fee dollars with other available funding sources to fully fund mitigation program projects.

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[1] Contra Costa, San Bernardino, Riverside, San Diego

Congestion Mitigation Fee Program Summary
Table 3-5

- Congestion Mitigation Fee could be authorized by Metro Board. Board action would make fee a local implementation requirement of the Congestion Management Program.
- Once authorized by Metro Board, local jurisdictions would be responsible for adopting the fee through a local ordinance.
- Metro will prepare and adopt Program Guidelines for local implementation (~~Draft St~~Study Report is proposed guidelines document).
- One time fee applied to all types of new development.
- Fee funds local transportation improvements that mitigate the impact of growth on the regional system.
- Eligible projects would include capacity increasing improvements which benefit regional system, including:
    - State highway improvements;
    - Improvements to the designated Regional Arterial System;
    - Transit Capital projects; and,
    - Others to be determined on a case-by-case basis.
- Mitigation fee program horizon is through Year 2030.
- Fee is applied based on ITE trip generation rates for land use categories.
- Metro will establish a countywide minimum fee level - the same for all local jurisdictions.
    - Local jurisdictions may choose to exceed minimum.
- Actual fee amount will be determined as part of final Metro Board approval action.
- Program designed to maximize local control (consistent with Guidelines):
    - Population forecast and regional arterial network to be reviewed with local jurisdictions and county;
    - Cities and county adopt local ordinance;
    - Cities and county select projects;
    - Cities and county collect fee at building permit issuance;
    - Cities and county administer fee program and manage fee account; and
    - Cities and county implement project, or designate responsibility to implementing entity (i.e., developer, local, regional, or state transportation implementing agency).
- Cities and county should consider the benefit of pooling funds for sub-regional or multi-jurisdictional programs or projects.

Congestion Mitigation Fee Program Summary
Table 3-5 – Cont.

- Cities and county are encouraged to consult with Caltrans, sub-regional COGs, adjacent jurisdictions, transit operators, and developers in preparing mitigation fee project list.
- Cities and county will provide projects lists to Metro. Metro will incorporate projects in Countywide Nexus Study to meet the requirements of the California Mitigation Fee Act (Government Code Section 66000).
- Projects exempt from mitigation fees include the following:
    - Low/Very Low Income Housing as defined by California Department of Housing and Community Development;
    - High Density Residential within ¼ mile of a fixed rail passenger station;
    - Mixed-use development located within ¼ mile of a fixed rail passenger station;
    - Projects that are not subject to approval through the local entitlement process;
    - Reconstruction or replacement of any residential or non-residential structure which is damaged or destroyed, to the extent of not less than 50% of its reasonable value by fire, flood, earthquake or other similar calamity; and
    - Projects that entered into a development agreement (as specified under Sections 65864 through 65869.5 of the California Government Code) with a local jurisdiction prior to July 10, 1989.
- Cities and county that have existing local fee programs that fund "regionally significant" projects as defined in the Program Guidelines may receive dollar-for-dollar credit to avoid double-counting:
    - Nothing in this program is intended to redirect local fee program projects or funds.
- Cities and county may award credit to a developer for developer constructed projects.
- Cities and county may combine mitigation fee dollars with other available funding sources to fully fund mitigation program projects.
- Once Metro adopts Nexus Study/Final Program Guidelines, cities and county will initiate local ordinance adoption and fee implementation.
- Local jurisdictions will annually report to Metro confirming program implementation.
- Metro will annually determine local compliance with Congestion Mitigation Program through existing CMP local conformance process.
- Cities and county that do not implement minimum fee will not be in compliance with CMP, and will be subject to loss of Section 2105 State Gas Tax revenues, are not eligible for federal CMAQ and STP funds, or participate in Metro's Call for Projects process.
- CMP Appeals Panel will serve to address local issues regarding mitigation fee compliance, interpretation of program requirements, project eligibility and additions to the fee network.
- Cities and county will annually update their fee schedule to account for inflation per Guidelines.
- Metro will conduct a comprehensive Congestion Mitigation Fee program update at least once every five years

4. CONGESTION MITIGATION FEE NEXUS STUDY ANALYSIS

This section describes the nexus analysis required to justify adoption of a countywide congestion mitigation fee by local jurisdictions in Los Angeles County. The purpose of the CMP countywide nexus analysis is to justify the Congestion Mitigation Fee in accordance with state statute. This section describes the guidelines for both the countywide analysis and the potential local/subregional analysis required for fees that are higher than the countywide minimum.

4.1 GENERAL DESCRIPTION OF NEXUS TECHNICAL REQUIREMENTS

The nexus analysis will conform to the provisions of the Mitigation Fee Act (Government Code sections 66000-66025) and CMP Deficiency Plan requirements (Government Code section 65089.4). The Mitigation Fee Act requires that all local agencies in California, including local jurisdictions, counties, and special districts make three basic findings when adopting impact fees as follows:

A. Establish a nexus or reasonable relationship between the need for the fee (i.e. congestion mitigation) and the type of project for which the fee is required;

B. Establish a nexus or reasonable relationship between the fee's use (i.e. funded improvements) and the type of project for which the fee is required, recognizing that fees cannot be used to correct current problems (i.e., existing transportation deficiencies) or make improvements that solely benefit existing development; and

C. Establish that the proposed fee does not exceed a development project's proportional "fair share" of the proposed improvement costs to be funded by the fee.

The nexus analysis required to document these findings follows the following five-part approach:

1. BASE YEAR: Using a base year travel model, or actual measurements of roadway use, estimate current systemwide congestion based on average annual vehicle hours of delay (VHD) on the current roadway network.

2. FUTURE – FINANCIALLY CONSTRAINED SCENARIO: Using a future year travel model, estimate future systemwide average annual VHD on the future roadway network. The model would include anticipated growth within the County but exclude growth in through trips (trips that start and end outside the County). The future roadway network would include only those improvements likely to be funded with known sources excluding the congestion mitigation fee. (i.e., the future financially constrained roadway and transit networks in the Long Range Transportation Plan (LRTP)).

3. FUTURE – ADDITIONAL IMPROVEMENTS SCENARIO: Using the same future year travel model and future year network, add the local jurisdictions' selected improvements to the network that will be funded with countywide congestion mitigation fees and estimate future systemwide average annual VHD.

4. VHD COMPARISON: To justify adoption of a fee sufficient to provide the revenue needed for the additional planned improvements, the change in VHD between steps 1, 2, and 3 must demonstrate all three of the following conditions:

    a. VHD deteriorates from the *Base Year* to the *Future Financially Constrained Scenario*, and

    b. VHD improves from the *Future Financially Constrained Scenario* to the *Future Additional Improvements Scenario*, and

    c. VHD under the *Future Additional Improvements Scenario* is still worse than under the *Base Year* LOS.[2]

5. COST ALLOCATION: Divide the cost of the additional improvements to be funded with the fee by the growth in new trips to calculate the cost ($) per trip.

If all conditions are met, the nexus analysis demonstrates that the improvements added in the *Future Additional Improvements Scenario* mitigate the impacts of growth without improving the roadway system's performance beyond what exists today. In most traffic fee studies, the cost per new trip amount calculated is used to construct a fee schedule to fairly allocate the cost of improvements to new development projects based on trip generation characteristics by land use type. While these general technical requirements for a nexus analysis may be accomplished using alternative methods, Metro will use the method described in the next subsection, below.

4.2 COUNTYWIDE NEXUS ANALYSIS – ACTUAL IMPROVEMENTS BASED ON FINAL SELECTED IMPROVEMENTS

The purpose of the nexus analysis is to justify the minimum countywide congestion mitigation fee established by the Congestion Mitigation Fee program. Local jurisdictions may rely on this nexus analysis to provide the Mitigation Fee Act findings described above to adopt the countywide minimum fee. Local jurisdictions may adopt a fee higher than the countywide minimum.

4.2.1 Metro Travel Demand Simulation Model

Metro will complete the nexus analysis using the Travel Demand Simulation Model maintained by Metro. The Model is a traditional, four-step process, similar to that used by travel forecasting modelers throughout the United States. The four steps are trip generation, trip distribution, mode choice, and network assignment. Each step has been calibrated from observed data for its ability to replicate year 2004 travel patterns and tested for reasonableness for its ability to forecast year 2030 travel patterns.

Inputs to the Model include socioeconomic data and representations of the transportation system such as highway and transit networks. Socioeconomic data for the years 2004 and

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[2] If VHD under the *Future Additional Improvements Scenario* is better than *Base Year* VHD, then a portion of the costs of the additional improvements must be funded with revenues other than impact fees.

2030 were provided by the Southern California Association of Governments (SCAG) as part of their 2004 Regional Transportation Plan (RTP). The 2004 transportation system represents existing conditions and the highway and transit infrastructure that was in place in the year 2004. The 2030 transportation system represents the future-year highway and transit infrastructure identified in the financially constrained transportation system of the Long Range Transportation Plan (LRTP). SCAG is developing the 2008 RTP which will assume year 2035 as the future year. The Metro Model may be upgraded at some future point to reflect the 2008 RTP and population forecast, once it is adopted by the SCAG Regional Council. The Nexus Study analysis will utilize Metro's most current Model available during the course of the Nexus Study.

The Model will measure level of service (LOS) under the three scenarios (*Base Year*, *Future Financially Constrained Scenario*, and *Future Additional Improvements Scenario*) using countywide vehicle hours of delay (VHD). VHD is a systemwide performance measure that estimates the average amount of delay experienced countywide by automobile drivers. The Model calculates VHD on a link-level by subtracting the amount of time drivers spend in congestion from the amount of time that would be spent in free-flow conditions. The model would be used to quantify VHD on the regional arterial system if only arterial projects are added for *Future Additional Improvements Scenario*. The model could be expanded to include VHD on the freeway and/or transit system if those types of projects are also included in the *Future Additional Improvements Scenario.*

The transportation network modeled for the *Future Financially Constrained Scenario* will include only those projects recommended in the LRTP. These improvements are those likely to be funded with known sources and would exclude improvements to be funded by the Congestion Mitigation Fee.

4.2.2 Projects Included in *Future Additional Improvements Scenario*

The *Future Additional Improvements Scenario* will add to the financially constrained network improvements to be funded by the countywide congestion mitigation fee. Local jurisdictions will select those improvements and submit them to Metro (see Section 3.9.1.) for inclusion in the CMP countywide nexus analysis.

For each local jurisdiction, the total cost (or that portion to be funded by the fee) of improvements submitted must equal a minimum fee per new trip when divided by the estimated growth in new trips generated by that local jurisdiction. Metro will provide a fee revenue calculator tool so that local jurisdictions can estimate the fee required to fund the total cost of their selected improvements.

Local jurisdictions may use the CMP countywide nexus analysis to receive credit for existing transportation impact fee programs. Local jurisdictions should submit projects funded by their respective fee programs that meet the criteria of Section 3.9.1. This approach would enable local jurisdictions to receive credit against the CMP mitigation fee for existing fee programs.

Local jurisdictions will have the flexibility to substitute different projects in the future for those originally included in the CMP countywide nexus analysis. New projects would be integrated into the nexus analysis through updates as described in Section 3.14.

4.2.3 Documentation of Nexus Findings

The Model will evaluate the impact of growth using the five-step approach described in the prior subsection and the assumptions and approach explained above. The analysis is likely to meet all the conditions because projects submitted for the *Future Additional Improvements Scenario* must increase system capacity (see Section 3.9.1), and capacity improvements must reduce VHD. Furthermore, the calculated cost per new trip is likely to be greater than the countywide minimum mitigation fee because each local jurisdiction must submit sufficient projects to meet that threshold when calculated using local growth projections. If the nexus analysis supports these findings then the minimum mitigation fee is justified for adoption by local jurisdictions.

4.3 LOCAL/SUBREGIONAL NEXUS ANALYSIS

As explained above, the countywide nexus is only sufficient to justify adoption of the minimum Congestion Mitigation Fee by a local jurisdiction. A local jurisdiction or group of jurisdictions (i.e., subregion) may elect to impose a higher fee than the countywide minimum amount to provide more funding for selected improvement projects in their jurisdiction/subregion. In this case, a separate nexus analysis will be conducted by Metro to justify adoption of a fee that would be higher than the countywide minimum fee amount. This will be incorporated into Metro's countywide Nexus Study and follow the technical approach described above.

4.4 EXISTING LOCAL MITIGATION FEE PROGRAMS AND NEXUS ANALYSIS

Projects identified in a local jurisdiction's existing transportation impact fee program, having a regional benefit and consistent with the project eligibility requirements established in section 3.9.1 of this Study Report would also be modeled in the nexus study analysis. This approach would enable local jurisdictions to receive credit for existing fee programs in the CMP countywide nexus analysis.

5. NEXT STEPS

Upon Board approval of the Study report, staff will proceed with the next steps of the work effort which are described below.

~~5.1 REVIEW OF DRAFT STUDY REPORT~~

~~The Draft Study Report will be circulated for the review of interested stakeholders. During the comment/review period, Metro staff will outreach to local jurisdictions through the sub-regional COGs, will meet with individual local jurisdictions upon request, and will coordinate with development community representatives and other stakeholders. Stakeholders will be invited to provide Metro with written comments. (January 2008 – April 2008)~~

~~5.2 FINAL STUDY REPORT~~

~~A Final Study Report will be prepared which will be revised to reflect the comments received on the Draft Study Report. This will be a decision point for the Metro Board to proceed to the next step of working with local jurisdictions on identifying projects for analysis in the Fee Nexus Study. (June 2008)~~

5.~~3~~1 COORDINATION WITH LOCAL JURISDICTIONS ON FORECASTS AND PROJECT SELECTION

If the Board approves the Final Draft Study Report, staff will work with local jurisdictions in identifying local projects with a regional benefit that would be funded through the Fee Program. These projects will ultimately be incorporated into the Fee Program's Nexus Study. (July 2008 – May 2009 ~~January 2009~~, with Metro Board action in June 2009.) ~~February 2009~~ A CMP Technical Advisory Committee~~)~~ for the Congestion Mitigation Fee will be established comprised of stakeholders to work with Metro staff to address technical issues as they arise during Step 2 of the Work Plan.

5.2~~4~~ CONDUCT NEXUS STUDY

Based on the projects identified by local jurisdictions, Metro will conduct a Nexus Study to address the requirements of the California Mitigation Act (California Government Code Section 66000). (~~March~~ July 2009 – ~~June~~ Feb. 2010~~2009~~)

5.3~~5~~ PRESENT NEXUS STUDY TO METRO BOARD – FINAL ACTION FOR FEE PROGRAM APPROVAL AND IMPLEMENTATION

The Nexus Study will be presented to the Metro Board for action. At this stage, the Metro Board will take final action on whether to adopt the Congestion Mitigation Fee. (March 2010~~July 2009~~)

~~5.6~~5.4 LOCAL IMPLEMENTATION

If the Metro Board adopts the Congestion Mitigation Fee and Nexus Study, Metro will provide local jurisdictions with instructions regarding proceeding with the adoption of a local Congestion Mitigation Fee ordinance and Fee Program implementation. (~~August 2009~~ April 2010 & on)

Appendix A

Appendix A
Congestion Mitigation Fee Feasibility Study Report
Countywide and Sub-Regional Hypothetical Fee Scenarios and Maps of Preliminary Transportation Network

Hypothetical Fee Revenue Scenarios

This appendix provides summarized pro-forma, or what-if, congestion mitigation fee revenue scenarios at the countywide, sub-regional, and city level that could be generated if a countywide congestion mitigation fee were implemented at the local level.

These fee scenarios were calculated utilizing a fee revenue calculator developed by Metro's contractor, Cambridge Systematics, Inc. The fee revenue calculator utilizes a methodology that forecasts land use growth by converting the population and employment forecasts provided by SCAG and the Department of Finance of the State of California, respectively, over a 25-year time period with base year of 2005 and a time horizon of 2030. The land use forecasts are used to arrive at how many new trips would be generated in each jurisdiction as a result of new growth. The fee revenue calculator utilizes these trip forecasts to estimate fee revenue at the countywide level, sub-regional level, and the city level. This enables local jurisdictions and subregions to observe how much they could theoretically generate for themselves.

Since each jurisdiction has their own customized General Plan to address their demographic and growth trends, Metro will be working with each jurisdiction to obtain consensus on their growth as identified in Step 2 of the Congestion Mitigation Fee Work Plan.

By taking the hypothetical congestion mitigation fee amount and dividing it by the number of average daily new trips generated by a single family residence (approximately 10 new trips), the result is the fee amount per new trip. (For illustrative purposes, a fee amount per single-family residence is used as a proxy for all land uses that the congestion mitigation fee would apply.) The next step is to multiply the fee amount per trip with the total number of new trips that each jurisdiction is expected to generate resulting in an estimated total revenue amount for that jurisdiction.

The congestion mitigation fee scenarios are laid out in easy to read tables that summarize the key variables in a fee program, namely: jurisdiction, hypothetical fee amounts per single family residence and per new trip, and total revenue generated by sub-region and individual jurisdictions. Table A-1 lists jurisdictions in alphabetical order followed by the countywide map of the preliminary transportation network. In addition, A-3 through A-10 and figures A-2 through A-9 group jurisdictions by their respective sub-regional planning areas and a sub-regional map of the preliminary transportation network is provided as well.

Countywide and Sub-regional Maps of Preliminary Transportation Network

There also are maps of the county and its various sub-regions which identify a multi-modal transportation network consisting of highways, arterials, and transit services. These preliminary maps are designed to assist stakeholders in identifying where transportation investments should be made to mitigate the impacts of new growth in their jurisdictions. The transportation network maps should be viewed as a work-in-progress due to the dynamic nature of growth and development decisions made among and between the private and public sectors.

Table A-1
Hypothetical Fee Scenarios by Sub-region

Subregional Area	Proxy Hypothetical Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Arroyo Verdugo	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	466,145	$93,229,000 $186,458,000 $279,687,000 $745,832,000
Gateway Cities	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	1,246,064	$249,212,800 $498,425,600 $747,638,400 $1,993,702,400
Las Virgenes-Malibu	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	103,787	$20,757,400 $41,514,800 $62,272,200 $166,059,200
City of Los Angeles	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	3,357,867	$671,573,400 $1,343,146,800 $2,014,720,200 $5,372,587,200
North County	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	1,173,892	$234,778,400 $469,556,800 $704,335,200 $1,878,227,200
San Gabriel Valley	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	1,331,557	$266,311,400 $532,622,800 $798,934,200 $2,130,491,200
South Bay	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	771,557	$154,311,400 $308,622,800 $462,934,200 $1,234,491,200
Westside Cities	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	363,837	$72,767,400 $145,534,800 $218,302,200 $582,139,200
Un-Incorporated Area	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	587,078	$117,415,600 $234,831,200 $352,246,800 $939,324,800
TOTAL	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	**9,365,784**	**$1,873,156,800** **$3,746,313,600** **$5,619,470,400** **$14,985,250,00**

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Agoura Hills	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	28,354	$5,670,8000 $11,341,600 $17,012,400 $45,366,400
Alhambra	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	84,594	$16,918,800 $33,837,600 $50,756,400 $135,350,400
Arcadia	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	46,125	$9,225,000 $18,450,000 $27,675,000 $73,800,000
Artesia	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	9,242	$1,848,400 $3,696,800 $5,545,200 $14,787,200
Azusa	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	43,132	$8,626,400 $17,252,800 $25,879,200 $69,011,200
Avalon	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	6,149	$1,229,800 $2,459,600 $3,689,400 $9,838,400
Baldwin Park	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	49,096	$9,819,200 $19,638,400 $29,457,600 $78,553,600
Bell	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	49,096	$9,819,200 $19,638,400 $29,457,600 $78,553,600
Bell Gardens	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	14,038	$2,807,600 $5,615,200 $8,422,800 $22,460,800
Bellflower	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	38,425	$7,685,000 $15,370,000 $23,055,000 $61,480,000
Beverly Hills	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	95,856	$19,171,200 $38,342,400 $57,513,600 $153,369,600
Bradbury	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	2,184	$436,800 $873,600 $1,310,400 $3,494,400
Burbank	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	239,474	$47,894,800 $95,789,600 $143,684,400 $383,158,400

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Calabasas	$2,000	$200	30,576	$6,115,200
	$4,000	$400		$12,230,400
	$6,000	$600		$18,345,600
	$16,000	$1,600		$48,921,600
Carson	$2,000	$200	119,100	$23,820,000
	$4,000	$400		$47,640,000
	$6,000	$600		$71,460,000
	$16,000	$1,600		$190,560,000
Cerritos	$2,000	$200	50,360	$10,072,000
	$4,000	$400		$20,144,000
	$6,000	$600		$30,216,000
	$16,000	$1,600		$80,576,000
Claremont	$2,000	$200	59,285	$11,857,000
	$4,000	$400		$23,714,000
	$6,000	$600		$35,571,000
	$16,000	$1,600		$94,856,000
Commerce	$2,000	$200	69,533	$13,906,600
	$4,000	$400		$27,813,200
	$6,000	$600		$41,719,800
	$16,000	$1,600		$111,252,800
Compton	$2,000	$200	46,471	$9,294,200
	$4,000	$400		$18,588,400
	$6,000	$600		$27,882,600
	$16,000	$1,600		$74,353,600
Covina	$2,000	$200	49,420	$9,884,000
	$4,000	$400		$19,768,000
	$6,000	$600		$29,652,000
	$16,000	$1,600		$79,072,000
Cudahy	$2,000	$200	12,251	$2,450,200
	$4,000	$400		$4,900,400
	$6,000	$600		$7,350,600
	$16,000	$1,600		$19,601,600
Culver City	$2,000	$200	96,029	$19,205,800
	$4,000	$400		$38,411,600
	$6,000	$600		$57,617,400
	$16,000	$1,600		$153,646,400
Diamond Bar	$2,000	$200	36,350	$7,270,000
	$4,000	$400		$14,540,000
	$6,000	$600		$21,810,000
	$16,000	$1,600		$58,160,000
Downey	$2,000	$200	43,698	$8,739,600
	$4,000	$400		$17,479,200
	$6,000	$600		$26,218,800
	$16,000	$1,600		$69,916,800
Duarte	$2,000	$200	13,955	$2,791,000
	$4,000	$400		$5,582,000
	$6,000	$600		$8,373,000
	$16,000	$1,600		$22,328,000
El Monte	$2,000	$200	85,189	$17,037,800
	$4,000	$400		$34,756,000
	$6,000	$600		$51,113,400
	$16,000	$1,600		$136,302,400

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
El Segundo	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	71,888	$14,377,600 $28,755,200 $43,132,800 $115,020,800
Gardena	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	83,211	$16,642,200 $33,284,400 $49,926,600 $133,137,600
Glendale	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	206,994	$41,398,800 $82,797,600 $124,196,400 $331,190,400
Glendora	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	31,767	$6,353,400 $12,706,800 $19,060,200 $50,827,200
Hawaiian Gardens	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	4,350	$870,000 $1,740,000 $2,610,000 $6,960,000
Hawthorne	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	52,664	$10,532,800 $21,065,600 $31,598,400 $84,262,400
Hermosa Beach	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	3,885	$777,000 $1,554,000 $2,331,000 $6,216,000
Hidden Hills	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	1,985	$397,000 $794,000 $1,191,000 $3,176,000
Huntington Park	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	37,176	$7,435,200 $14,870,400 $22,306,600 $59,481,600
Industry	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	25,438	$5,087,600 $10,175,200 $15,262,800 $40,700,800
Inglewood	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	72,421	$14,484,200 $28,968,400 $43,452,600 $115,873,600
Irwindale	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	126,924	$25,384,800 $50,769,600 $76,154,400 $203,078,400
La Canada Flintridge	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	19,676	$3,935,200 $7,870,400 $11,805,600 $31,481,600

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
La Habra Heights	$2,000	$200	2,820	$564,000
	$4,000	$400		$1,128,000
	$6,000	$600		$1,692,000
	$16,000	$1,600		$4,512,000
La Mirada	$2,000	$200	54,982	$10,996,400
	$4,000	$400		$21,992,800
	$6,000	$600		$32,989,200
	$16,000	$1,600		$87,971,200
La Puente	$2,000	$200	10,045	$2,009,000
	$4,000	$400		$4,018,000
	$6,000	$600		$6,027,000
	$16,000	$1,600		$16,072,000
La Verne	$2,000	$200	26,268	$5,253,600
	$4,000	$400		$10,507,200
	$6,000	$600		$15,760,800
	$16,000	$1,600		$42,028,800
Lakewood	$2,000	$200	39,162	$7,832,400
	$4,000	$400		$15,664,800
	$6,000	$600		$23,497,200
	$16,000	$1,600		$62,659,200
Lancaster	$2,000	$200	257,498	$51,499,600
	$4,000	$400		$102,999,200
	$6,000	$600		$154,498,800
	$16,000	$1,600		$411,996,800
Lawndale	$2,000	$200	12,534	$2,506,800
	$4,000	$400		$5,013,600
	$6,000	$600		$7,520,400
	$16,000	$1,600		$20,054,000
Lomita	$2,000	$200	21,200	$4,240,000
	$4,000	$400		$8,480,000
	$6,000	$600		$12,720,000
	$16,000	$1,600		$33,920,000
Long Beach	$2,000	$200	376,601	$75,320,200
	$4,000	$400		$150,640,400
	$6,000	$600		$225,960,600
	$16,000	$1,600		$602,561,600
Los Angeles City	$2,000	$200	3,331,768	$666,353,600
	$4,000	$400		$1,332,707,200
	$6,000	$600		$1,999,060,800
	$16,000	$1,600		$5,330,828,800
Los Angeles County	$2,000	$200	587,078	$117,415,600
	$4,000	$400		$234,831,200
	$6,000	$600		$352,246,800
	$16,000	$1,600		$939,324,800
Lynwood	$2,000	$200	21,650	$4,330,000
	$4,000	$400		$8,660,000
	$6,000	$600		$12,990,000
	$16,000	$1,600		$34,640,000
Malibu	$2,000	$200	26,457	$5,291,400
	$4,000	$400		$10,582,800
	$6,000	$600		$15,874,200
	$16,000	$1,600		$42,331,200

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Manhattan Beach	$2,000	$200	30,969	$6,193,800
	$4,000	$400		$12,397,600
	$6,000	$600		$18,581,400
	$16,000	$1,600		$49,550,400
Maywood	$2,000	$200	10,814	$2,162,800
	$4,000	$400		$3,325,600
	$6,000	$600		$6,488,400
	$16,000	$1,600		$17,302,400
Monrovia	$2,000	$200	32,366	$6,473,200
	$4,000	$400		$12,946,400
	$6,000	$600		$19,419,600
	$16,000	$1,600		$51,785,600
Montebello	$2,000	$200	39,540	$7,908,000
	$4,000	$400		$15,816,00
	$6,000	$600		$23,724,000
	$16,000	$1,600		$63,264,000
Monterey Park	$2,000	$200	55,395	$11,079,000
	$4,000	$400		$22,158,000
	$6,000	$600		$33,237,000
	$16,000	$1,600		$88,632,000
Norwalk	$2,000	$200	50,096	$10,019,200
	$4,000	$400		$20,038,400
	$6,000	$600		$30,057,600
	$16,000	$1,600		$80,153,600
Palmdale	$2,000	$200	569,781	$113,956,200
	$4,000	$400		$227,912,400
	$6,000	$600		$341,868,600
	$16,000	$1,600		$911,649,600
Palos Verdes Estates	$2,000	$200	2,266	$453,200
	$4,000	$400		$906,400
	$6,000	$600		$1,359,600
	$16,000	$1,600		$3,625,600
Paramount	$2,000	$200	30,309	$6,061,800
	$4,000	$400		$12,123,600
	$6,000	$600		$18,185,400
	$16,000	$1,600		$48,494,400
Pasadena	$2,000	$200	190,381	$38,076,200
	$4,000	$400		$76,152,400
	$6,000	$600		$114,228,600
	$16,000	$1,600		$304,609,600
Pico Rivera	$2,000	$200	36,200	$7,240,000
	$4,000	$400		$14,480,000
	$6,000	$600		$21,720,000
	$16,000	$1,600		$57,920,000
Pomona	$2,000	$200	112,420	$22,484,000
	$4,000	$400		$44,968,000
	$6,000	$600		$67,452,000
	$16,000	$1,600		$179,872,000
Rancho Palos Verdes	$2,000	$200	8,740	$1,748,000
	$4,000	$400		$3,496,000
	$6,000	$600		$5,244,000
	$16,000	$1,600		$13,984,000

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Redondo Beach	$2,000	$200	55,399	$11,079,800
	$4,000	$400		$22,159,600
	$6,000	$600		$33,239,400
	$16,000	$1,600		$88,638,400
Rolling Hills	$2,000	$200	535	$107,000
	$4,000	$400		$214,000
	$6,000	$600		$321,000
	$16,000	$1,600		$856,000
Rolling Hills Estates	$2,000	$200	7,836	$1,567,200
	$4,000	$400		$3,134,400
	$6,000	$600		$4,701,600
	$16,000	$1,600		$12,537,600
Rosemead	$2,000	$200	29,134	$5,826,800
	$4,000	$400		$11,653,600
	$6,000	$600		$17,480,400
	$16,000	$1,600		$46,614,400
San Dimas	$2,000	$200	26,178	$5,235,600
	$4,000	$400		$10,471,200
	$6,000	$600		$15,706,800
	$16,000	$1,600		$41,884,800
San Fernando	$2,000	$200	26,098	$5,219,600
	$4,000	$400		$10,439,200
	$6,000	$600		$15,658,800
	$16,000	$1,600		$41,756,800
San Gabriel	$2,000	$200	16,892	$3,378,400
	$4,000	$400		$6,756,800
	$6,000	$600		$10,135,200
	$16,000	$1,600		$27,027,200
San Marino	$2,000	$200	4,914	$982,800
	$4,000	$400		$1,965,600
	$6,000	$600		$2,948,400
	$16,000	$1,600		$7,862,400
Santa Clarita	$2,000	$200	310,614	$62,122,800
	$4,000	$400		$124,245,600
	$6,000	$600		$186,368,400
	$16,000	$1,600		$496,982,400
Santa Fe Springs	$2,000	$200	34,967	$6,993,400
	$4,000	$400		$13,986,800
	$6,000	$600		$20,980,200
	$16,000	$1,600		$55,947,200
Santa Monica	$2,000	$200	121,287	$24,257,400
	$4,000	$400		$48,514,800
	$6,000	$600		$72,772,200
	$16,000	$1,600		$194,059,200
Sierra Madre	$2,000	$200	5,465	$1,093,000
	$4,000	$400		$2,186,000
	$6,000	$600		$3,279,000
	$16,000	$1,600		$8,744,000
Signal Hill	$2,000	$200	45,927	$9,185,400
	$4,000	$400		$18,370,800
	$6,000	$600		$27,556,200
	$16,000	$1,600		$73,483,200

Table A-2
Hypothetical Fee Scenarios by Local Jurisdiction

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
South El Monte	$2,000	$200	7,837	$1,567,400
	$4,000	$400		$3,134,800
	$6,000	$600		$4,702,200
	$16,000	$1,600		$12,539,200
South Gate	$2,000	$200	26,747	$5,349,400
	$4,000	$400		$10,698,800
	$6,000	$600		$16,048,200
	$16,000	$1,600		$42,795,200
South Pasadena	$2,000	$200	9,650	$1.930,000
	$4,000	$400		$3,860,000
	$6,000	$600		$5,790,000
	$16,000	$1,600		$15,440,000
Temple City	$2,000	$200	17,460	$3,492,000
	$4,000	$400		$6,984,000
	$6,000	$600		$10,476,000
	$16,000	$1,600		$27,936,000
Torrance	$2,000	$200	228,909	$45,781,800
	$4,000	$400		$91,563,600
	$6,000	$600		$137,345,400
	$16,000	$1,600		$366,254,400
Vernon	$2,000	$200	97,256	$19,451,200
	$4,000	$400		$38,902,400
	$6,000	$600		$58,353,600
	$16,000	$1,600		$155,609,600
Walnut	$2,000	$200	44,055	$8,811,000
	$4,000	$400		$17,622,000
	$6,000	$600		$26,433,000
	$16,000	$1,600		$70,488,000
West Covina	$2,000	$200	50,097	$10,019,400
	$4,000	$400		$20,038,800
	$6,000	$600		$30,058,200
	$16,000	$1,600		$80,155,200
West Hollywood	$2,000	$200	50,664	$10,132,800
	$4,000	$400		$20,256,600
	$6,000	$600		$30,398,400
	$16,000	$1,600		$81,062,400
Westlake Village	$2,000	$200	17,316	$3,463,200
	$4,000	$400		$6,926,400
	$6,000	$600		$10,389,600
	$16,000	$1,600		$27,705,600
Whittier	$2,000	$200	48,102	$9,620,400
	$4,000	$400		$19,240,800
	$6,000	$600		$28,861,200
	$16,000	$1,600		$76,963,200

Figure A-1
Preliminary Regional Transportation Network

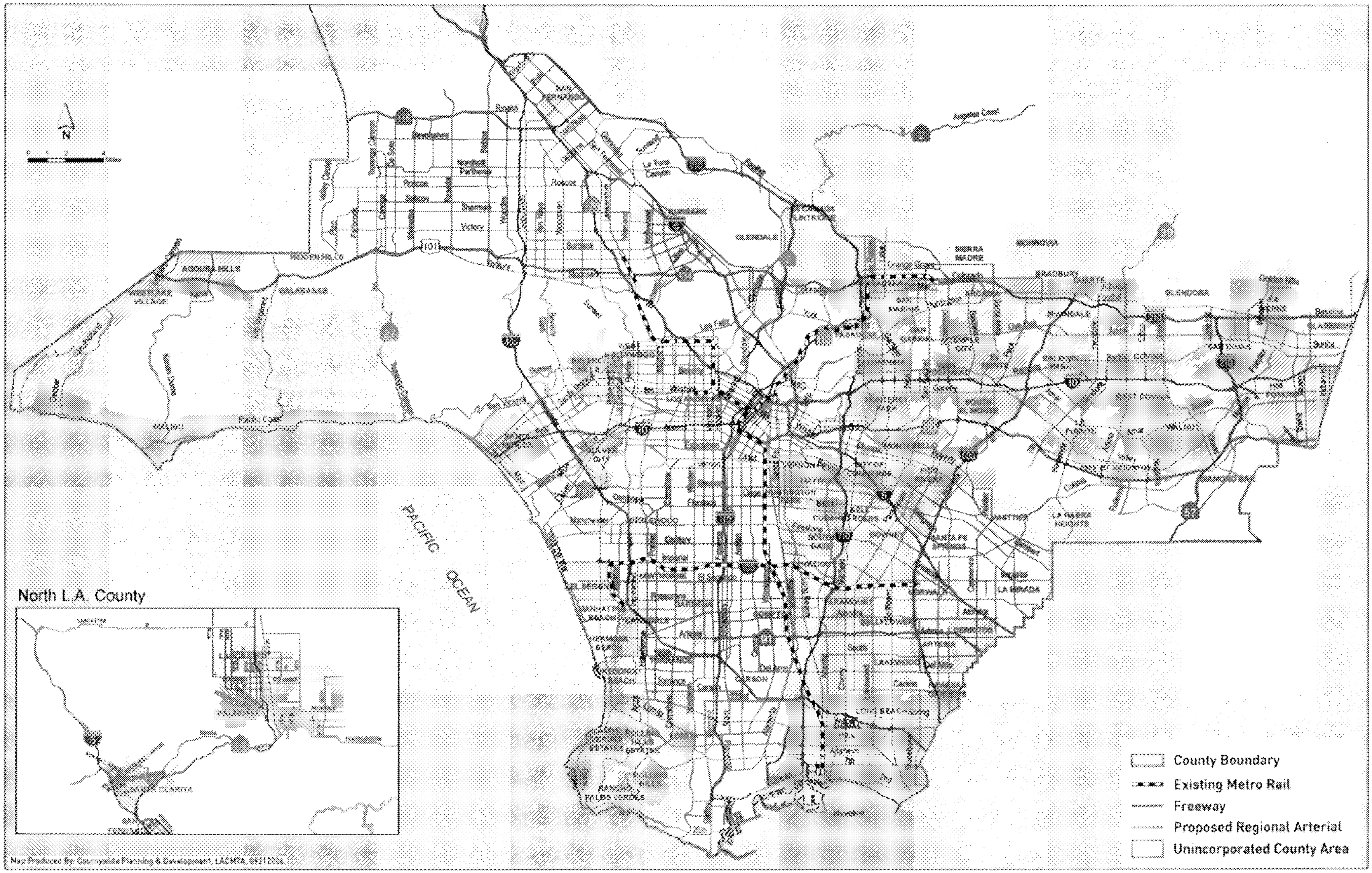


Table A-3
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
Arroyo Verdugo

Subregional Area	Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Arroyo Verdugo	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	490,588	$98,117,600 $196,235,200 $294,352,800 $784,940,800

City	Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Burbank	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	239,474	$47,894,800 $95,789,600 $143,684,400 $383,158,400
Glendale	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	206,994	$41,398,800 $82,797,600 $124,196,400 $331,190,400
La Canada Flintridge	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	19,676	$3,935,200 $7,870,400 $11,805,600 $31,481,600
Los Angeles County	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	24,443	$4,888,600 $9,777,200 $14,665,800 $39,108,800

Figure A-2
Preliminary Regional Transportation Network
Arroyo Verdugo

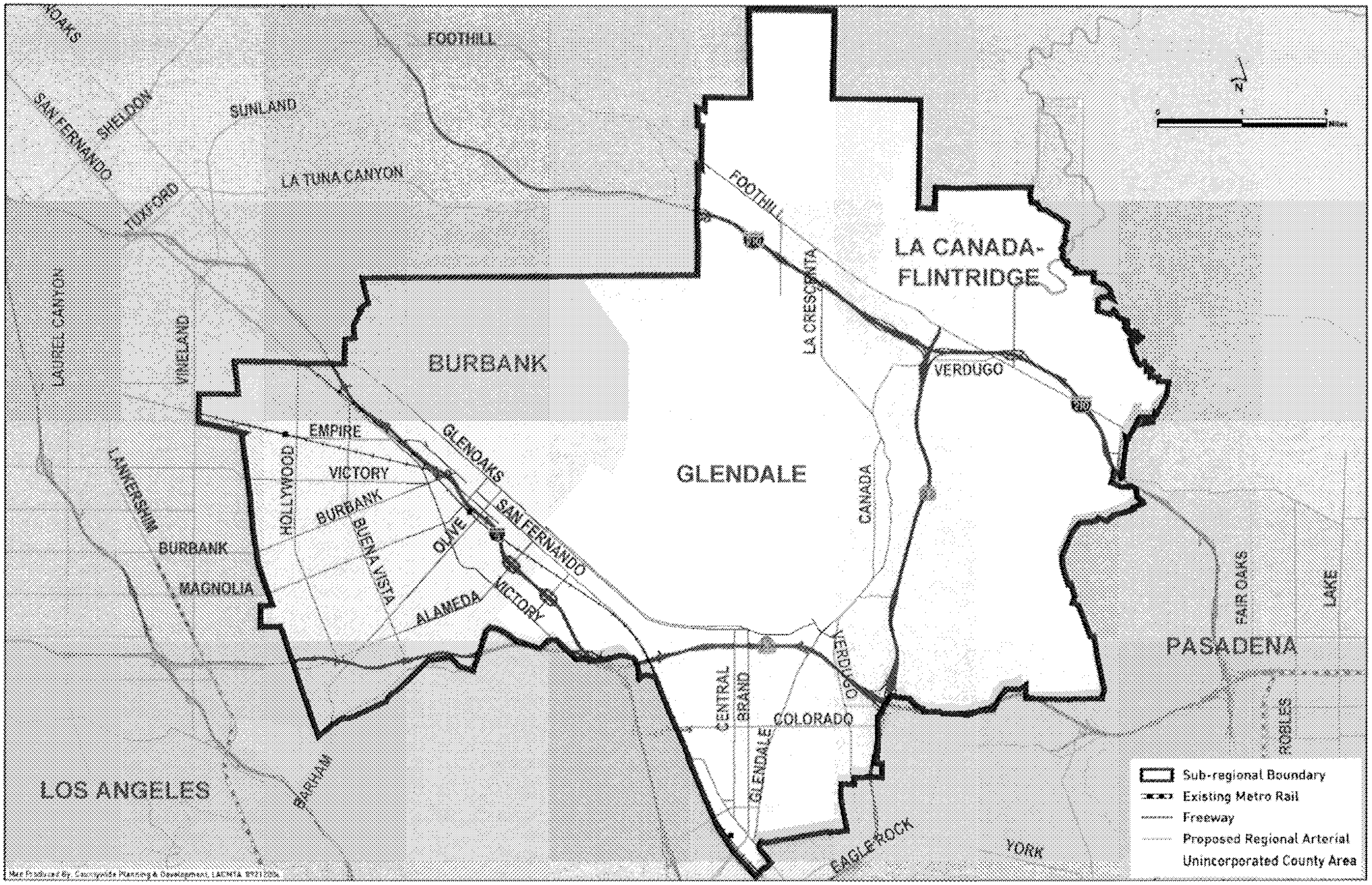


Table A-4
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
Gateway Cities

Subregional Area	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Gateway Cities	$2,000	$200		$259,354,800
	$4,000	$400	1,296,774	$518,709,600
	$6,000	$600		$778,064,400
	$16,000	$1,600		$2,074,838,400

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Artesia	$2,000	$200	9,242	$1,848,400
	$4,000	$400		$3,696,800
	$6,000	$600		$5,545,200
	$16,000	$1,600		$14,787,200
Avalon	$2,000	$200	6,149	$1,229,800
	$4,000	$400		$2,459,600
	$6,000	$600		$3,689,400
	$16,000	$1,600		$9,838,400
~~Baldwin Park~~	~~$2,000~~	~~$200~~	~~49,096~~	~~$9,819,200~~
	~~$4,000~~	~~$400~~		~~$19,638,400~~
	~~$6,000~~	~~$600~~		~~$29,457,600~~
	~~$16,000~~	~~$1,600~~		~~$78,553,600~~
Bell	$2,000	$200	49,096	$9,819,200
	$4,000	$400		$19,638,400
	$6,000	$600		$29,457,600
	$16,000	$1,600		$78,553,600
Bell Gardens	$2,000	$200	14,038	$2,807,600
	$4,000	$400		$5,615,200
	$6,000	$600		$8,422,800
	$16,000	$1,600		$22,460,800
Bellflower	$2,000	$200	38,425	$7,685,000
	$4,000	$400		$15,370,000
	$6,000	$600		$23,055,000
	$16,000	$1,600		$61,480,000
Cerritos	$2,000	$200	50,360	$10,072,000
	$4,000	$400		$20,144,000
	$6,000	$600		$30,216,000
	$16,000	$1,600		$80,576,000

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Commerce	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	69,533	$13,906,600 $27,813,200 $41,719,800 $111,252,800
Compton	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	46,471	$9,294,200 $18,588,400 $27,882,600 $74,353,600
Cudahy	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	12,251	$2,450,200 $4,900,400 $7,350,600 $19,601,600
Downey	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	43,698	$8,739,600 $17,479,200 $26,218,800 $69,916,800
Hawaiian Gardens	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	4,350	$870,000 $1,740,000 $2,610,000 $6,960,000
Huntington Park	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	37,176	$7,435,200 $14,870,400 $22,306,600 $59,481,600
La Habra Heights	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	2,820	$564,000 $1,128,000 $1,692,000 $4,512,000
La Mirada	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	54,982	$10,996,400 $21,992,800 $32,989,200 $87,971,200
Lakewood	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	39,162	$7,832,400 $15,664,800 $23,497,200 $62,659,200
Long Beach	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	376,601	$75,320,200 $150,640,400 $225,960,600 $602,561,600

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Lynwood	$2,000	$200	21,650	$4,330,000
	$4,000	$400		$8,660,000
	$6,000	$600		$12,990,000
	$16,000	$1,600		$34,640,000
Maywood	$2,000	$200	10,814	$2,162,800
	$4,000	$400		$3,325,600
	$6,000	$600		$6,488,400
	$16,000	$1,600		$17,302,400
Montebello	$2,000	$200	39,540	$7,908,000
	$4,000	$400		$15,816,00
	$6,000	$600		$23,724,000
	$16,000	$1,600		$63,264,000
Norwalk	$2,000	$200	50,096	$10,019,200
	$4,000	$400		$20,038,400
	$6,000	$600		$30,057,600
	$16,000	$1,600		$80,153,600
Paramount	$2,000	$200	30,309	$6,061,800
	$4,000	$400		$12,123,600
	$6,000	$600		$18,185,400
	$16,000	$1,600		$48,494,400
Pico Rivera	$2,000	$200	36,200	$7,240,000
	$4,000	$400		$14,480,000
	$6,000	$600		$21,720,000
	$16,000	$1,600		$57,920,000
Santa Fe Springs	$2,000	$200	34,967	$6,993,400
	$4,000	$400		$13,986,800
	$6,000	$600		$20,980,200
	$16,000	$1,600		$55,947,200
Signal Hill	$2,000	$200	45,927	$9,185,400
	$4,000	$400		$18,370,800
	$6,000	$600		$27,556,200
	$16,000	$1,600		$73,483,200
South Gate	$2,000	$200	26,747	$5,349,400
	$4,000	$400		$10,698,800
	$6,000	$600		$16,048,200
	$16,000	$1,600		$42,795,200
Vernon	$2,000	$200	97,256	$19,451,200
	$4,000	$400		$38,902,400
	$6,000	$600		$58,353,600
	$16,000	$1,600		$155,609,600
Whittier	$2,000	$200	48,102	$9,620,400
	$4,000	$400		$19,240,800
	$6,000	$600		$28,861,200
	$16,000	$1,600		$76,963,200

Figure A-3
Preliminary Regional Transportation Network
Gateway Cities

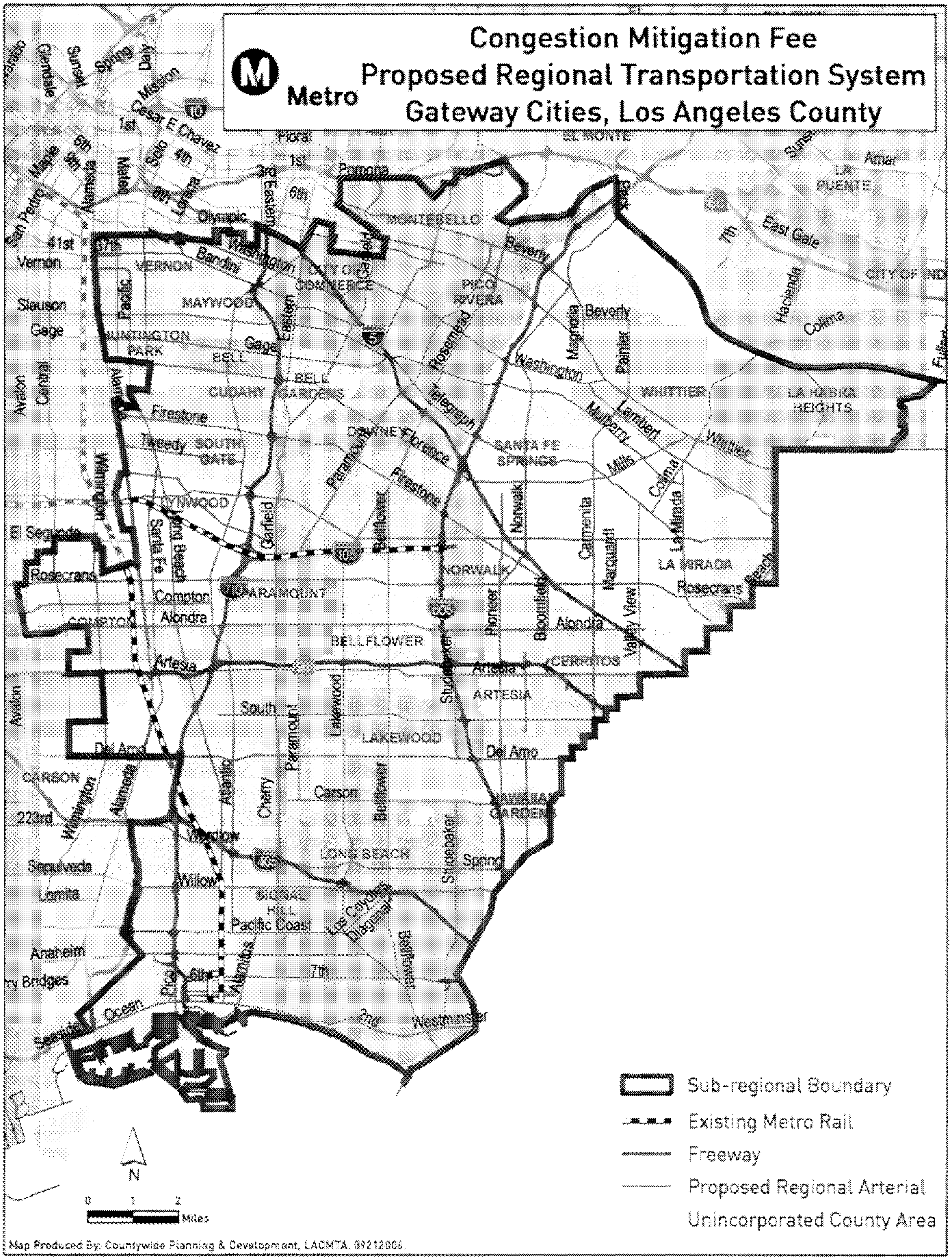


Table A-5
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
Las Virgenes/Malibu

Subregional Area	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Las Virgenes-Malibu	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	124,265	$24,853,000 $49,706,000 $74,559,000 $198,824,000

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Agoura Hills	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	28,354	$5,670,8000 $11,341,600 $17,012,400 $45,366,400
Calabasas	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	30,576	$6,115,200 $12,230,400 $18,345,600 $48,921,600
Hidden Hills	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	1,085	$397,000 $794,000 $1,191,000 $3,176,000
Los Angeles County	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	20,477	$4,095,400 $8,190,800 $12,286,200 $32,763,200
Malibu	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	26,457	$5,291,400 $10,582,800 $15,874,200 $42,331,200
Westlake Village	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	17,316	$3,463,200 $6,926,400 $10,389,600 $27,705,600

Figure A-4
Preliminary Regional Transportation Network
Las Virgenes/Malibu

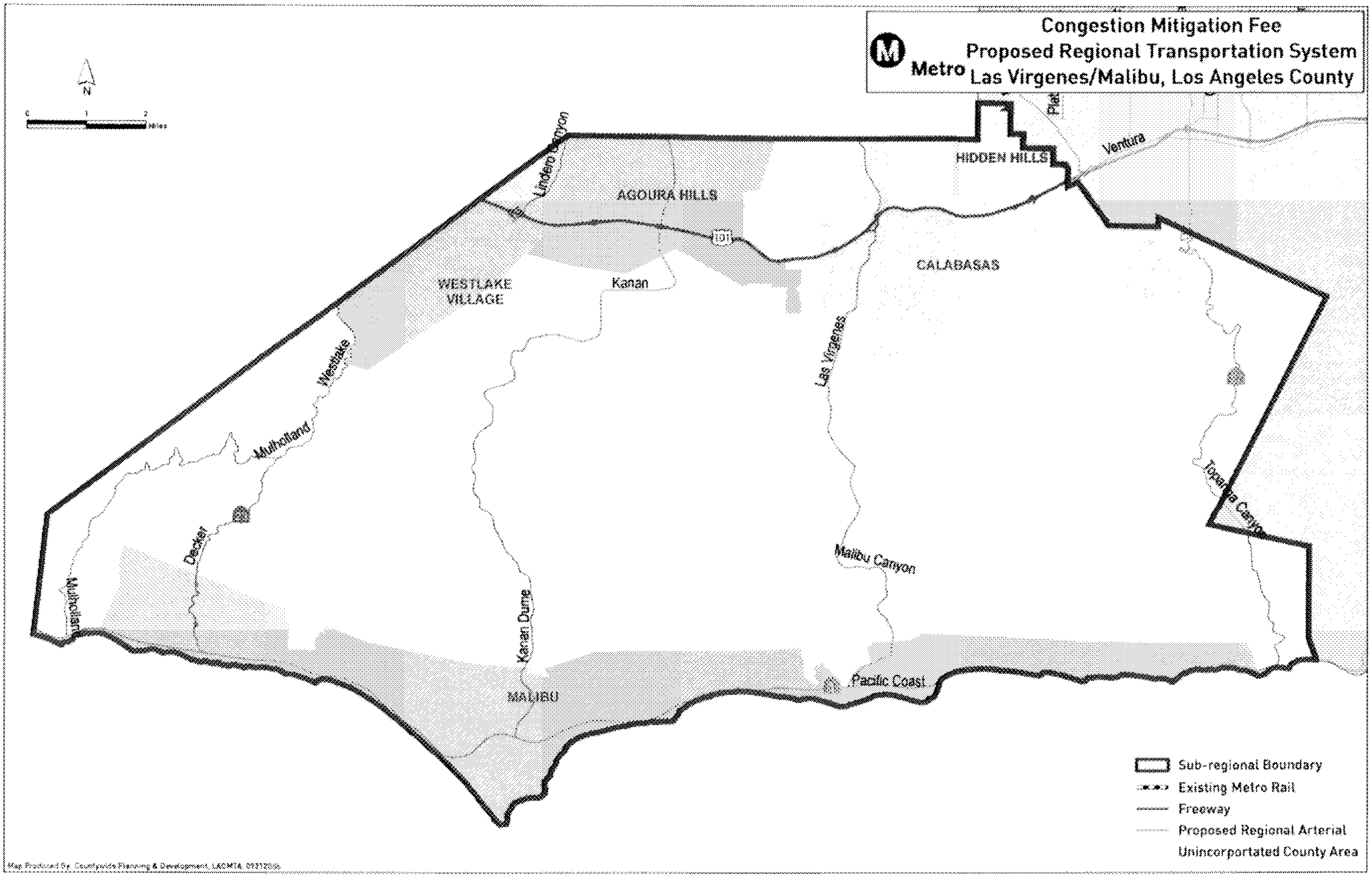


Table A-6
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
Los Angeles City Area

Subregional Area	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Los Angeles City Area	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	3,380,099	$676,019,800 $1,352,039,600 $2,028,059,400 $5,408,158,400

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
City of Los Angeles	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	3,331,768	$666,353,600 $1,332,707,200 $1,999,060,800 $5,330,828,800
Los Angeles County	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	22,233	$4,446,600 $8,893,200 $13,339,800 $35,572,800
San Fernando	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	26,098	$5,219,600 $10,439,200 $15,658,800 $41,756,800

Figure A-5
Preliminary Regional Transportation Network
Los Angeles City Area

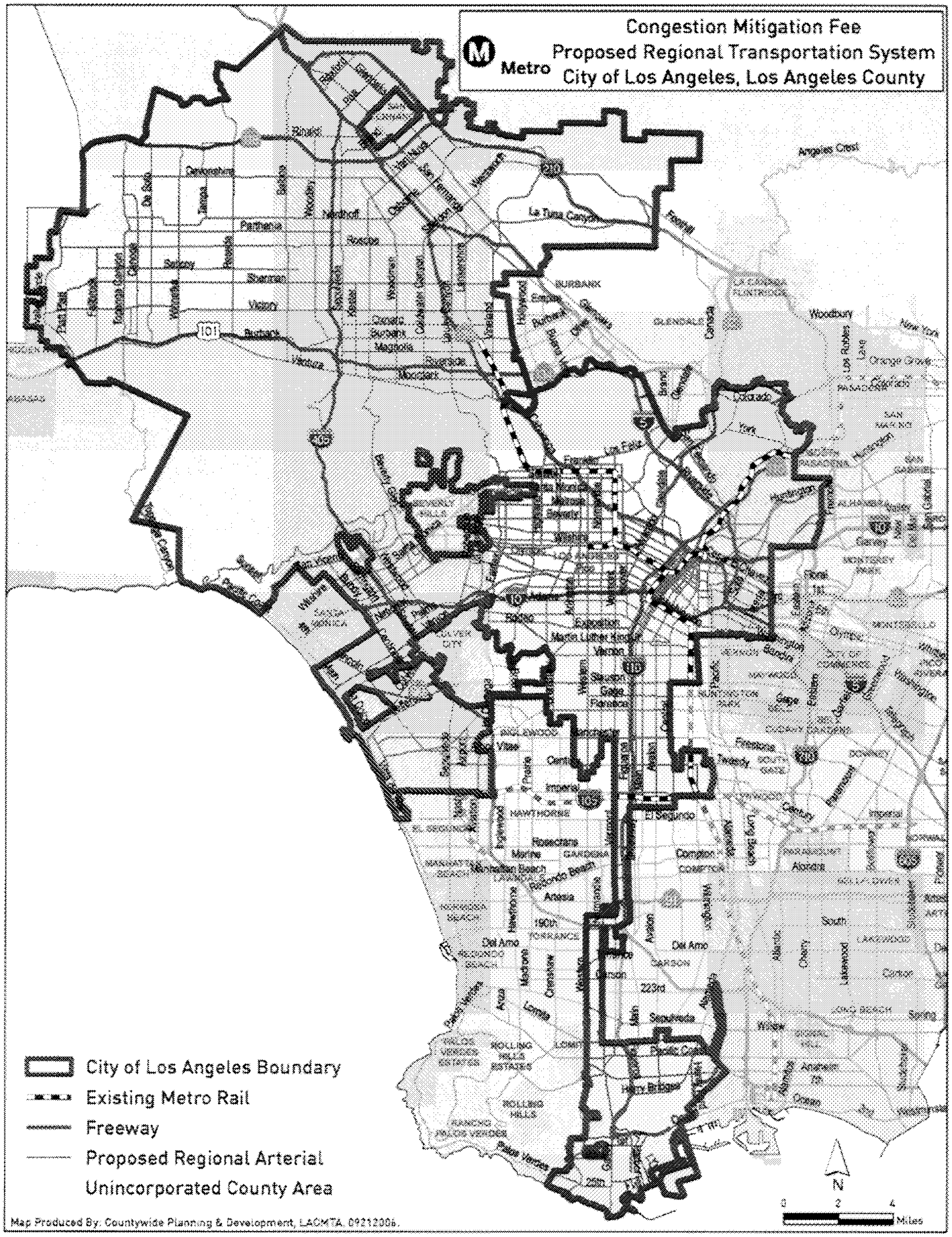


Table A-7
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
Westside Cities

Subregional Area	Hypothetical Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Westside Cities	$2,000	$200	402,363	$80,472,600
	$4,000	$400		$160,945,200
	$6,000	$600		$241,417,800
	$16,000	$1,600		$643,780,800

City	Hypothetical Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Beverly Hills	$2,000	$200	95,856	$19,171,200
	$4,000	$400		$38,342,400
	$6,000	$600		$57,513,600
	$16,000	$1,600		$153,369,600
Culver City	$2,000	$200	96,029	$19,205,800
	$4,000	$400		$38,411,600
	$6,000	$600		$57,617,400
	$16,000	$1,600		$153,646,400
Los Angeles County	$2,000	$200	38,526	$7,705,200
	$4,000	$400		$15,410,400
	$6,000	$600		$23,115,600
	$16,000	$1,600		$61,641,600
Santa Monica	$2,000	$200	121,287	$24,257,400
	$4,000	$400		$48,514,800
	$6,000	$600		$72,772,200
	$16,000	$1,600		$194,059,200
West Hollywood	$2,000	$200	50,664	$10,132,800
	$4,000	$400		$20,256,600
	$6,000	$600		$30,398,400
	$16,000	$1,600		$81,062,400

Figure A-6
Preliminary Regional Transportation Network
Westside Cities

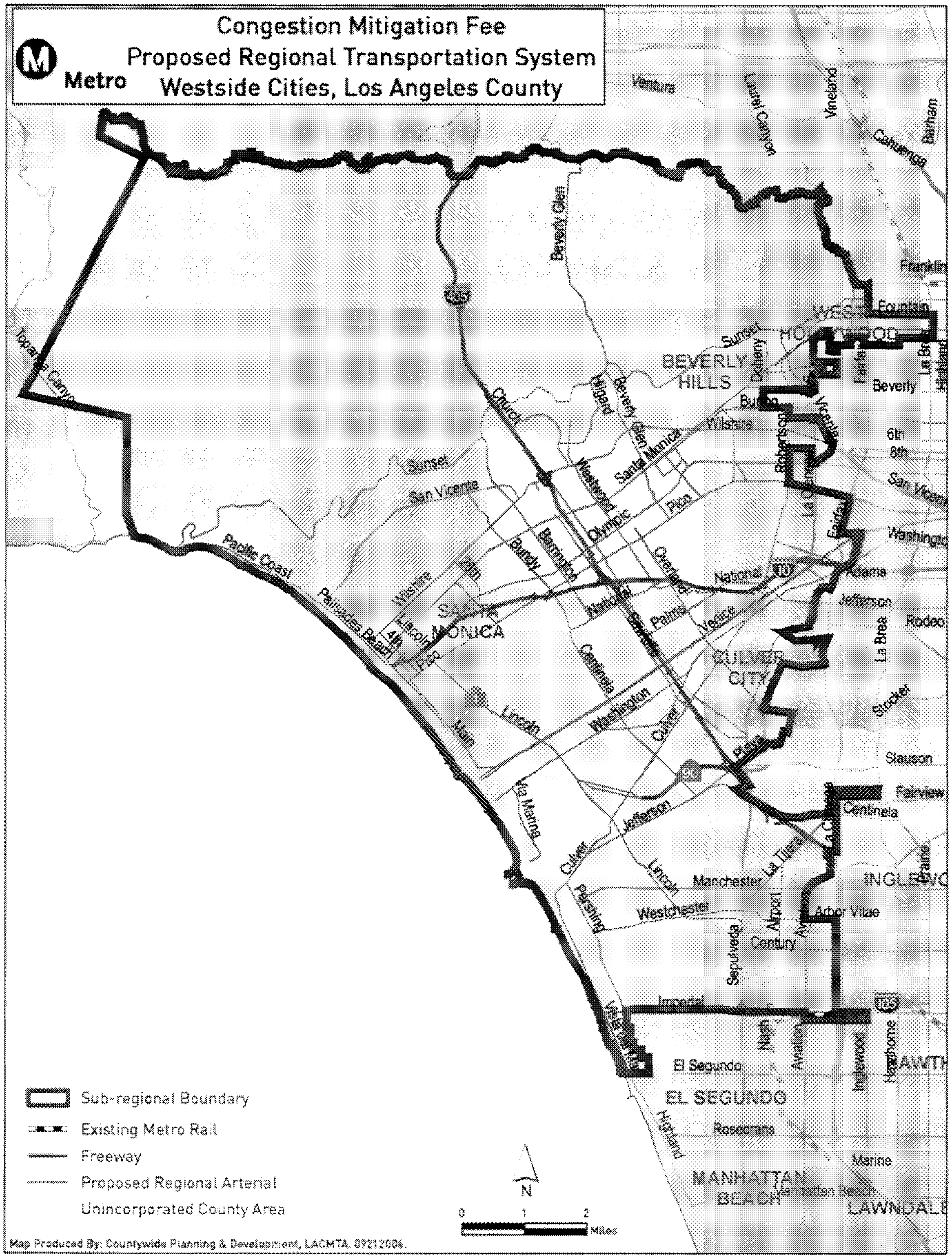


Table A-8
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
North Los Angeles County

Subregional Area	Hypothetical Proxy Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
North L. A. County	$2,000	$200	1,511,004	$302,200,800
	$4,000	$400		$604,401,600
	$6,000	$600		$906,602,400
	$16,000	$1,600		$2,417,606,400

City	Proxy Hypothetical Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips	Hypothetical Total Fee Revenue
Lancaster	$2,000	$200	257,498	$51,499,600
	$4,000	$400		$102,999,200
	$6,000	$600		$154,498,800
	$16,000	$1,600		$411,996,800
Los Angeles County	$2,000	$200	373,111	$117,415,600
	$4,000	$400		$234,831,200
	$6,000	$600		$352,246,800
	$16,000	$1,600		$939,324,800
Palmdale	$2,000	$200	569,781	$113,956,200
	$4,000	$400		$227,912,400
	$6,000	$600		$341,868,600
	$16,000	$1,600		$911,649,600
Santa Clarita	$2,000	$200	310,614	$62,122,800
	$4,000	$400		$124,245,600
	$6,000	$600		$186,368,400
	$16,000	$1,600		$496,982,400

Figure A-7
Preliminary Regional Transportation Network
North Los Angeles County

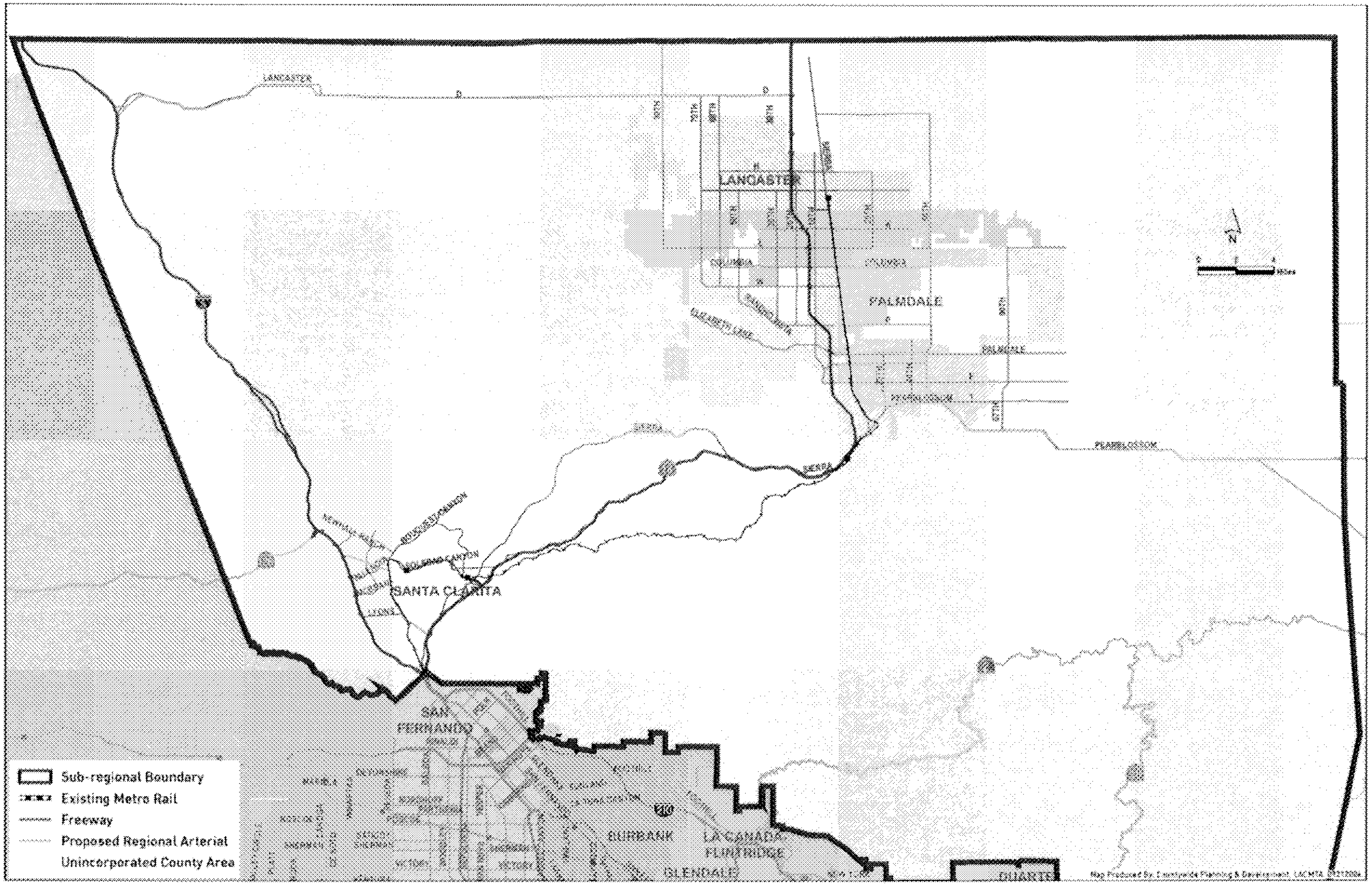


Table A-9
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
San Gabriel Valley

Subregional Area	Hypothetical Proxy Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
San Gabriel Valley	$2,000	$200	1,389,135	$277,827,000
	$4,000	$400		$555,654,000
	$6,000	$600		$833,481,000
	$16,000	$1,600		$2,222,616,000

Table A-9
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub-region
San Gabriel Valley

City	Hypothetical Proxy Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Alhambra	$2,000	$200	84,594	$16,918,800
	$4,000	$400		$33,837,600
	$6,000	$600		$50,756,400
	$16,000	$1,600		$135,350,400
Arcadia	$2,000	$200	46,125	$9,225,000
	$4,000	$400		$18,450,000
	$6,000	$600		$27,675,000
	$16,000	$1,600		$73,800,000
Azusa	$2,000	$200	43,132	$8,626,400
	$4,000	$400		$17,252,800
	$6,000	$600		$25,879,200
	$16,000	$1,600		$69,011,200
Baldwin Park	$2,000	$200	49,096	$9,819,200
	$4,000	$400		$19,638,400
	$6,000	$600		$29,457,600
	$16,000	$1,600		$78,553,600
Bradbury	$2,000	$200	2,184	$436,800
	$4,000	$400		$873,600
	$6,000	$600		$1,310,400
	$16,000	$1,600		$3,494,400
Claremont	$2,000	$200	59,285	$11,857,000
	$4,000	$400		$23,714,000
	$6,000	$600		$35,571,000
	$16,000	$1,600		$94,856,000

Table A-9
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub-region
San Gabriel Valley

City	Hypothetical Proxy Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Covina	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	49,420	$9,884,000 $19,768,000 $29,652,000 $79,072,000
Diamond Bar	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	36,350	$7,270,000 $14,540,000 $21,810,000 $58,160,000
Duarte	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	13,955	$2,791,000 $5,582,000 $8,373,000 $22,328,000
El Monte	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	85,189	$17,037,800 $34,756,000 $51,113,400 $136,302,400
Glendora	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	31,767	$6,353,400 $12,706,800 $19,060,200 $50,827,200
Industry	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	25,438	$5,087,600 $10,175,200 $15,262,800 $40,700,800
Irwindale	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	126,924	$25,384,800 $50,769,600 $76,154,400 $203,078,400
La Puente	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	10,045	$2,009,000 $4,018,000 $6,027,000 $16,072,000
La Verne	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	26,268	$5,253,600 $10,507,200 $15,760,800 $42,028,800

Table A-9
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub-region
San Gabriel Valley

City	Hypothetical Proxy Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Los Angeles County	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	57,578	$11,515,600 $23,031,200 $34,546,800 $92,124,800
Monrovia	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	32,366	$6,473,200 $12,946,400 $19,419,600 $51,785,600
Monterey Park	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	55,395	$11,079,000 $22,158,000 $33,237,000 $88,632,000
Pasadena	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	190,381	$38,076,200 $76,152,400 $114,228,600 $304,609,600
Pomona	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	112,420	$22,484,000 $44,968,000 $67,452,000 $179,872,000
Rosemead	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	29,134	$5,826,800 $11,653,600 $17,480,400 $46,614,400
San Dimas	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	26,178	$5,235,600 $10,471,200 $15,706,800 $41,884,800
San Gabriel	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	16,892	$3,378,400 $6,756,800 $10,135,200 $27,027,200
San Marino	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	4,914	$982,800 $1,965,600 $2,948,400 $7,862,400

Table A-9
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub-region
San Gabriel Valley

City	Hypothetical Proxy Fee Amount - Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Sierra Madre	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	5,465	$1,093,000 $2,186,000 $3,279,000 $8,744,000
South El Monte	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	7,837	$1,567,400 $3,134,800 $4,702,200 $12,539,200
South Pasadena	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	9,650	$1.930,000 $3,860,000 $5,790,000 $15,440,000
Temple City	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	17,460	$3,492,000 $6,984,000 $10,476,000 $27,936,000
Walnut	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	44,055	$8,811,000 $17,622,000 $26,433,000 $70,488,000
West Covina	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	50,097	$10,019,400 $20,038,800 $30,058,200 $80,155,200

Figure A-8
Preliminary Regional Transportation Network
San Gabriel Valley

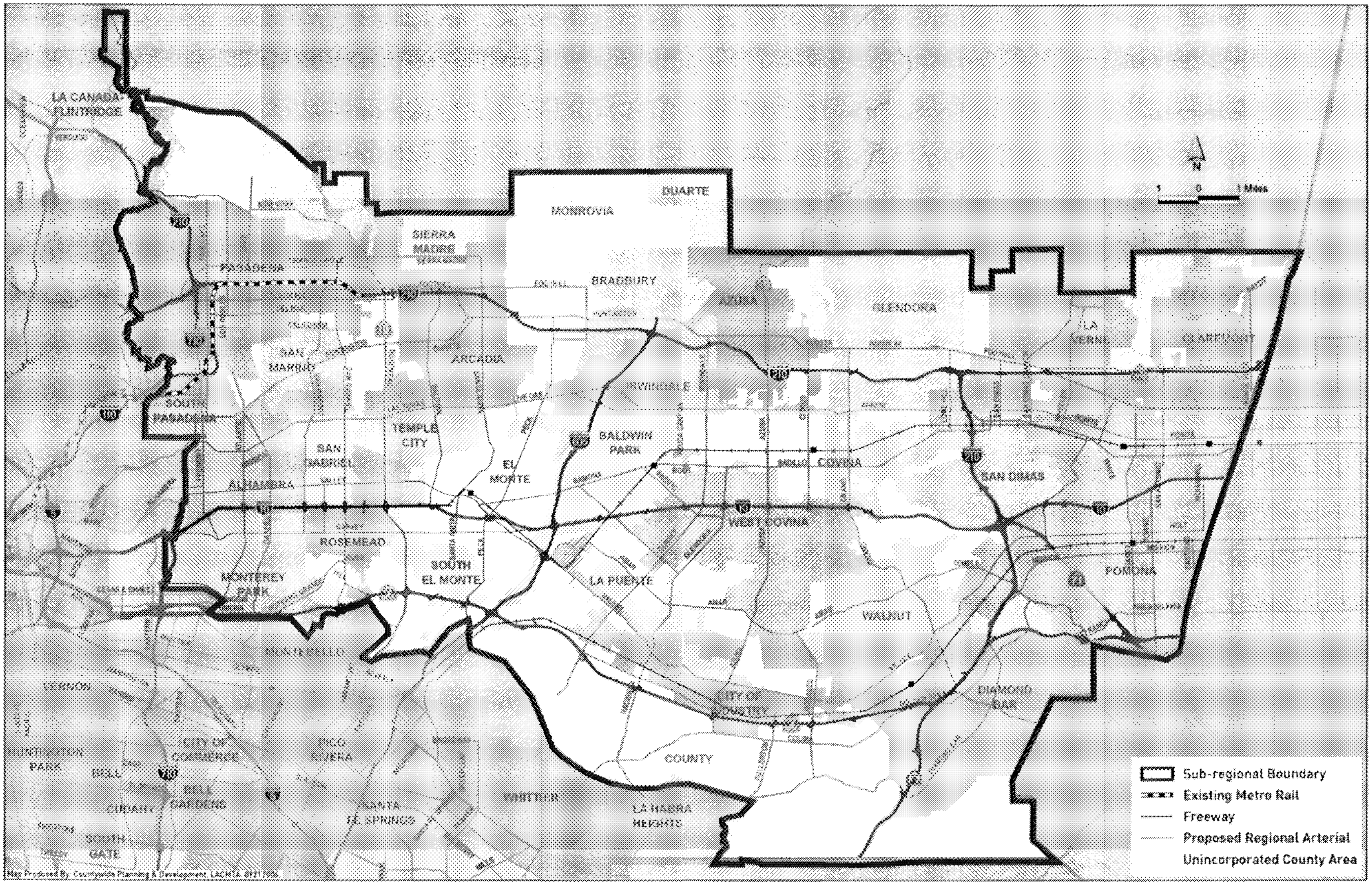


Table A-10
Hypothetical Fee Scenarios by Sub-region and Local Jurisdictions within the Sub-region
South Bay Cities

Subregional Area	Hypothetical Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
South Bay	$2,000	$200	771,557	$154,311,400
	$4,000	$400		$308,622,800
	$6,000	$600		$462,934,200
	$16,000	$1,600		$1,234,491,200

Table A-10
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub region
South Bay Cities

City	Hypothetical Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Carson	$2,000	$200	119,100	$23,820,000
	$4,000	$400		$47,640,000
	$6,000	$600		$71,460,000
	$16,000	$1,600		$190,560,000
El Segundo	$2,000	$200	71,888	$14,377,600
	$4,000	$400		$28,755,200
	$6,000	$600		$43,132,800
	$16,000	$1,600		$115,020,800
Gardena	$2,000	$200	83,211	$16,642,200
	$4,000	$400		$33,284,400
	$6,000	$600		$49,926,600
	$16,000	$1,600		$133,137,600
Hawthorne	$2,000	$200	52,664	$10,532,800
	$4,000	$400		$21,065,600
	$6,000	$600		$31,598,400
	$16,000	$1,600		$84,262,400
Hermosa Beach	$2,000	$200	3,885	$777,000
	$4,000	$400		$1,554,000
	$6,000	$600		$2,331,000
	$16,000	$1,600		$6,216,000
Inglewood	$2,000	$200	72,421	$14,484,200
	$4,000	$400		$28,968,400
	$6,000	$600		$43,452,600
	$16,000	$1,600		$115,873,600

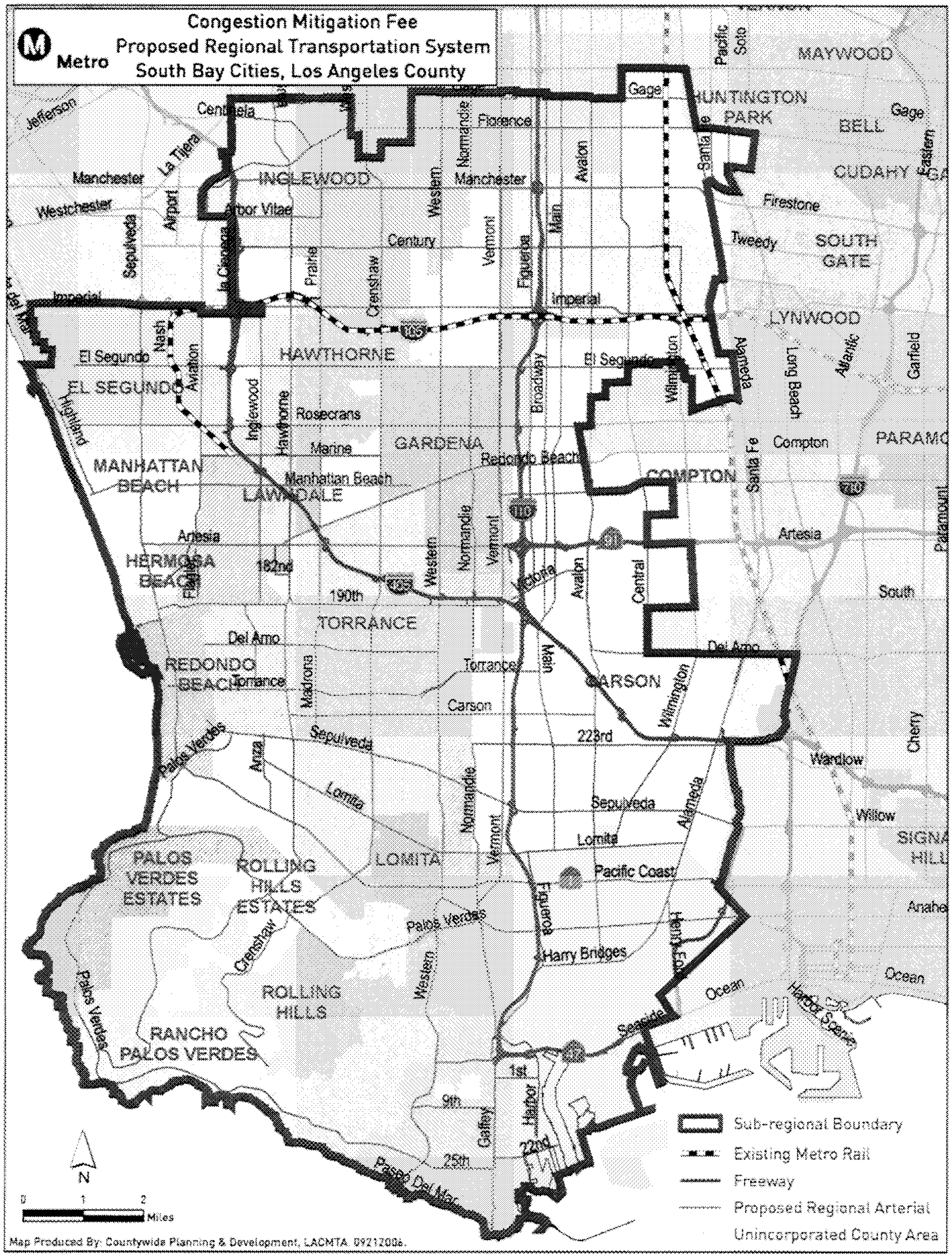
Table A-10
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub region
South Bay Cities

City	Hypothetical Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Lawndale	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	12,534	$2,506,800 $5,013,600 $7,520,400 $20,054,000
Lomita	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	21,200	$4,240,000 $8,480,000 $12,720,000 $33,920,000
Los Angeles County	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	0	$117,415,600 $234,831,200 $352,246,800 $939,324,800
Manhattan Beach	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	30,969	$6,193,800 $12,397,600 $18,581,400 $49,550,400
Palos Verdes Estates	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	2,266	$453,200 $906,400 $1,359,600 $3,625,600
Rancho Palos Verdes	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	8,740	$1,748,000 $3,496,000 $5,244,000 $13,984,000
Redondo Beach	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	55,399	$11,079,800 $22,159,600 $33,239,400 $88,638,400
Rolling Hills	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	535	$107,000 $214,000 $321,000 $856,000
Rolling Hills Estates	$2,000 $4,000 $6,000 $16,000	$200 $400 $600 $1,600	7,836	$1,567,200 $3,134,400 $4,701,600 $12,537,600

Table A-10
Hypothetical Fee Scenarios by Sub-region & Local Jurisdictions within the Sub region
South Bay Cities

City	Hypothetical Proxy Fee Amount Per Single Family Residence	Fee per New Trip (Avg Daily Trips)	Number of New Trips [2]	Hypothetical Total Fee Revenue
Torrance	$2,000	$200	228,909	$45,781,800
	$4,000	$400		$91,563,600
	$6,000	$600		$137,345,400
	$16,000	$1,600		$366,254,400

Figure A-9
Preliminary Regional Transportation Network
South Bay Cities



ATTACHMENT B

Congestion Mitigation Fee Work Plan

Congestion Mitigation Fee Work Plan

Work Plan Components	Preliminary Schedule	Estimated Dates for Final Board Action
Step 1: Feasibility Study & Program Guidelines • Review with PAC, local jurisdictions, COGs, & Others	**Jan. '07-April '08**	**June '08**
Step 2: Local Project Identification • Work with local jurisdictions to confirm growth forecasts • Work with local jurisdictions to identify local projects with regional benefits	**July '08–May '09**	**June '09**
Step 3: Nexus Study • Technical work effort to determine nexus • Final Board action to authorize program	**July 09–Jan. '10**	**Feb. '10**
Step 4: Local Implementation • Work with local jurisdictions to adopt Local Ordinance	**March '10 +**	

ATTACHMENT C

The Congestion Mitigation Fee Program Summary

Congestion Mitigation Fee Program Summary

- Congestion Mitigation Fee could be authorized by the Board. Board action would make fee a local implementation requirement of the Congestion Management Program.
- Once authorized by the Board, local jurisdictions would be responsible for adopting fee through local ordinance.
- LACMTA will prepare and adopt Program Guidelines for local implementation (Final Study Report is proposed guidelines document).
- One time fee applied to all types of new development.
- Fee funds local transportation improvements that mitigate the impact of growth on the regional system.
- Eligible projects would include capacity increasing improvements which benefit regional system, including:
    - State highway improvements;
    - Improvements to designated Regional Arterial System ;
    - Transit Capital projects ; and
    - Others to be determined on a case-by-case basis.
- Mitigation fee program horizon is through FY 2030.
- Fee is applied based on Institute of Transportation Engineers (ITE) trip generation rates for land use categories.
- LACMTA will establish a countywide minimum fee level - the same for all local jurisdictions.
    - Local jurisdictions may choose to exceed minimum.
- Actual fee amount will be determined as part of final Board approval action.
- Program designed to maximize local control (consistent with Guiding Principles):
    - Population forecast and regional arterial network to be reviewed with local jurisdictions and county;
    - Cities and county adopt local ordinance;
    - Cities and county select projects;
    - Cities and county collect fee at building permit issuance;
    - Cities and county administer fee program and manage fee account; and
    - Cities and county implement project, or designate responsibility to implementing entity (i.e., developer, local, regional, or state transportation implementing agency).

Cities and county should consider the benefit of pooling funds for sub-regional or multi-jurisdictional programs or projects.

Congestion Mitigation Fee Program Summary (Cont.)

- Cities and county will provide projects lists to staff. LACMTA will incorporate projects in Countywide Nexus Study to meet the requirements of the California Mitigation Fee Act (Government Code Section 66000).
- Cities and county are encouraged to consult with sub-regional COGs, Caltrans, adjacent jurisdictions, transit operators, developers, and in preparing mitigation fee project list.
- Projects exempt from mitigation fees include the following:
  - Low/Very Low Income Housing as defined by California Department of Housing and Community Development;
  - High Density Residential within ¼ mile of a fixed rail passenger station;
  - Mixed-use development located within ¼ mile of a fixed rail passenger station;
  - Projects that are not subject to approval through the local entitlement process;
  - Reconstruction or replacement of any residential or non-residential structure which is damaged or destroyed, to the extent of not less than 50% of its reasonable value by fire, flood, earthquake or other similar calamity; and
  - Projects that entered into a development agreement (as specified under Sections 65864 through 65869.5 of the California Government Code) with a local jurisdiction prior to July 10, 1989.
- Cities and county that have existing local fee programs that fund local projects with regional benefit projects as defined in the Final Study Report may receive dollar-for-dollar credit to avoid double-counting:
  - Nothing in this program is intended to redirect local fee program projects or funds.
- Cities and county may award credit to a developer for developer constructed transportation improvement projects.
- Cities and county may combine mitigation fee dollars with other available funding sources to fully fund mitigation program projects.
- Once the Board adopts the Nexus Study/Final Draft Study Report, cities and county will initiate local ordinance adoption and fee implementation.
- Local jurisdictions will annually report to staff confirming program implementation.
- LACMTA will annually determine local compliance with Congestion Mitigation Program through existing CMP local conformance process.
- Cities and county that do not implement minimum fee will not be in compliance with the CMP and will be subject to loss of Section 2105 State Gas Tax revenues, are not eligible for federal CMAQ and STP funds, and are not able to participate in the Call for Projects process.
- CMP Appeals Panel will serve to address local issues regarding mitigation fee compliance, interpretation of program requirements, project eligibility and additions to the fee network.
- Cities and county will annually update their fee schedule to account for inflation per Final Study Report.
- LACMTA will conduct a comprehensive Congestion Mitigation Fee program update at least once every five years.

ATTACHMENT D

Stakeholder Outreach Meetings

ATTACHMENT D

STAKEHOLDER OUTREACH ON THE

CONGESTION MITIGATION FEE DRAFT STUDY REPORT

NOTE: The Draft Study Report was distributed for review and comment on January 11, 2008. The following outlines the public outreach efforts made during the period of January 11 through April 25, 2008.

Date / Time	Meeting	Location
Feb 14, 2008 2:00pm - 3:00pm	LACMTA Gateway Cities Sector Governance Council	The Gas Company 9240 Firestone Bl., Downey, CA
Feb. 20, 2008 10:30am - 12:30pm	North County Transportation Coalition (Technical Staff)	Santa Clarita Recreation Center 38350 N. Sierra Highway
Feb. 21, 2008 9:30am - 11:30am	LACMTA TAC Streets & Freeways Subcommittee	LACMTA - Windsor Conference Room - 15th Floor
Feb. 21, 2008 8:30am - 10:30am	LACMTA Legislative Staff Quarterly Briefing	LACMTA - Hollywood Hills Conference Room - 25th Floor
March 17, 2008 9:00am - 11:00am	Arroyo Verdugo COG	La Canada Flintridge City Hall 1327 Foothill Blvd., La Canada-Flintridge, CA
March 17, 2008 9:30am - 11:30am	LCMTA Technical Advisory Committee (TAC)	LACMTA - Union Station Conference Room - 3rd Floor
March 19, 2008 10:30am - 12:30pm	LACMTA Transportation Demand Managment (TDM) Air Quality	LACMTA - Pasadena Conference Room, 22nd Floor
March 20, 2008 9:30am - 11:30am	LACMTA TAC Streets and Freeways Sub-Committee	LACMTA - Windsor Conference Room, 15th Floor
March 20, 2008 12 noon - 2 pm	South Bay COG Planning Directors Meeting	Torrance Library Meeting Room, 3301 Torrance Blvd., Torrance, CA

Date / Time	Meeting	Location
March 20, 2008 12 - 2:30 pm	San Gabriel Valley COG Planners TAC	Monrovia Community Center 119 W. Palm St. Monrovia, CA
March 20, 2008 4:45-7:00 pm	San Gabriel Valley COG Transportation Committee	Southern California Edison CTAC 6090 N. Irwindale Ave. Irwindale, CA
March 24, 2008 12:00-1:00 pm	San Gabriel Valley COG Public Works TAC	Arcadia Police Facility Conf. Rm. 240 W. Huntington Dr. Arcadia, CA
March 24, 2008 2:00 - 3:00 pm	LADOT/LA City Planning Dept.	City of L.A. LADOT Offices
March 25, 2008 10:00 - 12:00 am	City of Santa Clarita	Santa Clarita City Hall 23920 Valencia Blvd., Santa Clarita, CA
March 26, 2008 6:30 - 8:30 pm	South Bay COG - Infrastructure Working Group	Blue Water Grill 665 N. Harbor, Redondo Beach, CA
March 27, 2008 10:30 - 12:00pm	Culver City	Culver City - City Hall
March 27, 2008 1:30 - 3 pm	Contract Cities	Luminarias Restaurant 3700 W. Ramona Blvd., Monterey Park, CA
March 27, 2008 1:30 - 3 pm	LACMTA Local Transit Services Subcommittee	LACMTA Headquarters Windsor Conference Rm. #15th fl,
April 2, 2008 12:00 - 2:00 pm	General Managers' Meeting	LACMTA Headquarters Malibu Conference Rm. #25th fl,
April 2, 2008 5:30 - 7:00 pm	Gateway Cities COG Transportation Committee	Gateway Cities COG Offices 16401 Paramount Blvd., Paramount
April 4, 2008 10:30 - 12:00pm	City of Redondo Beach - Planning and Public Works Depts.	Redondo Beach City Hall 415 Diamond St.; Redondo Beach

Date / Time	Meeting	Location
April 8, 2008 8:00am - 10:00am	Central City Association	Central City Association Offices 610 Olive St., 10th Floor, Los Angeles
April 9, 2008 9:30 - 11:00 am	LACMTA Technical Advisory Committee (TAC)	LACMTA Headquarters, Third Floor, Union Station Conference Rm, 3rd fl.
April 10, 2008 9:30 - 11:00 am	Westside Cities COG	City of Beverly Hills Public Library Beverly Hills, CA
April 14, 2008 10:30am - 12:30pm	North County Transportation Coalition	City of Lancaster City Hall, 44933 N. Fern Avenue, Lancaster, CA
April 15, 2008 8:30 - 10:30 am	Las Virgenes-Malibu COG	Westlake Village City Hall 31200 Oak Crest Dr., Westlake Village
April 15, 2008 6:30 - 8:30 pm	Redondo Beach City Council	Redondo Beach City Hall Council Chambers 415 Diamond St.; Redondo Beach
April 16, 2008 5:30 - 7:00 pm	San Gabriel Valley COG Transportation Committee	Southern California Edison CTAC 6090 N. Irwindale Ave., Irwindale, CA
April 29, 2008 8:00 - 10:00 am	Gateway Cities COG Joint Planning/Public Works Committees	Gateway Cities COG Offices 16401 Paramount Blvd., Paramount

ATTACHMENT E

Stakeholder Comment Letters

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 28, 2008

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attn: Honorable Wendy Greuel, Chair
Transportation Committee

From: for Rita L. Robinson, General Manager John E. Fisher
Department of Transportation

Subject: **COMMENTS TO THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY REGARDING THE DRAFT CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT - CF 06-0465**

As part of the approval of its 2003 Short Range Transportation Plan, the Los Angeles County Metropolitan Transportation Authority (Metro) Board authorized the initiation of a nexus study to explore the feasibility of establishing a countywide congestion mitigation fee charged to new development. In January of this year, Metro transmitted its draft Congestion Mitigation Fee Feasibiltiy Study Report to the City for comments, with comments due no later than April 25, 2008.

The final Metro Board action on adoption of a Congestion Mitigation Fee program is not anticipated prior to July 2009. If the Board adopts the program, each local jurisdiction in the County will be responsible for adopting its own Congestion Mitigation Fee ordinance.

RECOMMENDATIONS

1. APPROVE the comments provided in this report (Attachment III) as the City's initial formal input to Metro regarding the Congestion Mitigation Fee Nexus Study. Following the submittal of these comments, the Department of Transportation (DOT) will continue to closely monitor the development of this fee program by Metro.
2. AUTHORIZE the General Manager of LADOT to transmit comments to Metro that are substantially consistent with those contained in this report before the April 25, 2008 deadline.

BACKGROUND

As part of its approval of the 2003 Short Range Transportation Plan, the Metro Board authorized the initiation of a nexus study to explore the feasibility of establishing a countywide congestion mitigation fee to be charged to new development. State law requires that a nexus study be prepared prior to the imposition of such a fee which establishes a reasonable connection between any proposed mitigation fee, the cost of the transportation improvements / enhancements envisioned, and the intended use of fee revenues.

Metro completed Phase I of the Study in June, 2005. The first phase focused primarily on public outreach to local agencies and stakeholders regarding the feasibility of imposing a countywide congestion mitigation fee, as well as establishing a preliminary fee framework and policies. Phase II of the Study was launched in October 2006 with the creation of a Policy Advisory Committee (PAC) with the tasks of considering policy alternatives and examining various options

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TRANSPORTATION

related to setting the appropriate fees, determining transportation improvement priorities, providing local control, and disposition of the current Congestion Management Program debit / credit program. The General Manager of DOT and the Director of City Planning are the City's representatives on the PAC.

By February 2007, the Metro Board's Planning and Programming Committee had adopted "guiding principles" for the Congestion Mitigation Fee Feasibility Study (included in this report as Attachment I) as recommended by the PAC and Metro staff. (Note: LADOT has previously presented three informational reports [June 20, 2006; October 27, 2006; and May 15, 2007] on the status of this Study in reponse to requests from City Council.)

DISCUSSION

In a memo dated January 11, 2008 Metro transmitted its "Draft Congestion Mitigation Fee Feasibility Study Report" to the City, requesting review and comments by April 25, 2008. A summary of the draft Fee Program is included as Attachment II to this report. If adopted by the Metro Board, the Study would "establish the guidelines for the proposed [fee] program, and provide the framework for moving forward to the next step towards developing the fee program". If implemented, a Congestion Mitigation Fee Program would generate new revenue for local jurisdictions in the County to build / implement transportation improvements with regional benefit as a means of addressing the impacts of future congestion. It would also serve to address local responsibilities to implement a Countywide Deficiency Plan as part of the State-mandated Congestion Management Program.

This Congestion Mitigation Fee is one of a number of strategies that Metro is exploring with the goal of generating new revenues which could help to implement new transportation projects in the County beyond those for which funding is already programmed. Metro staff plans to conduct extensive outreach with COG's, cities and other stakeholder groups prior to submitting a completed Feasibility Study Report to the Metro Board in June 2008.

COMMENTS

The City continues to support Metro's exploration of the establishment of a countywide congestion mitigation fee program. The City also supports proceeding to the next step in this effort - the preparation of the legally-mandated nexus study. However, City support of these efforts is contingent upon the continuing strict adherence of the Study (and any resulting fee program) with the "Guiding Principles" adopted by the Metro Board in April 2007 (Attachment I).

Specific comments/requests for clarification regarding the Draft Feasibility Study Report are included in this report as Attachment III. We note in the comments that the City of Los Angeles currently has five ordinances in place covering specific commercial areas of the City which impose traffic mitigation fees. The first of these to be adopted was the Coastal Transportation Corridor Specific Plan, dating back to 1985. The imposition of a Congestion Mitigation Fee Citywide will require that each of the five existing ordinances be closely scrutinized as to their associated project lists, fee structure, and continuing applicability/utility.

NEXT STEPS

Following review of this Draft Feasibility Study Report, Metro staff will prepare the Final Study Report, which is scheduled for presentation to the Metro Board in June 2008. At that time, the Board will decide whether or not to proceed to next steps toward adoption / implementation, which are as follows:

- Coordination with local jurisdictions on forecasts and eligible project selection
  [July 2008 to January 2009; Metro Board action anticipated in February 2009]
- Conduct Nexus Study (which will incorporate the eligible project lists)
  [March 2009 to June 2009]
- Metro Board review of the Nexus Study and Fee Program
- [July 2009]
- Local implementation - If the Metro Board adopts the Congestion Mitigation Fee and Nexus Study, Metro staff will provide local jurisdictions with instructions regarding adoption of a local Congestion Mitigation Fee ordinance and Fee Program implementation

FISCAL IMPACT

This report contains recommendations for formal comments regarding the Metro Draft Congestion Mitigation Fee Feasibility Study. The recommendations will not impact the City's General Fund.

COORDINATION

LADOT collaborated with the Planning Department in the preparation of this report.

Attachments

ATTACHMENT I

GUIDING PRINCIPLES

CONGESTION MITIGATION FEE PROGRAM

ATTACHMENT I

- **Fees should be structured to mitigate congestion from new development without discouraging economic development.** One of the key elements of this program is to respect the diverse economic development programs and initiatives within each jurisdiction to ensure the fee program supports economic development to the fullest extent possible.

- **Fees are to augment other regional funds, not replace or redirect them.** The intent of the Congestion Mitigation Fee program is not to shift regional resources or regional responsibility, but rather to help local jurisdictions mitigate the regional impacts of new development by increasing funding options that can generate needed revenue.

- **Local jurisdictions identify local projects with regional benefit consistent with agreed upon guidelines.** Local jurisdictions identify local projects with regional benefit that will conform to agreed upon policies and proposed Program Guidelines.

- **Local jurisdictions adopt, collect, and administer congestion mitigation fees.** Local jurisdictions are responsible for adopting a fee program authorizing them to collect the congestion mitigation fee, and also retaining the congestion mitigation fee revenues in their own accounts. This uses the same local processes that local jurisdictions use to collect other impact fees and minimizes the administrative burden to local staff. In addition, local jurisdictions have the flexibility to administer the program locally or sub-regionally in a manner agreed to by the local jurisdictions that are collecting the funds. Thus, this principle guarantees that all congestion mitigation fee revenue will be returned to the source.

- **Local jurisdictions build projects (or local jurisdictions may choose to participate in multi-jurisdictional or regional projects, if mutually desired).** Local jurisdictions are responsible for building projects that they identify in their local ordinance. Local jurisdictions may also choose to participate in contributing to regional transportation projects that are constructed by others.

- **Local jurisdictions with existing fee programs receive dollar-for-dollar credit for local projects with a regional benefit consistent with agreed upon guidelines.** Local jurisdictions that have existing local traffic mitigation fees would receive credit for transportation projects in their fee program that are also part of the regional mitigation program. This would ensure no double counting. Funds collected by local fee programs would not be affected.

- **Fees should be structured to support transit-oriented development, and to exempt mixed use and high-density residential development within ¼ mile of rail stations consistent with CMP statute.** Per state of California Government Code (Section 65089.4) the fee shall exclude high-density residential and mixed-use development within ¼ mile of a fixed rail passenger station.

- **The program will be developed in a manner to encourage certainty and predictability among local jurisdictions, business, environmental and development communities.** A principle of the Congestion Mitigation Fee program will be to simplify the environmental review process, whenever possible, by promoting a structured approach to dealing with future traffic. This Guiding Principle is not intended to reduce or limit a local jurisdiction's entitlement authority in the project development/approval process.

ATTACHMENT II

CONGESTION MITIGATION FEE PROGRAM

SUMMARY

ATTACHMENT II

Congestion Mitigation Fee Program Summary
Table 3-5

- Congestion Mitigation Fee could be authorized by Metro Board. Board action would make fee a local implementation requirement of the Congestion Management Program.
- Once authorized by Metro Board, local jurisdictions would be responsible for adopting fee through local ordinance.
- Metro will prepare and adopt Program Guidelines for local implementation (Draft Study Report is proposed guidelines document).
- One time fee applied to all types of new development.
- Fee funds local transportation improvements that mitigate the impact of growth on the regional system.
- Eligible projects would include capacity increasing improvements which benefit regional system, including:
  - State highway improvements;
  - Improvements to designated Regional Arterial System;
  - Transit Capital projects; and
  - Others to be determined on a case-by-case basis.
- Mitigation fee program horizon is through Year 2030.
- Fee is applied based on ITE trip generation rates for land use categories.
- Metro will establish a countywide minimum fee level - the same for all local jurisdictions.
  - Local jurisdictions may choose to exceed minimum.
- Actual fee amount will be determined as part of final Metro Board approval action.
- Program designed to maximize local control (consistent with Guidelines):
  - Population forecast and regional arterial network to be reviewed with local jurisdictions and county;
  - Cities and county adopt local ordinance;
  - Cities and county select projects;
  - Cities and county collect fee at building permit issuance;
  - Cities and county administer fee program and manage fee account; and
  - Cities and county implement project, or designate responsibility to implementing entity (i.e., developer, local, regional, or state transportation implementing agency).
- Cities and county should consider the benefit of pooling funds for sub-regional or multi-jurisdictional programs or projects.

Congestion Mitigation Fee Program Summary
Table 3-5 – Cont.

- Cities and county are encouraged to consult with Caltrans, sub-regional COGs, adjacent jurisdictions, transit operators, and developers in preparing mitigation fee project list.
- Cities and county will provide projects lists to Metro. Metro will incorporate projects in Countywide Nexus Study to meet the requirements of the California Mitigation Fee Act (Government Code Section 66000).
- Projects exempt from mitigation fees include the following:
  - Low/Very Low Income Housing as defined by California Department of Housing and Community Development;
  - High Density Residential within ¼ mile of a fixed rail passenger station;
  - Mixed-use development located within ¼ mile of a fixed rail passenger station;
  - Projects that are not subject to approval through the local entitlement process;
  - Reconstruction or replacement of any residential or non-residential structure which is damaged or destroyed, to the extent of not less than 50% of its reasonable value by fire, flood, earthquake or other similar calamity; and
  - Projects that entered into a development agreement (as specified under Sections 65864 through 65869.5 of the California Government Code) with a local jurisdiction prior to July 10, 1989.
- Cities and county that have existing local fee programs that fund "regionally significant" projects as defined in the Program Guidelines may receive dollar-for-dollar credit to avoid double-counting:
  - Nothing in this program is intended to redirect local fee program projects or funds.
- Cities and county may award credit to a developer for developer constructed projects.
- Cities and county may combine mitigation fee dollars with other available funding sources to fully fund mitigation program projects.
- Once Metro adopts Nexus Study/Final Program Guidelines, cities and county will initiate local ordinance adoption and fee implementation.
- Local jurisdictions will annually report to Metro confirming program implementation.
- Metro will annually determine local compliance with Congestion Mitigation Program through existing CMP local conformance process.
- Cities and county that do not implement minimum fee will not be in compliance with CMP, and will be subject to loss of Section 2105 State Gas Tax revenues, are not eligible for federal CMAQ and STP funds, or participate in Metro's Call for Projects process.
- CMP Appeals Panel will serve to address local issues regarding mitigation fee compliance, interpretation of program requirements, project eligibility and additions to the fee network.
- Cities and county will annually update their fee schedule to account for inflation per Guidelines.
- Metro will conduct a comprehensive Congestion Mitigation Fee program update at least once every five years

ATTACHMENT III

CITY of LOS ANGELES COMMENTS re.

METRO CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT
(January, 2008)

ATTACHMENT III

Metro Congestion Mitigation Fee Feasibility Study Report
GENERAL COMMENTS

The City of Los Angeles continues to support Metro's exploration / study of the potential implementation of a countywide congestion mitigation fee provided that the Nexus Study and any fee program which might result adhere strictly to the Guiding Principles adopted by the Metro Board in April, 2007.

As presently conceived, there would be very few types of development projects which would be exempt from this proposed congestion mitigation fee. We recommend that a financial impact analysis be prepared by Metro for each and any additional exemption that may be proposed during the succeeding phases of this Study.

Given that the City shares boundaries with more than 20 other jurisdictions, we feel that Metro must establish effective, material incentives as part of this Fee Program "to encourage sub-regional / multi-jurisdictional programs . . . to maximize regional mobility". This "encouragement" must go beyond mere exhortations to local jurisdictions "to consider the benefit of pooling funds for sub-regional or multi-jurisdictional programs or projects". For example, Metro should consider rewarding those jurisdictions which allocate their collected congestion mitigation fees to multi-jurisdictional or sub-regional projects or programs by enhancing their competitive position in the Call for Projects review process.

The City of Los Angeles has a number of traffic impact mitigation ordinances already in place, the earliest of which was initially adopted in 1985. Adoption of a citywide congestion mitigation fee, should the Metro Board ultimately authorize a countywide mitigation fee program to replace the current Congestion Management Program, will require the City to resolve a number of potentially complex issues, on an ordinance by ordinance basis, regarding these existing traffic impact mitigation regulations. "Dollar for dollar credit" is only one of a number of issues related to these existing fee programs.

SPECIFIC COMMENTS

p. 21 Subsection 3.11 (and p.2 of Table 3.5 as well), Program Exemptions:

2nd bullet point - it would be useful to clarify what the density threshold for "high density residential" is (in quantitative terms) per the relevant Government Code section

4th bullet point - this wording should be clarified; the exemption is for projects that are not ? subject to the local building permit issuance process.

p. 23 Subsection 3.15 Congestion Mitigation Fee Appeals Panel:

- the proposed composition of the CMF Appeals Panel appears to differ substantially from the composition of the CMP Conformance Appeal Panel, in that it adds a "private sector" as well as a "development community" representative while retaining the "recognized business organization" and "recognized environmental organization" representative slots from the CMP Conformance Appeal Panel [for the non-public sector slots]. The composition of this new Panel needs to be clarified.

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
http://dpw.lacounty.gov

DEAN D. EFSTATHIOU, Acting Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

April 24, 2008

IN REPLY PLEASE
REFER TO FILE: PD-1

Mr. Roger Snoble
Chief Executive Officer
Los Angeles County Metropolitan
Transportation Authority
One Gateway Plaza, MS 99-22-5
Los Angeles, CA 90012-2932

Attention Mr. Robert Calix

Dear Mr. Snoble:

2008 DRAFT CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

Thank you for the opportunity to provide comments on the 2008 Draft Congestion Mitigation Fee Feasibility Study Report (Report). We concur that implementing a Congestion Mitigation Fee Program (Program) can provide a more beneficial means to address the regional transportation needs than the debit and credit balance approach under the present Congestion Management Program. In addition, we support the Guiding Principles outlined in the Report.

We have reviewed the Report and have the following comments:

- The Report should include that although the collected fees can be considered as a new funding source for regional transportation needs, the additional revenue should not result in a reduction or loss of existing or potential funding programs for local agencies, such as the Call for Projects.

- The Report should address the fact that while the funds collected should be used for growth related congestion mitigation projects, there are significant unfunded needs related to existing congestion.

- Section 3.9.2 states that projects selected by local jurisdictions should be fully funded. The Report needs to address how this is to be accomplished since funding for existing needs is severely limited.

- The proposed Pogram provides for the identification of transportation needs on local streets and roads, which are under the control of local jurisdictions and mainline freeway routes, which are under the control of Caltrans. The Report should address how local agencies will be able to implement needed improvements to the State Highway System through the proposed Program.

- Our current policy pertaining to impacts on the mainline freeways is to defer to Caltrans on all issues and recognize the mitigation agreements they negotiate with developers directly to collect fair share contributions. The Report should address how this current arrangement will be changed with the Program.

- Table A-4 should be updated to include all the cities and the unincorporated area of Los Angeles County within the Gateway Cities Council of Governments subregion.

We applaud your efforts in developing this Report and look forward to continuing to work with you in the development of the next phase of the Program. If you have any questions, please contact Mr. Maged El-Rabaa at (626) 458-3943.

Very truly yours,

DEAN D. EFSTATHIOU
Acting Director of Public Works

Patrick V. DeChellis
PATRICK V. DeCHELLIS
Deputy Director

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cc: Supervisor Gloria Molina (Nicole Englund), Supervisor Yvonne B. Burke (Chuck Bookhammer), Supervisor Zev Yaroslavsky (Maria Chong-Castillo), Supervisor Don Knabe (Julie Moore), Supervisor Michael D. Antonovich (Paul Novak), Chief Executive Officer (Lari Sheehan)

Culver CITY
PUBLIC WORKS DEPARTMENT
9770 Culver Boulevard, Culver City, California 90232

Charles Herbertson
Public Works Director and
City Engineer

(310) 253-5600

FAX (310) 253-5626

April 24, 2008

Ms. Carol Inge
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

Attn: Robert Calix

Subject: **Draft Congestion Mitigation Fee Feasibility Study Report**

Dear Ms. Inge:

Thank you for the opportunity to review the Draft Congestion mitigation Fee Feasibility Study Report dated January 2008. We are submitting the following comments for your consideration:

GENERAL COMMENTS

- All of the City's Primary and Secondary Arterials should be included in the Regional Transportation Network so that transportation improvements on all the City's Primary and Secondary Arterials are eligible for CMP funding. For example, Duquesne Avenue is an important Secondary Artery that connects Culver City to the City of Los Angeles. Therefore, transportation improvement projects on Duquesne Avenue should be eligible for CMP funding. (See criteria #9 in table 3-2).

- The study report should indicate that since the CMP fees were based on a comprehensive nexus study, the payment of CMP fees should satisfy CEQA's requirement that a project has, at the sole discretion of the City, addressed its cumulative impact on the regional transportation system.

- Culver City may wish to establish developer trip fees to pay for transportation improvements not covered by the CMP trip fees. The study report should address this, and indicate that cities may wish to establish developer trips fees for improvements in addition to those covered by the CMP.

- The study report should indicate if developer CMP fees will be subject to a time period for allocation or expenditure, after which time the fees would have to be returned to the developer.

- The study report should address how the adoption of CMP fees by the City affect development projects in the "pipe line."

- We understand that CMP developer funds could not be used for TDM programs/projects, and for stand-alone bicycle facilities. Considering that many arterial highways are built out, and widening projects may not be an option, we believe TDM projects should be eligible for CMP funding. We believe a parking facility should be eligible for CMP funding if it replaces curb parking lost by a bus lane or for peak-period parking restrictions. Projects and measures envisioned in Metro's Long Range Transportation Plan should be eligible for CMP funding.

- We believe a corridor study, a citywide or an area-wide traffic model should be eligible for CMP funding since they are tools used to identify potential arterial highway deficiencies.

- The report doesn't include any requirement that the CMP Fee collected from projects in an area/neighborhood be used in that same area or on a regional improvement that would benefit that area. The expenditure of CMP Fees should be limited to areas within a five mile radius of impact and not purely at the discretion of a local jurisdiction.

- The report does not provide any detail on how the CMP Fee fits into the overall CMP process. While the report discusses the replacement of the CMP Countywide Deficiency Program/Debit/Credit Methodology, it doesn't discuss what changes may be necessitated in the monitoring, demand management and land use analysis components of the CMP.

- The report does not state what will happen to any credits gained by a city under the current CMP.

SPECIFIC COMMENTS

Page 6 - 2.2 4) – The report does not discuss what happens to the existing credits, if any, a jurisdiction may have accumulated. Do these credits just disappear, in which case cities that were diligent in addressing impacts lose out, while others get a reprieve. Credits should be convertible to something like "Priority" points or matching fund credits cities could use to compete for Metro grants.

Page 10 – 2.5 - 2nd, 3rd & 4th bullets – "Local jurisdictions identify local projects..." What controls are there to require cities to fund projects in areas of the impacts created by the development project? We suggest that CMP mitigation fees be required to be expended within a five mile radius of the location of the project from which the fees are collected. This will ensure that the fees are spent on projects that benefit the area near where the impacts are occurring.
Page 12 – 3.3.2 – "Project Selection:" – Same comments as for Page 10 – 2.5 above.

Page 15 – 3.9.1 - 2nd bullet – The discussion of regional surface transportation improvements, such as "bottlenecks," should provide for the CMP Fee funding to also be used for non-CMP Network facilities that intersect and/or contribute to the deficiencies at these locations.

Page 17 – Table 3-2 Final Criteria for Selection of Significant Arterials, Items No. 4, 6, and 8 – Based on how this criteria is applied the CMP Roadway Network in the City will be substantially expanded. However, the extent of the expansion can not be determined because the "Discussion/Example" column in the table lacks sufficient details as follows: No. 4) this criteria states arterials with 25,000 ADT, except it doesn't clarify if its just the segment with 25,000 ADT or the entire length of the street; No. 6) this criteria states arterials with 3 lanes, except it doesn't clarify if its just the segment with 3 lanes or the entire length of the street; and, No. 8) this would include parts of "smart corridor" arterials above certain criteria, but the criteria is not fully defined.

Page 18 – Table 3-3 – This table provides estimates for different types of capital projects eligible for funding. Although these are examples and as such only "rough order of magnitude" costs they appear to under estimate the cost of the improvements listed in the "Transit Improvement" category (i.e., Above Grade Light Rail Station costs, Transit/Bus Station pad cost, Local Transit/Bus Stop pad costs and Above Grade parking spaces costs). The CMP Fee program needs to ensure that the minimum countywide fee is based on real costs.

Page 20 – 3.10.1 – Land Use Categories – The CMP Fee trip generation rates would rely on a single rate for the 6 basic land uses listed. There would be no differentiation between different intensities of the same use, i.e., commercial and medical office generation rates. The report references the Institute of Traffic Engineers (ITE) generation rates for these 6 uses. The report should state that at the sole discretion of the City the most current ITE manual or similar site/area specific generation rates (as recommended in the 7th Edition of the ITE Manual, Page 2 Trip Generation User's Guide) be used to determine trip generation, in order to calculate potential CMP Fees for a project.

Page 21 – 3.12- Credit for Developer-Financed Mitigation Projects – According to this provision, a developer may be eligible for a payment from the City's CMP Fee fund if they were required to mitigate impacts through implementation of projects on the local jurisdictions' adopted Project List, which cost more then they would have had to pay had they simply paid the CMP Fee. This would reduce the burden on the developer, but increase the costs to the cities. The provision should be revised to require that the developer pay 100% of the mitigation cost without reimbursement and clearly state that the City has the sole discretion to contribute CMP Fees or allocate them to another CMP improvement.

Page 22 - 3.14 states, "Five-year comprehensive mitigation fee updates: each local jurisdiction must conduct a full review and update every five years to reflect any changes in the demographics and project costs to remain in compliance with congestion mitigation fee program." However, on Page 26, Table 3-5 cont., last bullet, it states that "Metro" will conduct the five year updates. The report should clarify this conflict. As a planning function, we believe this should be the responsibility of Metro. The cities do not have the resources to conduct a full review and update every five years.

Page 22 – 3.14 – Program Updates – Local jurisdictions are allowed to change their projects list at any time subject to consultation with Metro. The CMP Fee program should include requirements for consultation with neighboring local jurisdictions that may be impacted by the change prior to Metro approval. Reliance on an appeals process may cause unnecessary expenses and time, when the issues may have been resolved by a meet and confer session.

Page 23 – 3.15 – Congestion Mitigation Fee Appeals Panel – The report sets up a "CMP Appeals Panel" that includes Metro staff, Caltrans, SCAG, AQMD, the private sector, development community, environmental community and business community. Cities are not represented on the appeals panel. The appeals panel should allow for equal representation of the regional, local and private sector participants.

Page 30 - 4.2.3 – Explain the statement, "Furthermore, the calculated cost per new trip is likely to be greater than the countywide minimum mitigation fee because each local jurisdiction must submit sufficient projects to meet that threshold when calculated using local growth projections." Will there be a range of minimum CMP fees for a city to choose, or will all cities have the same minimum fee?

Page 53 – Figure A-6 – The map of the Westside Cities does not include the Fox Hills area of Culver City and should be corrected to include the entire City.

If you have any questions, please contact John Rivera (310.253.6423) or Barry Kurtz (310.253.5625) of my staff.

Sincerely,

Charles D. Herbertson, P.E. & P.L.S.
Public Works Director and City Engineer

Distribution: Jerry Fulwood, City Manager
Martin Cole, Assistant City Manager
Sol Blumenfeld, Community Development Director
Art Ida, Transportation Director
Thomas Gorham, Planning Manager
John Rivera, Senior Management Analyst
Diana Chang, Senior Management Analyst
Barry Kurtz, Consulting Traffic Engineer
Max Paetzold, Consulting Traffic Engineer

City of
SANTA CLARITA

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April 25, 2008

Via email: calixr@metro.net

Mr. Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

Dear Mr. Calix:

Subject: Draft Congestion Mitigation Fee Feasibility Study Report

The City of Santa Clarita has reviewed the subject document and submits the following comments:

1. The current Congestion Mitigation Program uses a debit/credit system to mitigate traffic impacts. Under the current system, the City of Santa Clarita has a credit balance. The proposed program will eliminate the debit/credit system. In that scenario, what would happen to jurisdictions' existing credits?

2. Eligible projects for the proposed Congestion Mitigation Fee include new freeways and/or improvements to existing freeways. Construction costs for freeway projects generally run in the hundreds of millions of dollars, cross several jurisdictions, and benefit the region as a whole even though a particular project may not be within one's jurisdiction. The draft plan does not adequately explain how the burden of costs will be shared with other jurisdictions or how the proposed fee will adequately address freeway projects.

Should you have any comments or the need to discuss this matter further, please contact Andrew Yi, City Traffic Engineer at (661) 255-4326 or ayi@santa-clarita.com.

Sincerely,

Robert G. Newman
Director of Public Works

RGN:MH:dp
S:\PW\TRAFFIC\Mark H\Letters\CMP Fee.doc

cc: Andrew Yi, City Traffic Engineer
Ian Pari, Senior Traffic Engineer

naiop
National Association of Industrial and Office Properties
The Forum for Commercial Real Estate

SoCal Chapter
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www.naiopsocal.org

April 24, 2008

Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

Re: Draft Congestion Mitigation Fee Feasibility Study Report

Dear Mr. Calix:

The National Association of Industrial and Office Properties (NAIOP) is the nation's leading trade association for developers, owners, investors and other professionals in industrial, office and mixed-use commercial real estate. Founded in 1967, NAIOP comprises 16,500+ members in 55 chapters throughout the United States and Canada. NAIOP provides educational programs, research on trends and innovations, and strong legislative representation. The NAIOP SoCal Chapter, serving Los Angeles and Orange Counties, encompasses more than 1,200 members. It is the second largest NAIOP chapter in the United States and is the leading commercial real estate trade organization in Southern California.

As you are aware, NAIOP SoCal has been an active participant in the Congestion Mitigation Fee Feasibility Study Policy Advisory Committee (PAC) and has reviewed the latest draft of the Fee Report in detail. We certainly thank you and the Metro staff for amending Table 3-4 on page 20 to add the category of High-Cube Warehouse Distribution Center, and to adopt the trip generation rate set forth in NAIOP's study on the issue. The NAIOP Trip Generation Study reflects the type of critical analysis NAIOP looks forward to continuing to provide to the Fee Study Report.

There is no question traffic congestion is a key concern to all, and creatively evaluating ways to fund the infrastructure improvements needed in LA County is necessary. NAIOP applauds Metro for trying to address these issues. Yet, it is also clear from the PAC meetings that no consensus has been reached to date on a mitigation fee, and many of the concerns raised during the PAC meetings remain unresolved in this latest draft of the Fee Study Report. We will not repeat the prior comments of the various stakeholders which have been raised to date and through the PAC process, but we do incorporate them by reference herein. So NAIOP will provide some examples of major overriding concerns, but, again, what is set out below is not exhaustive.

1. Any fee must be fair and reasonable to all. LA County currently has a significant regional congestion problem which is clearly NOT caused by any potential new development. Also, a significant amount of the congestion in this region is caused by trucks and trains moving goods to other areas of the country. The extent of goods movement through this area is projected to increase dramatically even if we never build another building. Yet the fee being considered is only on NEW development. New development cannot be the sole party called upon to pay for correcting current congestion and the impacts of goods movement.

   Furthermore, there are many forces, such as the current economic status of the region, new mandates and high costs, impacting potential new development projects. Thus, what new development is truly likely to occur is something that will need careful consideration in determining any fair share that new development might contribute to regional transportation issues. In fact, what exactly is meant by "new development" will need to be clearly defined in light of the extensive redevelopment and remodeling which is ongoing with existing buildings, so everyone understands what level of redevelopment triggers the fee.

2. The next step set out in the Fee Study is the selection of regional projects. The approach indicated is to ask the local jurisdictions what their interests are and incorporate their suggestions into the fee program. We all know each city is unique, and have their own challenges and priorities. What one jurisdiction may view as regionally significant may not be true for an adjoining area, and the County may view it completely different. We do not see any process set forth on how all the cities and the County are going to be brought together in deciding what should be evaluated in the nexus study.

   Also, since Metro wants the development community to pay for all of this, NAIOP and others must be involved in this analysis. In short, the development community needs to truly be part of, and heard throughout, the process in selecting the projects.

3. The nexus study must be designed and executed with a focus on the "impact" of new development, not just how to fund a group of pre-selected projects which may or may not have any relationship to the "new development." It is imperative the nexus study determine the extent of infrastructure already needed to address the current congestion problem. It is impossible to create a reasonable fee on new development if the extent of the current needs are not set forth.

The supposed "five-part approach" in the study report does not provide sufficient detail to be able to determine whether that process would lead to the proper analysis of the impacts of new development. As currently written, it almost sounds like the five-step process is a means to fund any project over and above what is in the Recommended Plan of the Long Range Transportation Plan (LRTP). Once again, NAIOP and the other interested stakeholders will need to be part of creating and analyzing the information in any nexus study.

4. The report contains numerous charts with fees for new trips. Nowhere is there any discussion about why these numbers were used in the report. NAIOP is aware it was indicated at the PAC meetings that these were supposedly only to be used as examples, but, NAIOP is very concerned that there has been no real discussion or analysis regarding what would be a reasonable fee. This is a critical issue, as is the analysis of truly how many trips a new development may create.

   The current draft of the fee study leads one to believe the fees will be set by choosing infrastructure projects, figuring out how much they might cost, and then setting a fee high enough to cover the cost. NAIOP is concerned this does not reflect the true "impact" of new development in a very complex region. Further, this methodology could lead to a fee which is unreasonable for the development community.

5. The PAC members repeatedly raised the concern that any mitigation fee structure might actually drive development out of Los Angeles County. Metro staff indicated an economist was going to be retained to do an analysis of the effects of the fee on development. Infrastructure improvements are important, but this must be balanced with the need to keep this county a competitive market so as not to hinder economic development and job growth. The fee on new development cannot be so high as to drive economic growth to other areas of Southern California, or other States. To date, the PAC members have not seen the report from the economist, and NAIOP believes the economic impacts must be discussed before the fee study moves forward.

As mentioned earlier, the funding of infrastructure is important. But, the extent of the transportation issues in Los Angeles, and Southern California, are so great that the old ides of merely looking to new development to carry the load is not realistic. Creativity and strong advocacy are needed if Los Angeles is to remain strong. Innovative financing techniques will have to be explored. Such things as public-private partnerships and transit oriented joint developments should be evaluated.

The cities and County must redouble their efforts to work together to give a strong unified voice to the importance for infrastructure improvements in this county. Our regional transportation system is shouldering the goods movement for the State and country, yet little tax money returns to Southern California from Washington, DC. Los Angeles and Southern California transportation issues are not just local problems. Additionally, the Los Angeles and Southern California economies provide a disproportionately high amount of the tax money to the State and Federal governments. We should not be hesitant to point out not only how we assist the country, but also how much we are paying without receiving our "fair share" of Federal transportation tax dollars.

NAIOP does appreciate the efforts that have taken place to analyze the fee concept. Yet, it is our belief that there are far more questions than there are answers currently. There is a great deal of work ahead before anyone can determine whether this is a program that is beneficial to our county. NAIOP requests we continue to be included in evaluating the details of this very complex proposal.

Sincerely,

James V. Camp
NAIOP SoCal Board Member
Legislative Affairs Committee Chair

Cc: Metro Board of Directors
NAIOP SoCal Board of Directors

BALDWIN
P · A · R · K

April 22, 2008

Mr. Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MA 99-23-2
Los Angeles, CA 90012-2952

RE: Comments on the Proposed Congestion Mitigation Fee Feasibility Study Report

Dear Mr. Calix:

The City of Baldwin Park has reviewed the Los Angeles County Metropolitan Transportation Authority' Congestion Mitigation Fee (CMF) Feasibility Study Report. Baldwin Park recognizes the challenges faced by the Los Angeles County region to fund needed, regionally important transportation projects. The City also recognizes that the implementation of alternative measures to the existing, but suspended debits and credit program may serve as a solution for our cities. We have developed a list of concerns and issues regarding the implementation of the proposed congestion mitigation fee program and its impact to our City and the region. Our concerns are as follows:

1. **Ensure that fees can be used for non-CMP routes.** As in many local jurisdictions in Los Angeles County, our city does not have any existing CMP routes. In order to provide those jurisdictions with their equal and fair share, the CMF Transportation Network should be reasonably amended and should provide Cities with a formula that promotes, and not penalizes, cities with a consistent and equitable approach.

2. **Ensure that the fees be uniform and consistent with all local jurisdictions.** The CMF policies should reflect fees that are equitable to all local jurisdictions to prevent competition between adjacent jurisdictions to attract large development into their cities. A fair share policy must be implemented to avoid 'developer-shopping' for lower fees.

CITY OF BALDWIN PARK · 14403 EAST PACIFIC AVENUE · BALDWIN PARK · CA · 91706 · (626) 960-4011 FAX (626) 962-2625

3. **<u>Ensure that the fees are eligible for multi-jurisdictional projects.</u>** As a mid-size city, Baldwin Park has a few major transportation corridors, such as Ramona Blvd./Badillo Street and Arrow Highway which are utilized as linkages through the SGV. CMF policies allowing multi-jurisdictional partnering can enhance regional coordination throughout the San Gabriel Valley as well as providing circulation improvements to our residents.

4. **<u>Ensure that the CMF program minimizes the administrative burden placed on local jurisdictions.</u>** As with most cities, that are experiencing rapidly dwindling local revenues, the staff resources required to administer a CMF program at the local level may go beyond the cities' capabilities and cities' may find it difficult to maintain the program in accordance with the adopted standards. Adequate financial resources are required in order to successfully maintain an on-going CMF program and its policy requirements.

5. **<u>Ensure that a local mitigation fee measure supersedes the CMF program.</u>** Several cities within the San Gabriel Valley, including Baldwin Park, already have existing mitigation fee programs. There should be some assurance that the local mitigation fee measures that are already in place are not in jeopardy and will not be invalidated.

6. **<u>Ensure that other transportation funds are not diverted.</u>** The City is concerned that existing funding from Metro or other entities will provide incentives to divert other transportation funds from the City and/or the region. The City strongly encourages Metro to continue its funding commitments to the San Gabriel Valley region and not divert any funds away from this region to supplement other deficiently funded regions.

7. **<u>Ensure the continued maintenance or proper integration of existing Credits & Debits.</u>** Most of Los Angeles County's cities have invested time and resources to maintaining the existing CMP credits and debits system. The City would like to integrate both programs so that cities' are not penalized for maintaining a positive credit balance.

8. **<u>Ensure that the CMF does not supercede local CEQA Mitigation Measures as approved by the City.</u>** There needs to be a clear understanding as to exactly what the CMF is for and that it does not relieve a developer of adopted mitigation measures in a local CEQA document.

Thank you for allowing the City of Baldwin Park the opportunity to provide comments on this Congestion Mitigation Fee program and we look forward to working with you in the near future. Should you have questions, please feel free to contact Amy L. Harbin, City Planner at (626) 960-4011 ext 475 or by e-mail at Aharbin@baldwinpark.com.

Sincerely,

Marc Castagnola, AICP
Community Development Manager

c: Vijay Singhal, CEO
William Galvez, PE Public Works Director
Amy L. Harbin, City Planner

CITY OF COVINA

125 East College Street • Covina, California 91723-2199

Community Development
Transportation Division

Telephone: (626) 858-7219
Facsimile: (626) 858-7274

March 3, 2008

Mr. Robert Calix
METRO, Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

Dear ~~Mr. Calix~~ Robert,

I would like to thank you and Stacy Alameida for inviting me to participate in the Congestion Mitigation Fee Policy Advisory Committee (CMF PAC), it was informative and a great experience – especially hearing the viewpoint of the development community.

After participating in the CMF PAC group and reviewing the final draft report, I have reported my concerns regarding the proposed changes to our City Manager, Paul Philips, and to our Community Development Director, Robert Neiuber. Without guaranteeing a satisfactory resolution of the following concerns and also addressing any additional issues raised by the San Gabriel Valley Council of Governments, the City of Covina cannot unequivocally support the draft recommendations in their current state. We hope that these concerns will serve as a frame of reference for further discussions as changes in the Congestion Mitigation Program are developed:

- A specific framework should be defined in which money that is raised by a locality remains with the locality or can be granted by the City to the sub region for projects
- Localities must maintain control of funds that they raise and guarantee that the funds remain within the locality or the sub region
- Specific credits or exemptions must be developed to address impact fees and taxes that localities already apply to development activity
- Localities must agree uniformly to the fee level, and must have agency in deciding the level of fees within their sub region
- The level of fees must be uniform within a sub region; disparate levels of fees within a sub region would lead to development preferences that would not be in the best interests of cities. Special consideration must be made to localities at the borders of sub regions; it may be possible that only a uniform fee across the entire region would be acceptable to localities.

- Localities must agree to the process that will rank projects within their sub region, and no locality should be compelled to contribute funds to a sub regional or regional project without prior approval from the locality.

I understand that many of these issues formed the basis of the CMF PAC discussions, and that it has been Metro's position that until step three of the congestion mitigation fee work plan begins it is difficult to define specific metrics or policies. Therefore, at this point of the process it is difficult to offer more than a general description of the issues of concern for our City. We request that the City of Covina remain a partner in the development of the CMF and that Metro work closely with San Gabriel Valley cities and the San Gabriel Valley Council of Governments during the CMF development process.

If you have any further questions, please do not hesitate to call me at (626) 858-7219.

Sincerely,

Alex Gonzalez
Management Analyst – Transportation Division

Cc: Paul Philips, City Manager, City of Covina
Robert Neiuber, Community Development Director, City of Covina
Shelby Williams, City Planner, City of Covina
Nick Conway, San Gabriel Valley Council of Governments

redondo BEACH

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April 22, 2008

Mr. Robert Cálix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning & Coordination
One Gateway Plaza, MS: 99-23-2
Los Angeles, CA 90012-2952

RE: CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

Dear Mr. Cálix:

The City of Redondo Beach would like to thank Metro for the opportunity to comment on the Draft Congestion Mitigation Fee Feasibility Study Report. On behalf of the Mayor and City Council, we also extend our gratitude to Brad McAllister, Executive Officer of Long Range Planning and Coordination for his April 15, 2008 City Council Meeting presentation.

The City of Redondo Beach respectfully submits the following comments:

The City of Redondo Beach, like many South Bay cities, is built-out and no longer has the same growth and development capacity as many cities in North Los Angeles County and beyond.

In this regard, Metro should consider:

- A vehicle to provide for the equitable distribution and use of congestion mitigation fees to mitigate the impacts where they occur. For instance, during peak a.m. and p.m. traffic periods, much of the congestion within Redondo Beach and neighboring cities is caused as a result of pass-through traffic along Pacific Coast Highway, Artesia Boulevard, Hawthorne Boulevard, and other arterials to employment centers in the El Segundo area.

- Creating incentives for inter-jurisdictional (joint powers authority) cooperation on subregional projects that alleviate congestion.

We also request the following technical correction be made to the draft document:

- The Regional Transportation Network Map should be revised to remove Flagler Lane.

Should you have any questions or require additional information, please contact Aaron Jones, Senior Planner at (310) 372-1171 or via e-mail at aaron.jones@redondo.org.

Thank you for your consideration.

Sincerely,

Bill

Bill Workman
City Manager
City of Redondo Beach

C: Mayor and City Council

Enclosure:

- April 15, 2008 Administrative Report to Mayor and City Council

Administrative Report

Council Action Date: April 15, 2008

To: MAYOR AND CITY COUNCIL

From: GWENDOLYN PARKER, HARBOR, BUSINESS AND TRANSIT DIRECTOR
STEVE HUANG, CITY ENGINEER AND BUILDING OFFICIAL
RANDY BERLER, PLANNING DIRECTOR

Subject: METRO'S DRAFT 2008 LONG RANGE TRANSPORTATION PLAN AND METRO'S CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

RECOMMENDATION

Receive and file the staff report and provide any feedback deemed appropriate.

EXECUTIVE SUMMARY

The Los Angeles County Metropolitan Transportation Authority (Metro) has released its Draft 2008 Long Range Transportation Plan for Los Angeles County for a 45-day public review period. Metro's Draft 2008 Plan looks 20-25 years ahead to determine what the County's residents will need in terms of transportation options to get around the County within the limits of anticipated revenues and potential new revenue streams.

Additionally, Metro is exploring the feasibility of establishing a Regional Congestion Mitigation Fee Program. The program would take place of the current Congestion Management Program (CMP) process and assist local jurisdictions (or partnerships thereof) in funding transportation projects with regional congestion reduction benefits.

Should the City Council have any questions or wish to provide feedback on the Draft 2008 Plan or the Draft Congestion Mitigation Fee proposal, a representative from Metro will be available at the meeting.

Comments on these two items should be submitted to Metro by Friday, April 25, 2008. Metro Board action is tentatively scheduled for June 2008.

BACKGROUND

Draft 2008 Long Range Transportation Plan

In March, Metro released its Draft 2008 Long Range Transportation Plan for Los Angeles County for a 45-day public review period. Metro's Draft 2008 Plan (attached) envisions to the year 2030 and charts what the County's residents will need in terms of transportation options to get around the County.

The Draft 2008 Plan will update changes that have occurred since the 2001 Plan, taking projected population growth patterns, the latest technical assumptions, climate change issues and the substantial shortage of transportation funding in today's environment into consideration.

Once adopted by the Metro Board, the Draft 2008 Plan will establish priorities for funding a balanced transportation system that addresses transportation needs throughout the County, such as closing gaps in the freeway carpool lane network, expanding Metro bus and rail service, improving arterial capacity and speeds, bicycle and pedestrian improvements, and rideshare opportunities.

The Draft 2008 Plan will also make recommendations on transportation projects that can be implemented and other projects that could be funded within anticipated revenues, as well as what could be done if additional revenue sources become available.

Regional Congestion Mitigation Fee Program

Additionally, on January 11, 2008, Metro released its Draft Congestion Mitigation Fee Feasibility Study Report (FFSR) (attached) with guidelines and a framework for working with local governments for comment.

Metro is exploring the feasibility of establishing a Regional Congestion Mitigation Fee Program. The program would take the place of the current Congestion Management Program (CMP) process and assist local jurisdictions (or partnerships thereof) in funding transportation projects with regional congestion reduction benefits.

Metro proposes a County-wide congestion mitigation fee that is similar in structure to those currently in place for the adjacent Counties of Orange, San Diego, Western Riverside Council of Governments and the San Bernardino Associated Governments. State-wide a total of 14 counties have congestion mitigation fees.

Regulatory Framework

Metro is the State-mandated Congestion Management Agency for Los Angeles County. The agency is required by the State to implement a Congestion Management Program (CMP). Local jurisdictions must conform to the CMP in order to be eligible to receive state gas tax funds and to be eligible for state and federal funding for transportation projects. Further, when area transportation conditions fall below certain thresholds, a deficiency plan must be prepared.

Since 1993, Metro has operated a program that requires local jurisdictions to annually report under a debit/credit points system. Each year points debited for new trips generated from new development must be offset by points credited for sufficient mitigation measures.

The current proposal differs from the point system in that it would now assign an actual cost to development that produces new transportation system demands (trips). The Congestion Mitigation Fees are impact fees. As mandated by law, impact fees cannot exceed the actual cost of the mitigation and they must be exclusively used to offset (mitigate) the impacts of the new development. For these and other reasons, Metro proposes that local jurisdictions have a significant implementation role.

Specifically, Metro's proposal is that each local government or preferably an association or grouping of local governments, adopt, collect and administer a Congestion Mitigation Fee Program.

The essential program components include:

- Identification of local projects with regional benefits
- Adoption of fees by local Ordinance
- Local program administration
- Local congestion mitigation project management and construction (multi-jurisdictional and regional project participation permitted and encouraged)
- Dollar-for-dollar credit to local jurisdictions that have existing traffic mitigation fees for projects with regional benefit (guidelines required to clarify)
- Fee exemptions for mixed use and high-density residential development within ¼ mile of rail stations (per CMP statute)

Fee Applicability

According to the proposed guidelines, mitigation fees would be required of all new development in all jurisdictions.

Fee Structure

The exact fee amount has not been set at this time. The guidelines propose that a minimum fee be set on a County-wide basis. Local jurisdictions may adopt fees higher than the minimum if growth and development trends justify requiring additional revenues for transportation projects.

The Draft report includes sub-regional and local revenue estimates using hypothetical examples of four mitigation fee amounts for each new trip generated by new development.

The example compares the mitigation fee required for a single-family residence at per trip costs of $200, $400, $600 and $1,600. Since each new residence is assumed to generate 10 new trips, the resulting per residence fee could be between $2,000 and $16,000.

The draft report contains regional revenue estimates based on Southern California Association of Government's (SCAG's) and State Department of Finance's (DOF's) growth and employment projections. According to these estimates the South Bay Region will create 771,557 new trips by 2030. The estimates allocate 55,399 (7.2%) new trips to Redondo Beach. It follows that local traffic mitigation revenues between $11 Million and $88.6 Million could be generated based on the hypothetical mitigation fee levels.

POINTS OF OBSERVATION

Eligible Projects

Metro has suggested a process to solicit input from local agencies on eligible projects. The process of local project identification would take place between July 2008 and January 2009 with Metro Board action tentatively occurring in February 2009. During this period the City Council may request that additional major streets within the City be added to the Regional Transportation Network map for the South Bay.

Sub-regional Cooperation

Since growth and traffic are regional issues that require regional solutions, the draft guidelines encourage the formation of multi-jurisdictional or sub-regional organizations for program implementation. The South Bay COG has not yet taken a position on this proposal.

Economic Development Effects

Metro's draft guiding principles state that the program is not intended to have a chilling effect on local economic development. However, business cost estimates have not been provided.

Public Works Commission Review

At their April 3, 2008 meeting, the Public Works Commission reviewed Metro's Congestion Management Program and the Draft Congestion Mitigation Fee proposal. The Commission adopted a motion to receive and file the staff report and offered the following action and observations:

1. Remove Flagler Lane from the Regional Transportation Network map;
2. Proceed with caution;
3. The draft Congestion Mitigation Fee is better than the current CMP debit/credit program;
4. The City develop a complete understanding on the full impact and equality of the Program on the community, from economic development to quality of life issues;

5. Pending future updates to the General Plan, bear in mind that the map could potentially change as the look of the City changes.

Public comments for both the Draft 2008 Long Range Transportation Plan and the Draft Congestion Mitigation Fee Feasibility Study Report are due to Metro by Friday, April 25, 2008. Metro Board action on these two items is tentatively scheduled for June 2008.

COORDINATION

The Departments of Engineering, Harbor, Business and Transit, and Planning are involved in project coordination.

FISCAL IMPACT

The costs associated with this project are included within each department's portion of the adopted 2007-08 Annual Budget, and are part of each department's annual work program. Sufficient funds exist within each department's Budget.

Submitted By:

Gwendolyn Parker
Harbor, Business and Transit Director

Steve Huang
City Engineer

Randy Berler
Planning Director

Approved By:

William Workman
City Manager

ajones
hchister

Attachments: Draft Congestion Mitigation Fee Feasibility Study Report
Draft 2008 Long Range Transportation Plan
Powerpoint slides

City of San Marino

Planning & Building Department

February 20, 2008

Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952
Attn: Robert Calix

SUBJECT: DRAFT CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

Dear Mr. Calix:

Thank you for providing our staff with the opportunity to comment on this study. At the previous comment stage of this project, City staff was concerned about the allocation of the funds to the City of San Marino. It appears that these concerns have been addressed in the draft report. We appreciate your response to the interest and the concerns of the City of San Marino and we have no further concerns about the proposal at this time. Thank you for your consideration, and we would appreciate the ability to comment on the next phase of this project.

Sincerely,

ALDO CERVANTES
Associate Planner

2200 Huntington Drive, San Marino, CA 91108-2639 • Phone: (626) 300-0711 Fax: (626) 282-3587

SOUTH BAY CITIES
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April 25, 2008

Honorable Pam O'Connor, Chair & Members of the Board of Directors
Los Angeles Metropolitan Transportation Authority
One Gateway Plaza
Mail Stop: 99-22-3
Los Angeles, CA 90012-2952

RE: **South Bay Comments on Draft Congestion Mitigation Fee Feasibility Study Report**

The South Bay Cities Council of Governments (SBCCOG) has reviewed the Draft Congestion Mitigation Fee Feasibility Study Report and we have the following comments, which are mostly questions for Metro's consideration.

1. Will there be a minimum level for the fee which each sub-region can increase?
2. What happens if any region doesn't grow as much as the others and the congestion mitigation fee for the area is inadequate to leverage with Metro's funds? Will that region be left out?
3. There needs to be an explicit maintenance of effort provision for Metro to continue to provide funding for regional projects.
4. Cities are using the existing fees on development for local improvements. There needs to be a coordinated effort with cities that have these existing fees so that the additional Metro fee will not make development too costly.
5. If the new construction is redevelopment of a property and it results in no additional trips from its previous use, would there be a fee?
6. Does a city get credit for re-developing a property at a less intense use – e.g., retail converted to three (3) dwelling units?
7. Consideration should be given to requiring a percentage of the funds to be pooled for area-wide use - possibly 20-30 percent.
8. Will there be a requirement to encumber the money within 5 years? Will it be acceptable to show good faith efforts to move projects forward as a substitute?
9. Will small cities be able to borrow against future fees so that they can accomplish their larger projects? Such an option should be considered.
10. The South Coast Air Quality Management District is also developing a developer fee control measure. Southern California Associations of Governments (SCAG) has been working on a Smart Growth initiative that encourages high density development. The SBCCOG highly recommends that Metro work closely with the AQMD and SCAG to help insure that any proposed fees and rules work together and do not have a deleterious effect on other regional goals, which could make it is too costly to develop in Los Angeles or create other unintended consequences

We appreciate all of the effort that the development of this kind of program requires and commend you on the effort.

Thank you for the opportunity to comment. If you have any questions, please contact our Executive Director, Jacki Bacharach at 310-377-8987.

Sincerely,

Paul M. Nowatka

Paul M. Nowatka, SBCCOG Chair
Councilman, City of Torrance

cc: Roger Snoble, Metro Chief Executive Officer
Robert Calix, Metro

The City of Bellflower

Families. Businesses. Futures.

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CITY OF BELLFLOWER "GROWING TOGETHER"

IMAGED

APR 21 2008

RECORDS MANAGEMENT CENTER

April 17, 2008

The Honorable Pam O'Connor, Chair
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

Re: Congestion Mitigation Fee

Dear Chair O'Connor:

At its meeting of April 14, 2008, the Bellflower City Council reviewed and discussed the Congestion Mitigation Fee Feasibility Study Report that is scheduled to be considered by your Board in the near future. While we sympathize with the LACMTA's interest in pursuing new sources of transportation revenue, we cannot support this fee as proposed.

By tying the fee to the Congestion Management Program, your Board would put itself in the position of requiring individual city councils, such as ours, to hold public hearings, receive protests, and adopt a development fee which may not be in the best interest of our City; the proceeds of which may never be spent in our City, in a minimum amount which we cannot set, and which our staff must collect during our development review process. As a local elected official yourself, I'm sure you can understand what an untenable position this represents. The proposed consequence of not participating is not only the loss of Section 2105 Gas Tax, but also total exclusion from any LACMTA Call for Projects.

There are development fees which make sense for certain local circumstances, even this proposed fee. But local circumstances vary dramatically among the 88 cities of Los Angeles County. Those circumstances include different development markets, different transportation needs, and different housing concerns and obligations. As a community where virtually all new development is redevelopment, it is critical to us that reconstruction of like land uses be exempt from any fee and that only net impacts be considered.

It is our job as local elected officials to determine the most prudent course of action for our own city. A Countywide fee does not allow us to do that job. We believe that your Feasibility Study is fundamentally flawed as long as it does not seriously consider any alternative to a Countywide fee. We further believe the existing Congestion Management Program is functional and was dismissed prematurely out of an interest in raising revenues.

Randy Bomgaars *Mayor* | Ray T. Smith *Mayor Pro Tem* | Raymond Dunton *Council Member* | Dorothy R. King *Council Member* | Scott A. Larsen *Council Member*

Unless a Congestion Mitigation Fee is truly voluntary, we respectfully urge you to set it aside. Unless alternatives are seriously considered, we further urge you to reject the Study. Instead, the existing Congestion Management Program should be maintained and updated as needed. If cities had a choice between achieving compliance through a development fee and achieving compliance through debits and credits, or some new means and methods, we would consider that truly voluntary and each city could make appropriate local choices.

Thank you for your consideration.

Sincerely,

Randy Bomgaars

Randy Bomgaars
Mayor

cc: Director Bonnie Lowenthal
Members of the City Council
Michael J. Egan, City Manager
Roger Snoble, CEO, LACMTA
Karen Heit, Assistant to Director Lowenthal

Doc 176625

SIGNAL HILL REDEVELOPMENT AGENCY

2175 Cherry Avenue • Signal Hill, California 90755-3799

April 24, 2008

Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning & Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

Dear Mr. Calix:

Subject: Comments on the Draft Congestion Mitigation Fee Feasibility Study Report

The City of Signal Hill appreciates the opportunity to submit comments on the Draft Congestion Mitigation Fee Feasibility Study Report (Report). The City has been an active participant in the development of the Congestion Mitigation Fee since the inception of the Policy Advisory Committee in 2006. The City understands Metro's desire and commitment to formulate a transportation improvement plan that can best mitigate the impacts of new development on the region's vast transportation network. Signal Hill is one of about 20 cities within the County of Los Angeles that already assesses impact fees on new development, including traffic, park and water impact fees.

The City of Signal Hill shares the concerns raised by the Gateway Cities Council of Governments. The also City respectfully submits the following comments that more specifically address the City's concerns:

Congestion Mitigation Fee Ordinance

The Congestion Mitigation Fee will require local agencies to adopt ordinances that establish the purpose and amount of the mitigation fee. Under Proposition 218, local agencies will be required to hold protest hearings to allow their residents to vote whether or not to support the establishment of the fee. Alternatives to the Congestion Mitigation Fee are needed for those cities whose residents vote against the fee. An alternative could include allowing those cities to operate under the current debit/credit system.

Project Selection Process

Small cities, such as the City of Signal Hill, are neighbored by big cities and suffer big city traffic congestion. However, the big city traffic mitigation priorities may not be the same as the small City's. Therefore, small cities should not be penalized for their lack of ability to get support from other cities to create a multi-jurisdictional project.

Expenditure of Fees

Traffic Mitigation Fees collected by local agencies should be treated as local funds and not burdened with new rules or regulations that make these funds complicated to spend.

Coordination with Local Jurisdictions on Forecasts and Project Selection

Metro anticipates that the period between July 2008 and January 2009 will be used to determine which projects will qualify for funding through the Fee Program. Cities will need additional time (approximately one-year) to perform traffic studies, develop cooperative partnerships with other agencies, and identifying supplemental funding sources that are necessary to identify and create a project that maximizes regional mobility.

The City of Signal Hill appreciates Metro's consideration of our comments. If you have any questions, please call me at (562) 989-7375.

Sincerely,

Charlie Honeycutt
Deputy City Manager

Building Industry Association
Los Angeles/Ventura Chapter

April 25, 2008

Ms. Carol Inge
Chief Planning Officer
Countywide Planning and Development
One Gateway Plaza
Los Angeles, CA 90012

RE: Feasibility Study for a Congestion Mitigation Fee Program

Dear Carol,

On behalf of the approximately 750 companies who are members of the Building Industry Association – Los Angeles/Ventura Chapter, thanks you for the opportunity to comment on the draft Feasibility Study for a Congestion Mitigation Fee Program in Los Angeles County. I have participated in the Policy Advisory Committee (PAC) since its inception.

As active members of the home building and housing industry, the member companies of the BIA/LAV know first-hand that planning and constructing the infrastructure associated with new development is a critical component to the region's success. Furthermore, BIA members recognize their obligation to pay their fair share to ensure that the necessary infrastructure is constructed.

At the same time, it is apparent to all that LA County suffers from significant existing deficiencies within its transportation infrastructure. It will take concerted, coordinated action in order to make meaningful progress in improving transportation mobility in the region. Los Angeles County has 88 cities, some of whom already administer traffic fee programs. We do not categorically oppose congestion and traffic fees – in fact, there are areas within Los Angeles County where such programs are working well. Unfortunately, the feasibility study does not adequately envision a program that will make meaningful improvements to the County's traffic problems.

1. Any fees collected from new development can only be used to pay for the traffic impact from that new development. However, Metro offers no new solutions or funding for how it will address existing deficiencies. These two elements of a Congestion Mitigation Program cannot operate in isolation of each other or they will split the funding and project agendas so that few projects are ever actually built.

28460 AVENUE STANFORD · SUITE 110 SANTA CLARITA · CALIFORNIA 91355 · 661.257.5046 · Fax 661.257.5045
253 N. SAN GABRIEL BLVD · 1ST FLOOR · PASADENA · CALIFORNIA 91107 · 626.449.6484 · Fax 626.564.8540

2. The identification of potential revenue from a Congestion Mitigation Fee prior to completion of any nexus study appears designed to incentivize individual cities to participate in the program, with no actual analysis about whether that revenue can actually be realized. The Feasibility Study arbitrarily selects fees levels, again without any analysis of available funding to address existing deficiencies, and then uses estimates of housing production levels that clearly ignore the current crisis in the housing industry. Any fee dollars generated need to be clearly dedicated and protected from other use, as should existing dollars in the current CMP program. In fact, if Metro truly wants to motivate cities to participate in the program, it should earmark money specifically to match the funding generated by cities so that money to complete projects will be reliably and readily available.

3. The Feasibility Study does not provide a methodology for the nexus study that is required under state law, and therefore does not analyze the likelihood that the individual cities and COGs within Los Angeles County will be able to successfully agree upon transportation projects that will improve regional mobility. Recognizing that this work will be difficult and contentious, the PAC did not have any detailed discussions about priority projects, yet the Feasibility Study lays out an aggressive timeline for completing this work.

4. The Feasibility Study does not provide sufficient incentives for cities to work together to build regional mobility improvements. Under the CMP Fee program as described in the Feasibility Study, each city collects its own fee revenue. This will create a minimum of 88 different funds; cities that have fewer development projects due to land or other constraints will be challenged to collect sufficient revenue to actually construct projects. If funds are not used in a reasonable time period, they should be returned to the development.

5. The Feasibility Study does not assure that the traffic improvement project will be in the vicinity of the development projects that provided the fee revenue (assuming the above concerns about completing a nexus study, collecting sufficient revenue, and identifying matching dollars for existing deficiencies are addressed). In order for the program to work, payment of the fee must ensure that the project's regional congestion mitigation obligations are met; this cannot be assured unless the project is guaranteed to be in the same sub-region as the development.

6. There is no plan in the scope of work to conduct any environmental analysis under CEQA. The identification of projects, completion of the nexus study, and creation of the fee qualify as projects under CEQA and should be analyzed as such.

Because of these lingering concerns, the BIA/LAV cannot support moving forward with the CMP program at this time.

When the Metro Board adopted Guiding Principles for the proposed Congestion Mitigation Fee Program in April, 2007, the BIA/LAV offered our suggestions on how the program could be designed in order to be successful. We again offer these ideas, and are happy to discuss them with you further at any time.

If you have any questions about our comments and concerns, please do not hesitate to contact me. I can be reached at (661)-257-5041 or hschroeder@bialav.org.

Thank you.

Sincerely,

Holly Schroeder
CEO
Building Industry Association
Los Angeles/Ventura Chapter

LOS ANGELES COUNTY METRO PROPOSED MITIGATION FEE
BIA/GLAV WHITE PAPER ON IMPLEMENTING THE GUIDING PRINCIPLES

As active members of the home building and housing industry, the member companies of the Building Industry Association (BIA) know first-hand that planning and constructing the infrastructure associated with new development is a critical component to the region's success. Furthermore, BIA members recognize their obligation to pay their fair share to ensure that the necessary infrastructure is constructed.

At the same time, it is apparent to all that LA County suffers from significant existing deficiencies within its transportation infrastructure. It will take concerted, coordinated action in order to make meaningful progress in improving transportation mobility in the region. Los Angeles County has 88 cities, some of whom already administer traffic fee programs. The Fee Mitigation Program must recognize and encourage the need for cooperation among cities, since regional projects will most certainly cross jurisdictional lines. At the same time, the program must not inhibit local control and authority to implement existing programs where they are working.

Earlier this year, the Los Angeles County Metropolitan Transportation Authority issued its "Guiding Principles for the Congestion Mitigation Fee Feasibility Study." These guiding principles were developed to address known concerns and establish a framework for guiding the study. But what do these Guiding Principles tell us? They tell us that there is more work to be done to ensure that any CMP Fee Program implemented does what it intends to do – adequately generate new revenue for cities in Los Angeles County to build local projects that have a regional benefit to the transportation system.

The next phase of the process is to apply the guiding principles into Program Guidelines. The BIA offers the following to assist in shaping the Program Guidelines.

Principle 1: Fees should be structured to mitigate congestion from new development without discouraging economic development.

Under state law, the fee can ONLY pay for the costs associated with new development, and a thorough nexus study must be completed in order to help establish that mechanism and put it in place. It's important that members of the residential and commercial building industries are a part of the nexus study team.

Through this process, MTA will need to address how they will assess the portion of a project that is due to new development in light of the extensive existing deficiencies present in the LA region. They cannot merely look to new fee dollars to pay for those existing deficiencies.

Once a fee is established, it also should be managed over time to increase in a reasonable way (such as through indexing to a construction cost index) to ensure that funds are available to construct projects, while preventing unanticipated fee increases that discourage development.

Principle 2: Fees are to augment other regional funds, not replace or redirect them.

Any fees generated from new development can only fund projects to mitigate that new development. Without a relationship to other funding for regional project, this would only maintain the status quo, and not result in any progress in improving mobility. New funds from fees must work with other regional, state and federal funds to create projects that address both existing deficiencies and impacts from new development.

The bottom line is that any funds raised within the created sub-region must be collected and spent in those sub-regions. Since fees would not be accounted for as replacement revenue, the program must be structured so that sufficient revenue is available to cities that are developing projects lists that have existing funding. This would go far toward guaranteeing that these projects are actually constructed.

Principle 3: Cities identify local projects with regional benefit consistent with agreed upon guidelines.

This process must be done in partnership and cooperation with members of the development community. We need to identify areas in Los Angeles County with common growth patterns and create sub-regional jurisdictions. Using Planners and Traffic Engineers that have experience with the local EIR process, cities can better determine projects and groupings that make the most sense from a planning perspective. These projects will be those projects that will most meaningfully affect mobility in the sub region; to support this, fees collected in the sub region should be spent in that sub region, and if projects cannot be completed within a reasonable timeframe, the fee revenue should be returned to the developer.

Principle 4: Cities adopt local ordinance identifying projects.

As in the creation of sub-regional jurisdictions, planners and traffic engineers involved with local jurisdictions would help determine the key arterials that would be in the mitigation fee system and determine the priority projects for improvement. The proposed CMP Fee would then serve to fund the component of the project that is derived from new development. The formal adoption of projects provides clarity and certainty for local jurisdictions and developers alike. Again, the projects should be those that are most significant in a sub region for making progress on the regional network, including identification of the portion of any project that is due to new development to be paid by the mitigation fee.

Principle 5: Cities collect and administer congestion mitigation fees.

A cap on fees needs to be established so that individual cities do not use higher fees to limit development in their city; all cities have a responsibility to be part of the program solution. Fees imposed should be no more than $3,000 per unit, and should retain full credit against any local Bridge and Thoroughfare (B&T) fees already collected. In addition, it's important that future increases in the mitigation fee be capped to the construction cost index or other set amount.

Principle 6: Cities build projects (or if desired, contribute to regional transportation projects constructed by others).

Project readiness will be an important component of project selection. Properly establishing jurisdictions and identifying projects is key; fees paid to a city that are not used to build actual mitigation projects are of no benefit to the community-at-large and only serve to unnecessarily drive up the cost of housing.

Principle 7: Cities with existing fee programs receive dollar-for-dollar credit for local projects with a regional benefit consistent with agreed-upon guidelines.

This program is best set up with MTA matching funds of two to one for each congestion mitigation fee dollar collected to help offset current deficiencies. This Matching Fee Fund would not be counted against other fees currently sent to local jurisdictions, i.e. the Call for Projects process. The matching fund could be capped (e.g., at $150M).

There is no doubt that traffic and congestion mitigation fees can work. In fact, we've all seen congestion mitigation programs that have succeeded and ones that have failed. But by properly establishing how the process will work – and by utilizing the insight and expertise of those involved in the building industry – we can incorporate a program that would go far towards making vast improvements throughout Southern California.

###

CCA | Central City Association
of LOS ANGELES

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www.ccala.org

April 25, 2008

Mr. Robert Calix, Transportation Program Manager
Metro, Countywide Planning & Development
One Gateway Plaza, Mail Stop: 99-23-2
Los Angeles, CA 90012-2952

Re: Congestion Mitigation Fee

Dear Mr. Calix:

Established in 1924, Central City Association (CCA) is L.A.'s premier business advocacy association whose 450 members employ over 350,000 people in the Los Angeles region. CCA is leading the Downtown Los Angeles renaissance and is devoted to promoting a vibrant 24-hour, internationally renowned epicenter powered by business, government, residents, arts, and entertainment. In the midst of all the excitement, CCA has not lost sight of quality of life issues such as increasing mobility and enhancing pedestrian safety for residents and commuters.

For the reasons stated below, we do not believe that the Congestion Mitigation Fee (CMF) will achieve its stated objective. Moreover, such a fee could act as a deterrent to development at a time when our economy and housing market can afford it the least. Our concerns about the Feasibility Study Report (FSR) are as follows:

<u>The Appropriate Analysis Has Not Been Conducted</u>

No nexus study has been conducted and there has not been proper analysis of, among other things: 1) how the fees will be spent; 2) what specific projects the fees will be spent on; 3) what assurances can be given that these projects will, indeed, be completed; 4) how the fee will impact housing and industrial development in Los Angeles in the midst of an economic downturn and housing crisis; 5) the ability to plan on a regional scale; 6) how projects on a regional scale will be prioritized; 7) how cities will work together to successfully complete projects in a timely manner; and 8) whether there is an accurate basis for the level of homebuilding estimated.

Thoroughly analyzing these issues is the least we should do before imposing an additional fee that could further impact our housing market and economy.

The Burden Should Not Solely Be Placed on the Development Industry
Although every industry benefits from the regional transportation system, the CMF relies solely on the development industry to fund traffic mitigation. Not only is this strategy inequitable, it is unlikely to address the region's transportation deficiencies in light of an uncertain economy and down-turning housing market. In other words, with less residential and commercial development occurring in the foreseeable future, less fees will be generated by the CMF, leaving us ill-equipped to mitigate traffic impacts.

The CMF Duplicates CEQA's Traffic Impact Requirements
The California Environmental Quality Act (CEQA) requires that all developments address traffic ingress and egress congestion through a list of solutions such as traffic-signal synchronization and freeway on/off-ramp improvements. The CMF duplicates much of what CEQA already requires and does not give any credit for these traffic mitigations.

The CMF Could Eviscerate Metro's Credit/Debit System
Metro has established a point system that allocates a specific debit value for each type of development and establishes a mitigation goal for the jurisdiction. This system ensures that jurisdictions most responsible for impacts will be assigned mitigation responsibilities commensurate with those impacts. To mitigate traffic impacts, Metro offers mitigation strategies which are categorized as land use, transportation demand management, transit, transportation system management, and capital improvement strategies. Implementing these strategies then generates credits to offset debits accrued by new development. Some cities, like Los Angeles, are on a credit/debit system.

The CMF does not offer a plan for cities on Metro's Credit/Debit System. Credits earned in good faith through this system should not be eviscerated by the CMF or any new plan/process.

CCA respectfully requests that Metro take into consideration these concerns and that further opportunities for public comment be given throughout this process. We look forward to partnering with Metro for the continuous improvement of an efficient and effective transportation system for Los Angeles. Thank you for the opportunity to comment on the CMF.

Sincerely,

Carol E. Schatz

Carol E. Schatz
President & CEO
Central City Association of Los Angeles

CITY OF CERRITOS

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April 25, 2008

VIA E-MAIL
Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952
calixr@metro.net

Subjects: **COMMENTS REGARDING DRAFT CONGESTION MITIGATION FEE FEASBILITY STUDY REPORT**

Dear Mr. Calix:

Thank you for the opportunity to comment on the Los Angeles County Metropolitan Transportation Authority's (Metro's) Draft Congestion Mitigation Fee Feasibility Study Report. The purpose of this letter is to outline the City of Cerritos' opposition to the congestion mitigation fee as outlined in Metro's report. The City of Cerritos' opposition to the proposed fee stems from two major concerns:

- Detriment to Local Economic Development: Through the Gateway Cities Council of Governments (GCCOG), the City of Cerritos has expressed concerns to Metro in the past regarding the effects of issuing an additional development fee on the ability to attract economic development to our city. Businesses and developers are attracted to areas that have low and few development and entitlement fees, which is a hallmark of the City of Cerritos. This concern has not been adequately addressed in the Feasibility Study Report.

- Lack of Proposed Alternatives: The City of Cerritos is concerned that Metro is proposing the Congestion Mitigation Fee as the only means of addressing State congestion mitigation program requirements. Metro has not provided alternatives to the fee to meet State requirements for cities in Los Angeles County to consider. Before moving forward with further developing the Congestion Mitigation Fee program, which to date has been described merely in general terms that do not adequately address local cities' concerns, Metro should research and consider alternative options to the fee for local city review and consideration.

Aside from the points of opposition identified above, the City of Cerritos has the following concerns and comments regarding the proposed Congestion Mitigation Fee program outlined in the aforementioned feasibility study report:

- Mandatory Minimum Fee: As the proposed Congestion Mitigation Fee is described as being "designed to maximize local control," it is surprising that Metro proposes a countywide minimum fee. Fee amounts should be left to local cities in accordance with a nexus test based on locally identified projects. Furthermore, as there is supposed to be a nexus between the fees collected and the projects built, the imposition of a countywide minimum fee carries a presumption that no nexus test considering local projects is really necessary. The report does not adequately address what should happen if the amounts collected under a countywide minimum fee exceed the funding required for locally identified projects. According to staff at the Orange County Transportation Authority (OCTA), Orange County's mandatory congestion mitigation fee program does not have a minimum fee. Considering the legal nexus requirements and pending litigation in the region concerning the non-expenditure of other development impact fees, the mandatory countywide minimum fee appears to be flawed.

- <u>Growth Assumptions</u>: Metro's draft report indicates that the hypothetical fee revenue calculations identified in Appendix A were based on SCAG growth forecasts, but that actual Congestion Mitigation Fees collected by local cities would be based on growth assumptions provided by each individual city. The use of locally supplied growth assumptions poses potential problems in light of SCAG's policies of basing its Regional Transportation Plan growth assumptions on its Integrated Growth Forecast. Presumably, SCAG's Integrated Growth Forecast is based on a review of local general plans and on local city input. Thus, in theory, SCAG's growth assumptions should mirror local growth assumptions. If the Metro-administered Congestion Mitigation Fee program operates on growth assumptions that vastly differ from SCAG's growth assumptions, either or both agencies may lose credibility in the pursuit of Federal funding for transportation improvement projects. The City of Cerritos does not advocate the use of SCAG's data over local data; rather, the City of Cerritos cautions that appropriate measures be taken to ensure that both sets of data are consistent and accurate.

- <u>Congestion Mitigation Fee Transportation Network</u>: The report contains a series of "preliminary" maps identifying a regionally significant transportation network. In all such maps depicting the City of Cerritos, there exist some streets in Cerritos that are either not drawn or not labeled. The following is a list of all freeways and arterial streets within the City of Cerritos that are of regional significance that should be clearly labeled on the Transportation Network maps:

    - State Route 91
    - Interstate 605
    - Interstate 5 (adjacent to Cerritos)
    - Alondra Boulevard (adjacent to Cerritos)
    - Artesia Boulevard
    - Bloomfield Avenue
    - Del Amo Boulevard
    - Carmenita Road
    - Gridley Road
    - Marquardt Avenue
    - Norwalk Boulevard
    - Palo Verde Avenue
    - Pioneer Boulevard
    - Shoemaker Avenue
    - South Street
    - Studebaker Road
    - Valley View Avenue

The City of Cerritos hereby reiterates its opposition to the proposed Congestion Mitigation Fee and respectfully requests that the proposal be withdrawn from consideration. In addition, we ask that City of Cerritos be informed of future meetings and updates regarding the proposed fee, including alternatives to the proposal.

Should you have any questions regarding these comments, please do not hesitate to call me at (562) 916-1201 or email me at Robert_A_Lopez@ci.cerritos.ca.us. Thank you for your consideration of our comments.

Sincerely,

Robert A. Lopez
Advance Planning/Redevelopment Manager

ral

cc *(via e-mail)*
Art Gallucci, City Manager
Torrey N. Contreras, Director of Community Development
Hal Arbogast, Director of Public Works
Richard Powers, Executive Director, Gateway Cities Council of Governments
Nancy Pfeffer, Director of Regional Planning, Gateway Cities Council of Governments

CITY OF EL MONTE

PLANNING DIVISION

April 28, 2008

Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MA 99-23-2
Los Angeles, CA 90012-2952
Attn: Robert Calix

RE: Congestion Mitigation Fee Feasibility Study – Request for Comments

Dear Mr. Calix:

Thank you for providing the opportunity for the City of El Monte to comment on the draft Congestion Mitigation Fee (CMF) Feasibility Study Report. After reviewing the draft CMF study, the City offers the following comments:

1. The El Monte Bus Station, located in the City of El Monte, has been in operations since the early 1970's. The facility is one of the busiest stations in the United States, and yet there are no plans in the draft Long Range Transportation Plan (LRTP) to update the facility. The City is also noting that the draft LRTP identifies the Mid Valley Rapid Bus Transportation Corridor (MVRBTC), a bus transit alignment using Ramona Boulevard and Badillo Avenue traveling through the cities of Covina, Baldwin Park and terminating at the El Monte Bus Station in El Monte, as an eligible public transit project but again, does not recommend funding for this bus transit improvement as well. The rebuilding of the El Monte Bus Station and the enhancement of the MVRBTC are critical to retaining the riders that the bus system already has and attracting new transit riders. Additionally, these two projects will benefit from a regional coordination effort. What is the proposed coordination and decision making protocol to fund and implement regional projects such as the above noteworthy projects?
2. The proposed CMF would replace the existing program, however, it is unclear how the existing credits and debits will be converted or used in the monetary system. Changing to a fee based system without addressing the existing CMP points from local jurisdictions raises the issue of equity and completely discredits all previous CMP compliance efforts.
3. To institute the fee mitigation program, will each city be required to conduct its own nexus study and CEQA analysis prior to implementation?

In addition to the above comments, the City is also in support of the comment letter submitted by the San Gabriel Valley Council of Governments and is incorporating the comments of that letter herein by reference. I can be a reached at 626.258.8626 should you have any questions or response comments. Thank you again.

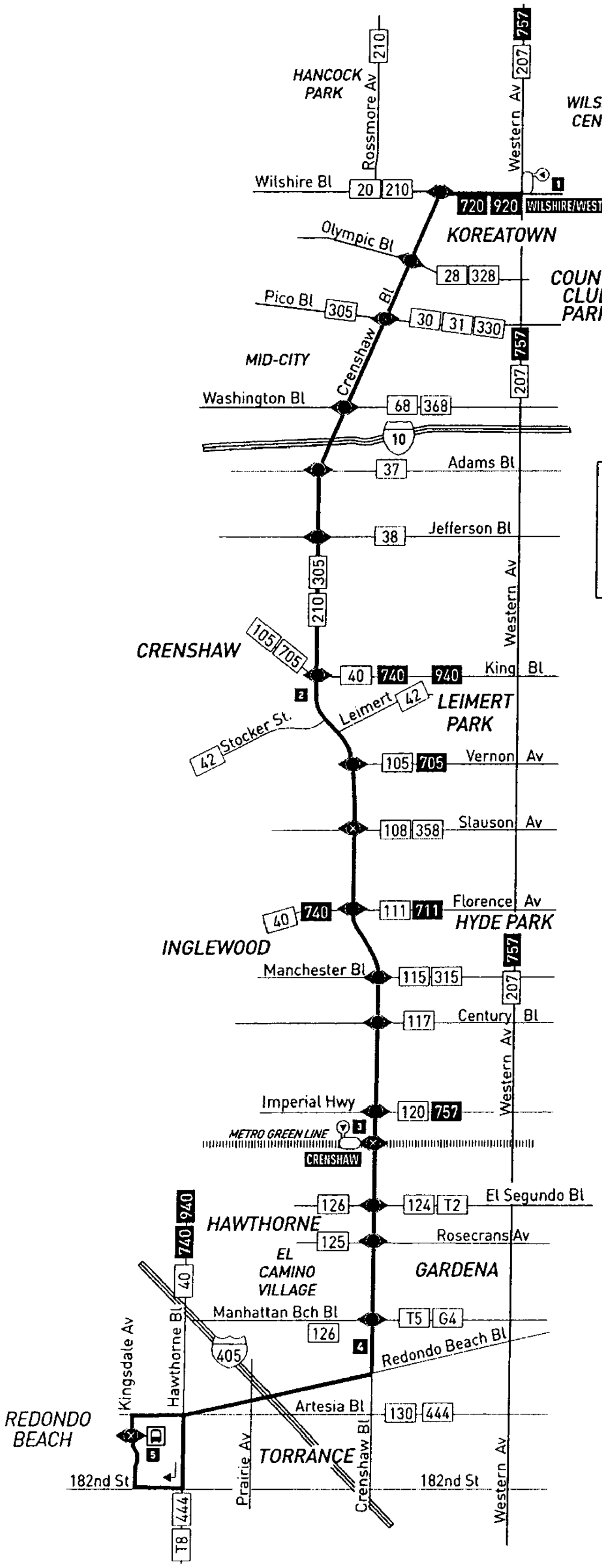
Sincerely,

Minh Thai
Planning Services Manager

Cc: James W. Mussenden, City Manager

ROUTE MAP

▲N



Passengers destined west of Crenshaw Bl. on Wilshire Bl. or north on Rossmore Av./Vine St., may transfer to Line 210 Hollywood.

MAP NOTES

1. **Wilshire Western Station**
   Metro Bus Lines 20,66,207,209,366, 710,757
2. **Baldwin Hills Crenshaw Plaza**
3. **Crenshaw Green Line Station**
   Metro Bus Lines 210,710,757
4. **El Camino College**
5. **South Bay Galleria Transit Center**
   Metro Bus Lines 40, 210, 211, 710, 740, 940;T2, T8; G3; BC102

LEGEND

———	Rapid Line 710 route
	Timepoint and Rapid Stop
IIIIIIIIIIII	Metro Rail
	Metro Rail Station
	Metro Rail Station Entrance
	Rapid Line 710 Stop
	Transit Center
###	Connecting Line
###	Rapid Connecting Line
BC	Beach Cities Transit
T	Torrance Transit
G	Gardena Municipal Bus

151065

MAJESTIC REALTY CO.

13191 Crossroads Parkway North, Sixth Floor • City of Industry, CA 91746-3497
Office (562) 692-9581 • FAX (562) 695-2329

VIA ELECTRONIC MAIL

April 25, 2008

Mr. Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

RE: Final DRAFT Congestion Mitigation Fee Feasibility Study Report

Dear ~~Mr. Calix~~: Robert —

Thank you for this opportunity to share our comments on the DRAFT Congestion Mitigation Fee Feasibility Study Report. We have appreciated the opportunity to participate as members of the Congestion Mitigation Fee Feasibility Study Policy Advisory Committee (PAC) along with other business leaders, various association representatives and municipal stakeholders.

Founded in 1948, Majestic Realty Co. (Majestic) has been the largest commercial real estate developer in Southern California for nearly two decades. Our current portfolio includes more than 71 million square feet across the United States. And, we are a portfolio builder, which means that we "build and hold." Therefore, we are long term stakeholders and actively engaged in helping to build sustainable communities.

We all recognize that our infrastructure has not received the necessary investment over the past decades to keep pace, not to mention the demands of our growing population and the impacts of global commerce. We have also been actively involved in the development of the TUMP programs in both Riverside and San Bernardino Counties so we do have some first hand experience with these issues. We clearly understand the needs for infrastructure investment; however, there was a definite lack consensus at the PAC meetings and many questions remain.

Our region is trying to catch up and plan for future growth all at the same time. This is further compounded by the fact that with the current economic conditions, all of our various funding streams face significant constraints. We are concerned that without finding solutions to the existing system deficiencies, the proposed congestion mitigation fee program (CMF) stands to place an unreasonable burden on new development projects. The CMF must clearly recognize the existing infrastructure deficits and not burden new development with the existing conditions.

At the present time, the CMF seems to be *the* deficiency measure of choice within the Long Range Transportation Plan. Also, there are numerous other infrastructure fees that have recently been adopted in the region (both the ports of Los Angeles and Long Beach have recently approved infrastructure fees) and more "user fees" and indirect source fees are highly likely in the near term.

Of particular importance to CMF stakeholders is the creation of a program that benefits the *region* as a *whole* through financing new projects of regional significance. Although the Policy Advisory Committee meetings included several conversations on the creation of projects beneficial to multiple jurisdictions, again there was a lack consensus on what solution might work.

While the draft CMF may contain some elements allowing for the pooling of CMF funds between jurisdictions, we do not believe that these mechanisms will not be utilized without accountability, incentives and other elements that are notably lacking from the CMF draft.

The PAC's discussions included numerous fee scenarios with levels that stand to significantly impact the viability of development within Los Angeles County. We view this as a serious risk, which is incompatible with the goal of continued economic prosperity and competitiveness for our region. Advancing the CMF without an acknowledgement of the current economic climate and a forthright discussion of the multiple new fees under consideration may stand in the way of constructive dialogue.

Clearly, congestion and gridlock create inefficiencies that burden us all and negatively impact our region's ability to grow and prosper. As we all know, our region's needs significantly outpace our current levels of available funding. Collaboration will be key as we pursue integrated solutions. Driving toward consensus is difficult work and the inclusion of a diverse group of stakeholders is necessary to develop a meaningful and solution oriented program. We plan to remain engaged stakeholders, working toward integrated solutions.

Sincerely,

MAJESTIC REALTY CO.

Fran Inman

Fran Inman
Senior Vice President

GATEWAY CITIES
COUNCIL OF GOVERNMENTS

April 16, 2008

Mr. Roger Snoble, Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Attn: Carol Inge, Chief Planner

Dear Mr. Snoble:

Comments on the Draft Congestion Mitigation Fee Feasibility Study Report

The Gateway Cities Council of Governments (GCCOG) has been participating in the development of the Congestion Mitigation Fee since the inception of the Policy Advisory Committee (PAC) in 2006. This process has been very inclusive and thorough in providing a forum for vetting and discussing this program.

The GCCOG has raised many issues, some of which have been addressed in the development of various reports and products. The development of the Guiding Principles, in particular, has helped to set an understanding for the programs objectives; including assuring that there will be a maintenance of effort for transportation funding by the MTA. Although the development of the fee proposal has addressed some of the outstanding issues, there are still major concerns that need to be resolved.

The GCCOG has expressed concerns with the imposition of the fee program and the possible negative impacts on development within the Gateway Cities and the potential for forcing cities to fund projects outside of their boundaries and concerns over the MTA reducing the availability of regional funds or targeting regional fund areas that produced the highest fee revenue.

In addition, the Study states that because of the time lapsed between the original CMP Modeling and the 30-Year Plan to the subsequent MTA Long Range Transportation Plans, there would be a push to update the CMP Program anyway. The number of deficiencies attributed to new trips generated by new development under the same model LRTP financial outlook would necessitate a change to reflect the greater need for local mitigation of regional impacts to the transportation system. This Study does not offer any alternatives.

The following issues are concerns that need to be addressed:

- The CMP Fee study does not adequately examine the impacts and benefit of the fee in older built-out areas of the county where there is less opportunity for new development or development intensity. The proposal recommends a single county fee to be applied across the entire county. This "one-size-fits-all" fee does not recognize that development costs vary widely in Los Angeles County based on land costs and other factors. A $2000 per single family equivalent may serve as a deterrent to development in some areas of the County. The Study does not examine situations where the regional infrastructure is mature and the potential for arterial widenings or increased street capacity isn't available. The fee may function as a deterrent to in-fill development, requiring the City to fund the fee to entice development.

- The SCAG growth forecasts are cited as the foundation for projecting growth. There is substantial concern with these growth forecasts that requires resolution before they can be used as a determinant for mitigation improvements.
- Since the flat Countywide fee may act as a deterrent to development in more economically challenged areas; a sub-regional fee model should be examined.
- The study does not specifically address the possibility of a smaller jurisdictions contributing to approved local projects of regional significance outside of the city boundaries.
- The Study is silent on whether administrative costs for accelerated financing mechanism (including bond sales or assessment districts) would be covered by the fee.
- There is no assurance to the development community that CEQA mandated mitigations will also meet the test for the CMP Fee.
- Cities would be refused their Section 2105 Gas Tax funds if they do not adopt the congestion mitigation fee program as proposed by the MTA.
- Cities would be required to hold local "protest hearings " when adopting these new impact fees. The MTA is unfairly shifting the burden of public input to local City Council for regional fee, which local governments will have been forced to adopt or risk losing their gas tax revenues.
- A remaining concern of the Gateway Cities is the continuing non-responsiveness of the MTA to the COG's numerous requests to determine "fair share" allocations of current Prop A and C funds. This lack of action adds to our reluctance to endorse a program to be based on "fair share" distribution.

Because of the above mentioned concerns the GCCOG Board does not support the adoption on the Congestion Mitigation Fee Program. We would like to see the existing system of debits/credits retained as the compliance vehicle for the Congestion Management Plan for Los Angeles County. Under any scenario we do urge a sub-regional management of the fee, including making determinations on what sub-regional projects qualify.

If there are any questions, please call Richard Powers, GCCOG Executive Director at (562) 663 6850.

Sincerely,

Elba Guerrero

Elba Guerrero, President, Board of Directors
Gateway Cities Council of Governments and
Mayor City of Huntington Park

CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

April 25, 2008

Robert Calix
Project Manager
One Gateway Plaza
Los Angeles, CA 90012

RE: DRAFT CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

Metro staff has done a good job of addressing the concerns and issues raised by cities as they have embarked on this effort to implement a countywide congestion mitigation fee. In general, the City of Long Beach is not supportive of the concept since a developer impact fee is already imposed and administered locally without regional oversight. Just as Metro is faced with the challenges of decreasing funds for transportation improvements, so local governments are faced with similar challenges within their own jurisdictions. Added oversight of existing revenue sources will require these limited resources be used for additional administrative and reporting requirements as a result of the proposed countywide fee program.

Generally, the City is not supportive of the Congestion Mitigation Fee to replace the debit and credit program, however, as Metro continues on its process to adopt these fees anyway, please consider the following:

Setting Fees

The City of Long Beach adopted developer impact fees in December, 1990, and set varied fees based on three geographic areas: the Central Business District, the Airport Area and the rest of the City. Cities should not be required to set fees based on a rate set by Metro. Each city should be allowed to set their fee or fees based upon the decision of their respective City Council, taking into consideration the impact such fees will have on development within their jurisdiction as well as other developer fees currently charged for city services, including park fees, sewer fees, public safety fees, etc. Metro should not impose fees, nor set a minimum level of fees. Cities should be entrusted to determine their own appropriate fee levels. The assumption was and is that the fees will not pay for the total cost of the improvements, but will serve as matching funds for regional, state and federal transportation funds raised by the City. It should be noted that to date, only one-third of the projected revenue from the impact fees has been raised based on a 2010 projection because development has not increased at the rate anticipated at the time of the adoption of the impact fee program. These fees only raise significant revenue in cities and counties that are not already built out, where new freeways and roadways are needed and sufficient vacant land exists to

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construct those improvements. Your revenue projections by sub-region (Table 3.1) are based on the number of new trips projected, rather than the anticipated development that may occur within each of the sub-regions. Population projection increases do not necessarily result in a corresponding level of development.

Selecting Projects

The City of Long Beach selected its initial set of eligible projects through the adoption of the Transportation Element of the General Plan that included specific improvements and costs, which has been updated from time to time. The projects were selected through a long, intensive, interactive process involving development and business interests, transportation planning experts and the community. Many of the projects listed are eligible for federal, state, regional funding, and in fact have been funded in part by those funds, utilizing impact fees as local match. The draft study states that these fees would fund "local transportation improvements that mitigate the impact of growth on the regional system." Selecting projects within this countywide program should continue to fall under the jurisdiction of cities, as is currently the case in Long Beach.

Commenting on the draft, under *3.9.1 Project Eligibility and Selection* on page 15, the draft states that arterials not currently identified on the network may be added through an iterative process between Metro and local jurisdictions during project selection. Cities should not be limited by Metro as to which projects are eligible for developer impact fees since there are laws governing their use by which the City must abide. The list of potentially eligible projects on page 15 should also be expanded to include bicycle and pedestrian projects, including Complete Streets. In *3.9.2 Cost Estimates and Constrained Funding Requirements*, the draft also states that projects selected by local jurisdictions should be fully funded. That statement should be removed.

Program Exemptions and Credits

Under *3.11 Program Exemptions*, the plan should not exempt development within ¼ mile of a fixed rail passenger station, whether mixed use or high-density residential. Much of the development in downtown Long Beach has occurred and is occurring within ¼ mile of a Metro Rail station. Exempting those developments from fees would result in a significant decrease in our impact fee collection.

Under *3.12 Credit for Developer-Financed Mitigation Projects*, the plan should not call for credit against the fee for the costs of improvements or right-of-way dedications for projects on the adopted list. Credits and exemptions should be determined solely by the local jurisdictions.

Conclusion

Long Beach, like many cities in Los Angeles County, is a built-out city with no significant opportunities for the expansive development that would be required to raise the hundreds of millions of dollars this study projects. The funds collected to date have been critical in funding and providing matching funds from other sources to construct needed transportation improvements in the City. In a City the size of Long Beach, these transportation improvements may fall within Metro's definition of regionally significant and they may not. The notion that replacement of the current debit and credit with a congestion mitigation fee is an outcome supported by cities is false, however, as Metro is continuing its efforts to impose this countywide impact fee, I encourage you to continue to engage cities in this process and remain flexible as we move through this process to accommodate the many needs and concerns of the 88 cities that will be impacted by this process.

Thank you for your consideration. If you have any questions, please call me at (562) 570-6618.

Sincerely,

Sumire Gant
Transportation Programs Officer
City of Long Beach

City of Lancaster

April 22, 2008

Bishop Henry W. Hearns
Mayor

Andrew D. Visokey
Vice Mayor

Jim Jeffra
Council Member

Ed Sileo
Council Member

Ronald D. Smith
Council Member

Mark V. Bozigian
Interim City Manager

Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, California 90012-2952

Ref: Draft Congestion Mitigation Fee Feasibility Study Report

Dear Mr. Calix:

The City of Lancaster reviewed the Los Angeles County Metropolitan Transportation Authority's Congestion Mitigation Fee Feasibility Study Report (Report). As a member of the North County Transportation Coalition (NCTC), the Congestion Mitigation Fee Policy Advisory Committee, and the Los Angeles County Metropolitan Transportation Authority Technical Advisory Committee (LACMTA-TAC), the City of Lancaster has, since 2003, actively participated in meetings related to the Draft Congestion Mitigation Fee. The City commented on the Draft Guiding Principles in a letter dated March 20, 2007. Lancaster continues to hold concerns about elements of the fee program and its impact on our city and the Antelope Valley region.

In response to the Report, Lancaster requests the LACMTA meet the following commitments before the City officially supports the next steps of the program.

1. The Report states on page five that congestion mitigation fees are "Not a New Idea" identifying a number of jurisdictions in California that have adopted fees. Lancaster requests a comparative matrix of fee amounts and additional substantive qualities of these fee programs to understand if LACMTA is following "best practices." We are especially interested in receiving comparative information regarding individual cities that had impact fees in place when a regional entity decided to implement region-wide impact fees.

2. The Report does not address how LACMTA will treat the credit balances municipalities maintain under the current Congestion Management Program. Credits represent local expenditures. The debit and credit system uses points to relate to trips generated and improvements to serve trips. If the fee replaces the debit/credit system, Lancaster expects fair compensation for maintaining a surplus credit balance.

3. The LACMTA Board of Directors adopted a set of Guiding Principles listed on pages nine and ten of the Report. Lancaster welcomed the adoption of the Guiding Principles that provide "a significant measure of assurance that Metro is being responsive to local jurisdictions' needs and concerns." However, the City requires more than a significant measure of assurance on these critical issues. Lancaster requests a legal clause in the program's final governing document that gives finality to these issues.

4. The Report does not address that State route infrastructure improvements are not under the control of local jurisdictions (even though the local jurisdictions may be collecting fees for them). If Caltrans does not plan and implement projects properly, the infrastructure will not be in place in a timely manner and costs will be much higher – including the local share. LACMTA should identify a means of assuring that Caltrans can implement projects in a timely manner.

5. The LACMTA must recognize external and through trip impacts because of the significant gap (the San Gabriel Mountains) between the Antelope Valley and the Los Angeles basin. Because of our city's unique location in Los Angeles County, the City expects the cost for improvements in the gap will be shared – including at the State level. Although SR-14 is primarily in the north County area, one end of many of the trips is in the Los Angeles basin.

6. Early in the discussion and in the letter to LACMTA on March 20, 2007, Lancaster proposed that local agencies be allowed to use the mitigation fees to incentivize industries to move to our area. Such incentives would result in more local jobs and would remove many commuters from SR-14 and other freeways in the San Fernando Valley and Los Angeles basin where jobs are currently found. This recommendation was included in our March 20, 2007 letter that responded to the Guiding Principles but was discarded because it would require a change to State legislation. If it is a means of mitigating congestion, LACMTA should be pursuing the needed legislation and not dismissing the idea altogether.

The City of Lancaster encourages the LACMTA staff to include a resolution to the foregoing issues in the expected proposed program guidelines.

Sincerely,

Mark V. Bozigian
Interim City Manager

MVB:NW:lcs

cc: Mayor and City Council
MTA Chairman & MTA Board Members
MTA Chief Executive Officer
Public Works Director
Traffic Engineering Division Manager

CITY OF RANCHO PALOS VERDES

PLANNING, BUILDING, & CODE ENFORCEMENT

April 21, 2008

Robert Calix, Metro
Long Range Planning & Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

SUBJECT: DRAFT CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

Dear Mr. Calix:

Thank you for clarifying some of my inquiries last week. However, I have additional questions regarding the draft report.

For ease in understanding some of my questions, I have provided the following hypothetical scenario which occurs after the Congestion Mitigation Fee has been finalized and adopted.

> *Hypothetical Scenario: The City approved a 7,000ft² retail structure, that according to the certified project EIR prepared under the requirements of CEQA, would significantly affect traffic on an arterial street. The EIR requires two new traffic signals to be installed in order to mitigate the significant traffic impacts resulting from the proposed project. It is estimated that the construction of the two traffic signals would cost the developer $500,000. However, the Congestion Mitigation fee for a Retail land use of the proposed size is set by Metro at $349,440.*

Regarding the scenario above, I have the following questions and concerns pertaining to the implementation of CEQA:

A) Will the developer be required to install the signals as required per the adopted mitigation measures within the EIR per CEQA; <u>or</u>

   Can the developer simply pay the congestion mitigation fee of $349,440 and be released of his/her obligation to implement the mitigation measure of installing the signals?

B) What if the EIR specifies other mitigation measures beyond the signals such as constructing medians, left turn lanes, etc. – again, will the developer be released of these obligations by only paying the flat congestion mitigation fee of $349,440?

C) If the developer is only required to pay the fee, then who will be charged with paying the difference between the developer's congestion mitigation fee ($349,440) and the true mitigation costs ($500,00+) associated with the project?

Additionally, I have the following questions (not pertaining to the scenario above): 1) According to the draft report, the congestion mitigation fee is applied based on ITE trip generation rates for land use categories – What if the county trip generation rate per land use is higher and more accurate? 2) What is the justification in using the ITE trip generation rate versus another?

Furthermore, the draft report states that by complying with the CMP fee program, jurisdictions will continue to receive its state gas tax revenue. 1) Will the formula in determining the amount per jurisdiction remain the same as today or will it change with adoption of the congestion mitigation fee program? 2) Additionally, if the City decides to pool funds with other jurisdictions to benefit multi-jurisdictional projects/programs, will the cities involved continue to receive the same amount of state gas tax or will it change?

I look forward to your response. In the interim, if you have questions, please feel free to contact me at (310) 544-5228 or via email at sok@rpv.com.

Sincerely,

So Kim
Assistant Planner

City of San Gabriel

♦ City With A Mission ♦ Founded 1771 ♦

Steven A. Preston, Deputy City Manager ♦ 626-308-2810

April 8, 2008

Robert Calix
METRO
Countywide Planning and Development
One Gateway Plaza
MS 99-23-2
Los Angeles, CA 90012-2952

Comments on Draft Congestion Mitigation Fee Feasibility Study Report

Dear Mr. Calix:

We have reviewed the Draft Congestion Mitigation Fee Feasibility Study Report and wish to offer the following comments:

- Regional System

We were unable to determine precisely how the decision was made to include street segments on the regional network system. In the case of San Gabriel, we could not follow the regional path through our historic Mission District. Our request to you for more specific mapped information has not yet been fulfilled.

We understand that a component of the Congestion Fee Mitigation System will be the ability of cities to make requests for additions to the regional system. Further, we understand that monies from other jurisdictions cannot be used to make improvements within San Gabriel to roadway segments.

- Setting Fees

Assuming that all of the jurisdictions establish a similar fee level, we understand the value to the region of identifying another source of income for transportation network improvements. However, San Gabriel currently charges a fee almost equivalent to your lowest case analysis. If the fee to be implemented is at the $200 level, it will have little or no impact on communities that have taken a leadership role in setting fees at a level high enough to generate badly needed revenues. Care must be taken in administering the program to make sure that cities like San Gabriel are not disadvantaged by a new system.

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- Increasing Capacity

For built out communities, it is important that the proposal continue to embrace a variety of ways of achieving increased capacity including signalization, creating right turn lanes, etc. We could not support a definition of increased capacity that was limited to building new lane miles.

- Administration

The system for record keeping and rebating of monies looks as if it could create a significant administrative responsibility. We urge you to use the greatest caution in subsequent studies when the systems for tracking are designed.

Thank you for the opportunity to comment.

Sincerely,

BD Mattern

Bruce Mattern
City Engineer

Carol Barrett

Carol D. Barrett, FAICP
Planning Manager

f/community development/planning/planning division/transportation/comments on draft congestion fee study

LA CAÑADA FLINTRIDGE

City Council
Stephen A. Del Guercio, Mayor
Laura Olhasso, Mayor Pro Tem
Gregory C. Brown
David A. Spence
Donald R. Voss

April 24, 2008

Mr. Brad McAllester
Executive Officer - Countywide Planning & Development
Metro
One Gateway Plaza
Los Angeles, CA 90012-2952

Dear Mr. McAllester:

At the regular City Council meeting of April 21, 2008, the City Council reviewed and commented on the Draft Congestion Mitigation Fee Feasibility Report.

In general, the City Council supports the idea of finding another alternative to this plan which would not require the City to charge in order to create these funds. Further, the City objects to the consequences of failing to adopt the required ordinance, which would result in the loss of funds, many of which are used ot provide basic services to our residents, such as street maintenance.

Specifically, the City Council moved to approve and submit the following comments to you for your consideration as you continue through your draft of this Report:

NO.	FEASIBILITY STUDY	CITY CONCERNS
1.	The preface of the Feasibility Study says *"Metro staff have concluded that a congestion mitigation fee program in Los Angeles County is feasible." (page 1)*	Metro has not yet, among other items, confirmed growth forecasts, identified local projects with "regional benefits"; done the technical work to determine nexus. The determination of feasibility for congestion management fees without this information would be premature.

NO.	FEASIBILITY STUDY	CITY CONCERNS (cont.)
2.	The Study states that: *"Local jurisdictions build projects (or local jurisdictions may choose to participate in multi-jurisdictional or regional projects, if mutually desired). Local jurisdictions are responsible for building projects that they identify in their local ordinance. Local jurisdictions may also choose to participate in contributing to regional transportation projects that are constructed by others."*	It appears from the Report that cities would contribute to larger projects only if they chose to do so. The City would want to retain its ability, under all circumstances, to exercise its discretion in the regional projects in which it participates.
3.	*"Local jurisdictions are responsible for collecting fees at the building permit stage, administering the fee program and managing the local fee account, and for implementing projects."*	Cities would be required to collect and administer congestion mitigation fees. This would maintain local control of the projects and the ability to charge for the cost of the administration of the program. The City is concerned that the program could possibly be changed over time to be administered by Metro which would result in loss of control over project selection.
4.	*"The intent of the Congestion Mitigation Fee program is not to shift regional resources or regional responsibility, but rather to help local jurisdictions mitigate the regional impacts of new development by increasing funding options that can generate needed revenue."*	The City does not want any of its existing transportation funds to be reduced or supplanted by these fees. Although the Study discusses "intent," it does not at this time guarantee that no funds would be lost or supplanted. The City is also concerned that other transportation funds may be diverted to subregions and should support measures to ensure that funds do not leave the City's region.
5.	*"One of the key elements of this program is to respect the diverse economic development programs and initiatives within each jurisdiction to ensure the fee program supports economic development to the fullest extent possible."*	The City does not want to discourage development by charging excessive fees.

NO.	FEASIBILITY STUDY	CITY CONCERNS (cont.)
6.	*"As the statutorily designated Congestion Management Agency for Los Angeles County, Metro could authorize a Congestion Mitigation Fee by adopting it as the CMP Deficiency Plan."*	Under Metro's current proposal, the new fees would replace the credits and debits program and become part of the Congestion Management Program (CMP). It is unclear if Metro has the legal authority to replace the credits and debits program with a required Congestion Mitigation Fee. The City strongly encourages Metro to develop other alternative strategies.
7.	*"Cities and county that do not implement minimum fee will not be in compliance with CMP, and will be subject to loss of Section 2105 State Gas Tax revenues, are not eligible for federal CMAQ and STP funds, or participate in Metro's Call for Projects process.* *In order to receive the withheld gas tax funds, jurisdictions must achieve CMP conformance within twelve months. Otherwise the Controller will reallocate the jurisdiction's withheld funds to Metro for regionally significant projects.* *Additionally, CMP statute prohibits the programming of Federal Surface Transportation Program or Congestion Mitigation and Air Quality funds in jurisdictions in non-conformance with the CMP unless Metro finds that the project is of regional significance. Finally, local jurisdictions that are not in compliance with the CMP are not eligible to compete in Metro's Call for Projects process."*	The sanctions for not adopting and implementing a local ordinance to establish these fees are severe. The City could lose substantial funding. Further, not only could the City not receive the funds, but they could be given to other "regionally significant projects." These might not be projects the City is supportive of. Our 2105 Gas tax represents an essential part of our street maintenance budget. The other sources of funding are also of importance to the City.

NO.	FEASIBILITY STUDY	CITY CONCERNS (cont.)
8.	*"This would be a one-time fee applied to all types of new development to fund transportation improvements that mitigate the impact of growth on the regional transportation network."*	The City is concerned that the concept of "new development" is not clearly defined. In particular, the City would not be interested in seeing individual home remodels considered to be "new development."
9.	*"Once an initial set of candidate projects have been identified, Metro staff will work with individual jurisdictions, sub-regional COGs, or geographic groupings of local jurisdictions to prepare rough order-of magnitude cost estimates. Costs may include planning, project administration and management, design and engineering, Project Study Reports, environmental documents, right-of-way acquisition, and construction."*	While multi-jurisdictional projects are legitimate ways to resolve congestion issues, the City would be concerned if any funds coming from the fees, especially its own, or other inter-jurisdictional funds were to be used to fund the 710 Gap Closure or tunnel project, since the feasibility of the project has not been established.
10.	*"Metro will establish a countywide minimum fee level - the same for all local jurisdictions. Local jurisdictions may choose to exceed minimum."*	The City is concerned that the minimum fee be established as low as possible, so as not to discourage development and also to provide cities with local control over the fee.

Thank you for the opportunity to comment on the Draft Congestion Mitigation Fee Feasibility Report. These comments are respectfully submitted in the hope that the City will be assured that they will be fully taken into consideration in this process.

If you should have any questions or comments regarding these comments, please contact Ann Wilson of our staff at 818-790-8880 or awilson@lcf.ca.gov.

Sincerely,

Stephen A. Del Guercio
Mayor

c: City Council
Mark R. Alexander, City Manager

PALMDALE

a place to call home

April 24, 2008

JAMES C. LEDFORD, JR.
Mayor
STEPHEN KNIGHT
Mayor Pro Tem
MIKE DISPENZA
Councilmember
STEVEN D. HOFBAUER
Councilmember
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Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MS 99-23-2
Los Angeles, CA 90012-2952

Re: CMP Fee Program Comments

Dear Mr. Calix:

The City of Palmdale very much appreciates the opportunity to comment on the Congestion Management Fee Program. There remain a number of outstanding concerns with the details of this program. Although Metro staff has indicated that many of these concerns will be handled in the next phase of the project, we feel the answers to some of the questions may affect the feasibility of the program. Please find the comments attached.

Thank you for your attention to these issues.

Sincerely,

Leon E. Swain
Director of Public Works

BK:bk

C: Stephen H. Williams, City Manager
Laurie Lile, Assistant City Manager
Tim Hughes, Deputy Director of Public Works
Bill Padilla, Traffic / Transportation Engineer
Mike Behen, Senior Transportation Planner / GIS Coordinator
Brian Kuhn, Senior Civil Engineer

City of Palmdale Comments on CMP Fee Study

1. What assurances are in place that money collected via this fee will be used for regional projects in the area they are collected. For instance, what assurance is there that fees collected in the Antelope Valley will be used on Antelope Valley projects. Further, what assurances are in place that other fund sources (Call for Projects, etc) will not be diverted to other (lower growth, lower fee generating) areas as a result or long-term consequence of this program?

2. What method will be used to prioritize projects for funding? Will projects that economically fund infrastructure in advance of need (i.e. Preserving right-of-way in advance of development) be given priority over projects which cost a premium due to lack of proper advance planning (i.e. Buying fully developed property to widen freeways that should have been constructed many years ago)?

3. All comments submitted to Metro regarding the congestion mitigation fee should be summarized and presented to the Metro TAC. The comments should also be posted on Metro's website. An on-line discussion forum should be established. Will comments also be made available to the public?

4. Describe the processes that the City of Palmdale would need to follow if it chooses to maintain its current fee schedule. What type(s) of information will need to be provided to the Metro Board? What criteria will be established as a form of checks and balances to ensure that our city's fee program has a fair chance of being accepted by the Metro Board?

5. What methods will Metro utilize when analyzing and comparing the subregion's existing fee structure verses a Metro-influenced fee structure. Please provide criteria and methodology details?

6. Please provide a synopsis of similar fee programs adopted and implemented by other agencies.

7. Does Metro have a back-up plan if the proposed mitigation fee proves to be ineffective?

8. If the mitigation fee is approved and issues or problems are discovered during implementation, what steps should be taken? What Metro Department should be contacted? Will there be a technical support program?

9. If there is a disagreement between agencies regarding prioritization of projects, will it be up to the agencies to work it out or will Metro provide mediation?

10. Will there be a way to protect this money and other CMP monies from the State and if the Gas Tax funds are raided by the State will the cities be able to use these funds to offset the revenues taken by the State?

11. An increase from 10 million to 12 million is only 20 percent growth (not 25 percent).

12. Will there be a fee credit or an advantage in funding for the existing CMP credits that Cities have accrued or maintained?

13. Page 7, 2nd Paragraph Item (1) Mandatory local participation on multi-jurisdictional transportation projects. This requirement will be difficult and limiting for jurisdictions on the boundaries of the County.

14. Page 7, 2nd Paragraph Item (3) local deficiency plans prepared by each jurisdiction when they approve a development project that contributes to a deficiency. Can this plan be required of the developer? Who will determine if a development contributes to a deficiency?

15. How will funds be distributed? Will the agency that collects them determine where they should be spent or will Metro have the ability to reallocate funds as they see fit to fund various projects?

16. Will projects be fully funded by the fees collected or will the local agencies be required to come up with matching funds? If a match is required what percentage would be required?

17. Why are the trip generation rates higher than the previous CMP? Previous CMP had a rate of 6.8 trips for a SFR this report shows a rate of 10 trips for SFR.

18. Section 3.12, Credit for Developer-Financed Mitigation Project. Will the developer receive a fee credit if the mitigation is along the project frontage or will they only receive a credit for offsite mitigation improvements?

19. How will nonconformance be determined? If a city is charging the minimum fee and not constructing any mitigation projects while building / accumulating sufficient funds to do major projects how long will this inactivity be considered in conformance?

20. Will there be any regional fee credits for developments that increase local trips but reduce regional trips by creating job opportunities locally for people who would typically commute?

21. If a jurisdiction is collecting fees from developers but no significant projects can be built within the jurisdiction (or if they can't collect enough money to build the project) is the jurisdiction going to be considered "out of compliance"?

22. Without a project list and an idea of the amount of the required fee, it is difficult to assess if the program will be feasible.

23. State law requires development fees to be used within a limited time period (5 Years). On larger regional projects, the time to fund and construct projects may exceed statutory limitations. This issue should be addressed.

24. What measure will be used to determine if a development project will have regional impacts?

25. Will a TAC committee be formed for the nexus study?

Please also see the attached document.

Notes on Potential CMP Transportation Impact Fee
North Los Angeles County Meeting of January 31, 2007

There are important differences between the North County subregion (especially in the Antelope Valley) and other parts of Los Angeles County

1. North County has a developing street network and many areas are undeveloped. Other areas have a fully established street and freeway network and almost all land is developed – they are primarily redevelopment. It could be summarized that the LA Basin is trying to fix problems – the North County is trying to implement plans. Of course both areas have problems to fix and planning.

   A. Project costs are currently lower (e.g., per lane mile) in the North County subregion than in the rest of County due to lower right-of-way costs, reduced cost when dealing with undeveloped property (acquisition costs, relocation cost, etc.), lower cost of maintaining traffic during construction, more route options available, etc. These advantages will be significantly reduced whenever development precedes right-of-way acquisition. (Example: High Desert Corridor.)

   B. Therefore, failure to plan and fund ahead results in projects in developing areas being built at unnecessarily escalated costs. A long-term view is necessary. Not implementing projects and project phases prior to such project cost escalations results in a larger total regional infrastructure improvement costs over time (or reduced improvements).

   C. Failure to fund infrastructure projects in developing areas may result in a missed or delayed ability to encourage development in the appropriate areas. Development may continue to occur in already congested areas that cannot reasonably provide the necessary additional infrastructure. (It should be recognized that this is also closely connected to regional issues and policies related to sprawl, infill development, competition among jurisdictions, etc.)

   D. WHY ARE THESE FEATURES OF CONCERN TO THE NORTH COUNTY AREA?

      a) Infrastructure improvements, especially for future state routes, are not under the control of local jurisdictions (even though the local jurisdictions may be collecting fees for them). If Caltrans does not plan and implement projects properly, the infrastructure will not be in place in a timely manner and costs will be much higher – including the local share. A means of assuring that Caltrans can implement projects in a timely manner should be identified. It is suggested that Caltrans' representatives attend future meetings.

b) Non-local funding agencies must recognize this need.

E. External and through trip impacts must be recognized. There is a significant gap (mountains) between the Antelope Valley and the Los Angeles basin. Cost for improvements in the gap should be shared – including at the State level. Although SR14 is primarily in the North County area, one end of many of the trips is in the Los Angeles basin. There are similar concerns for the future High Desert Corridor.

2. Maintenance of effort and equity are important issues.

A. There is a concern that if subregions adopt the CMP mitigation fee, then other funds may be redistributed more toward Metro projects or other areas. What efforts will be made to assure that there is some maintenance of effort to avoid such shifts?

B. Even before the issue of maintenance of effort, what is going to be done to ensure equitable distributions of funds? Past analyses (even before elimination of the 2003 and 2005 call-for-projects) showed that the North County area received approximately a 55% return on its contributions to transportation. Equity, and a means of assuring that equity is maintained, should be part of the maintenance of effort.

C. Equity should also address the balance of project impacts. For example, the High Desert Corridor can serve as a bypass of the Los Angeles Basin and reduce demands on basin facilities (including goods movement trips). Such benefits should be recognized in funding.

D. Equity should not just consider current populations, levels of development and transportation demands. A long-term view must be applied (see 1.C.).

E. More highly populated areas often currently have a greater ability to match funds than growing areas. This may result in the potential failure identified in 1.C. Both Metro (as demonstrated in calls-for-projects) and the State ("collaborations" as indicated by a Caltrans' representative at a recent CMP PAC meeting) would like to leverage their funding by assisting areas that provide the greatest matching funds. This may not always be in the best interests of the region or the State.

General Issues

3. Impact fees are only one means of funding projects.

   It should be recognized that impact fees are often collected near the occupancy of development projects. This results in traffic impacts long before the mitigating infrastructure can be provided - especially for large arterial projects, expressways, and freeways. Policies should encourage any means of earlier collection of money and implementation of projects or project phases. Other funding sources include the call-for-projects, assessment districts, development agreements, bonds, etc.

4. Fee per trip consistency countywide will be difficult.

   A program objective of the congestion mitigation fee is to provide a level playing field countywide. This is unlikely to occur naturally as a result of the fee calculations. Fees are essentially infrastructure project costs (or a local share) divided by the anticipated new trips (both over a specified period) to obtain a fee per trip generated. As fees are calculated for each area or subregion, it is highly unlikely that the fees in all areas and subregions will match.

   There may have to be a defined minimum fee for each area and subregion to establish (accounting for fees already in place) to remain in CMP compliance. Each area or subregion would have the option of increasing the fee up to the calculated amount, as appropriate.

5. Fee exemption, waiver, and reduction requirements should be defined.

   There must be consistent policies and requirements for exemptions, waivers, and reductions in fees or the spirit of a level playing field is violated. Jurisdictions with fees higher than a required minimum should be allowed full control (within state law) of fees above the required minimum.

6. It is suggested that an ITS component be included in the fee. The fee can only be used on projects that are included in the fee calculations.

City of Alhambra

Office of the City Manager

Gateway to the San Gabriel Valley

111 South First Street Alhambra California 91801

(626) 570-5010

FAX 281-2248

April 24, 2008

Mr. Robert Calix
Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MA 99-23-2
Los Angeles, CA 90012-2952

RE: Comments on the Proposed Congestion Mitigation Fee Feasibility Study Report

Dear Mr. Calix:

The City of Alhambra has reviewed the Los Angeles County Metropolitan Transportation Authority' Congestion Mitigation Fee (CMF) Feasibility Study Report. Alhambra recognizes the challenges faced by our region to fund needed transportation projects. To ensure that the City's concerns are addressed, we have developed a list of concerns and issues regarding the implementation of the proposed Congestion Mitigation Fee program and its impact to our City and the region. Our concerns are as follows:

1. **Ensure that cities receive allocations or compensation from the CMF program for congestion impacted by development regardless of jurisdictional boundaries.** The City of Alhambra is nearly all built out and does not anticipate large development locating within the City boundaries. However, adjacent jurisdictions are planning large developments along or near the boundaries that will impact the congestion within our City. Policies should be developed to ensure that congestion impacts from regional or neighboring developments are addressed and compensation be acknowledged and integrated into the funding and allocation formulas for situations that are beyond the control of the local jurisdictions.

2. **Ensure that the fees be uniform and consistent with all local jurisdictions.** The CMF policies should reflect fees that are equitable to all local jurisdictions to prevent competition between adjacent jurisdictions to attract large development into their cities. A fee allocation policy that is consistent with all jurisdictions must be implemented to avoid competition from neighboring jurisdiction due to fee imbalances.

3. **Ensure that the fees are eligible for multi-jurisdictional projects.** As a small city, we have few major transportation corridors. Our adjacent cities are small as well. CMF policies allowing multi-jurisdictional partnering can enhance regional coordination throughout the San Gabriel Valley as well as providing circulation improvements to our community.

4. **Ensure that local mitigation fee measures supersede the CMF program.** Several cities within the San Gabriel Valley, including Alhambra, already have existing developer mitigation fee programs. There should be some assurance that the local mitigation measures that are already in place are recognized and accepted in the CMF.

5. **Ensure that other transportation funds are not diverted.** The City does not want METRO to supplant existing financial support with the proposed CMF. Further, the City is concerned that funding supplemented by this CMF will provide incentives to divert other transportation funds from the City and/or the region. The City strongly encourages Metro to continue its funding commitments to the San Gabriel Valley region and not divert funds away from this region to supplement other sub-regions.

6. **Ensure the continued maintenance or proper integration of existing Credits & Debits.** Most of Los Angeles County's cities have invested time and resources to maintaining the existing CMP credits and debits system. The City would like to integrate both programs so that the credits are continued into the policies of the proposed CMF.

Thank you for allowing the City of Alhambra the opportunity to provide comments on this Congestion Mitigation Fee program and we look forward to working with you in the near future. Should you have questions, please feel free to contact Mary K. Swink, Director of Public Works at (626) 570-5067.

Very truly yours,

Julio J. Fuentes,
City Manager

Cc: City Council Members

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San Gabriel Valley Council of Governments

3452 East Foothill, Suite 810, Pasadena, California 91107-3142 Phone: (626) 564-9702 FAX: (626) 564-1116 E-Mail SGV@sgvcog.org

April 7, 2008

Los Angeles County Metropolitan Transportation Authority
Long Range Planning and Coordination
One Gateway Plaza, MA 99-23-2
Los Angeles, CA 90012-2952
Attn: Robert Calix

RE: Congestion Mitigation Fee Feasibility Study – Request for Comments

Dear Mr. Calix:

The San Gabriel Valley Council of Governments (SGVCOG) has reviewed the Los Angeles County Metropolitan Transportation Authority' Congestion Mitigation Fee (CMF) Feasibility Study. The COG recognizes the severe challenges our region faces relative to funding needed transportation projects, and a congestion mitigation fee, such as the one proposed in this study, may serve as a feasible solution for our cities. However, several of our member agencies' have expressed concern about specific elements of the program and its impact on their respective cities and the County as a whole. Below is summary of the key issues that have been identified by our organization that we believe are important to be resolved before moving forward:

1. ***Ensuring local control & distribution of fees:*** One guiding principles identified in Metro's outreach efforts is that "Local jurisdictions adopt, collect, and administer congestion mitigation fee." However, several jurisdictions have expressed concern that the program could be changed over time to be administered by Metro which would result in administrative fees being charged and loss of control over project selection. In order to prevent this, one recommendation has been to develop a "firewall" clause to ensure that all funds collected in the San Gabriel Valley would remain here.

2. ***Ensuring other transportation funds are not diverted:*** Another guiding principle included in Metro's Feasibility Report is that "Fees are to augment other regional funds, not replace or redirect them." However, given that the San Gabriel Valley is anticipated to have the second highest amount of revenue generated, after the City of Los Angeles, there is concern that other transportation funds that may be diverted to subregions, such as the Westside Cities COG, which have significantly lower projected revenue. As such, SGVCOG supports a "sunset" clause to ensure that all transportation funds currently directed to the San Gabriel Valley remain here if this program is implemented.

3. ***Ensuring accuracy of projected revenue:*** As previously mentioned, the SGV is projected to have the second highest amount of revenue raised. However, as

this is an area that is 99% built out and most new projects would be infill, some jurisdictions have questioned the accuracy of Metro's projections. The projected increase in new trips and the resultant revenue is based on a triangulation of SCAG's RTP population and employment forecasts for the period 2005-2030, and projected land use patterns. Throughout the RTP process, several cities in the San Gabriel Valley have raised concerns over the validity of the SCAG's forecast for the period 2015-2030. In order to move forward in using these forecasts to estimate potential revenue, there needs to be consensus about the growth forecasts that are being used.

4. ***Status of existing Credits & Debits:*** As the Congestion Management Agency for Los Angeles County, Metro is required by state law to monitor local implementation of all CMP elements. Currently, a key CMP component is the deficiency plan through which jurisdictions track and report their local development activity as "debits" and transportation improvements as "credits." One issue that has been raised by a number of jurisdictions is how these "credits" or "debits" would be translated into a proposed mitigation fee program. Additionally, they have questioned whether there would be distinction between those cities with a high "credit" balance and those with a lower or negative balance. Currently, Metro legal staff has indicated that any "credit" ***could not*** be converted into a monetary value under this new system as this would be providing a future benefit for a prior mitigation. However, failing to account for cities' different "credit" levels bring rise to equity issues.

5. ***Feasibility of Multi-Jurisdictional Projects:*** While the San Gabriel Valley comprises approximately 20% of LA County's population, it also represents 40% of the cities in the County. This means that the Valley has a disproportionate number of small and medium sized cities and these cities may not have major regional corridors located within their boundaries. SGVCOG requests further study of the feasibility of multi-jurisdictional projects that would utilize this funding. In addition, as the San Gabriel Valley borders three other counties, some cities have expressed interest in the possibility of using this funding for cross-county projects that would provide benefits to their residents.

6. ***Identification of a Project List:*** In the feasibility study, Metro staff identifies four project types that are eligible for funding under this program:
    a. State Highway improvements (i.e. HOV lane an carpool interchange connector construction)
    b. Regional surface transportation improvements (i.e. arterial widening, bottleneck intersection improvements, closure of gaps in the arterial system, and grade separations)
    c. Signal synchronization, bus speed improvements, bottleneck intersection improvements, traffic control and monitoring, and Intelligent Transportation System.
    d. Transit improvements (i.e. bus and rail transit capital and/or construction of transit stations and centers, park and ride lots, commuter rails stations, transit stop improvements and transit vehicle purchases).

    In order for this program to be implemented effectively with inter-jurisdictional cooperation, there needs to be consensus within the San Gabriel Valley, and within any identified subareas within the Valley, about a project list and prioritization of these projects. One concern that has been concerned by several jurisdictions is that Caltrans or transit operators may request that their projects be included in the project lists. Given the costs of such projects, they have the potential to either increase the fee level or, alternatively, these multi-million dollar projects could absorb all of the revenue that is raised. The SGVCOG looks forward to working with Metro to develop an agreed upon project list that could be reasonably funded with the fees that were collected.

7. ***Coordination with CEQA Conformity and Local Mitigation Requirements:*** Several jurisdictions have expressed concern that a new fee program may be problematic in relation to CEQA requirements for local mitigation. While many developers are familiar with the concept of either paying for or completing work needed for local mitigation, they may strongly oppose paying an additional fee on top that which is required for CEQA conformity in order to address regional mitigation efforts.

8. ***Fit with Local Fee Programs:*** Several cities within the San Gabriel Valley already have existing mitigation fee programs. According to Metro's feasibility study, "local jurisdictions with existing fee programs receive dollar-for-dollar credit for local projects with a regional benefit consistent with an agreed upon guidelines." There is some question as to whether a part or all of a city's existing fee would be eligible under this new program. For example, in the case of Pasadena, 50% of the mitigation is used for transit services and it still needs to be determined if this is would eligible for credit under the program.

9. ***Proposed incentives and penalties for compliance/non-compliance:*** Under Metro's current proposal, the CMF would replace the credits and debits program and become part of the Congestion Management Program (CMP). Because of this, under State law, cities would be required to implement the CMF in order to eligible for receive their gas tax funds and they would not be eligible to submit projects under Metro's Call for Projects. This is considerable penalty under the program, and the COG recommends that Metro develop other strategies, such as incentives, for cities that would encourage their participation.

On behalf of the SGVCOG, thank you for the opportunity for us to provide input on this program and we look forward to working with you in the future. Should you have questions, please feel free to contact me at (626) 564-9702.

Sincerely,

Nicholas T. Conway
Executive Director

Calix, Robert

From: Bob Brager [BBrager@ci.malibu.ca.us]

Sent: Friday, April 25, 2008 11:42 AM

To: Calix, Robert

Subject: Draft Report Comments

Robert:

The following are review comments to the following draft reports:

Draft Congestion Mitigation Fee Feasibility Study Report:

1. The number of new trips for the City of Malibu as shown on Table A-2 appears to be overly high. Could you please indicate how this figure was obtained?
2. Can the collected funds be used to improve congestion on Kanan Dume Road, Las Virgenes Road, and PCH within the City of Malibu?

Draft 2008 Long Range Transportation Plan Report:

1. Although the Las Virgenes/Malibu subregion is located on the western periphery of the County, increased growth in this five city subregion, and in the states northern counties (Ventura, Santa Barbara, etc.) directly impacts the subregion's existing transportation system; and with more severity in the future. In its current draft, the Plan does not appear to address and/or discuss this issue.

   With this said, what transportation modal improvements are included in the Plan that will address the impacts resulting from increased transient traffic through the Las Virgenes/Malibu subregion? Specifically for SR 101, PCH, Malibu Canyon Road, Kanan Dume Road, etc.

Thank you very much for the opportunity to provide our comments.

Robert L. Brager, PE, JD
Public Works Director/City Engineer
City of Malibu, CA 90265
(310) 456-2489 Ext. 247

April 22, 2008

Mr. Roger Snoble
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

Re: Draft Congestion Mitigation Plan Fee

Dear Mr. Snoble:

For a number of months I have represented Watson Land Company on the working group established by Metro to examine the range of policy issues associated with a proposed "Draft Congestion Mitigation Plan Fee." As a Southern California based company with interests in diverse parts of the region, Watson Land takes very seriously the mobility challenge confronting not only Los Angeles County, but in fact the entire Southern California region.

Watson Land has been actively engaged in a number of organizations focused on direct and effective solutions to congestion and improving mobility; these organizations include Mobility 21, the Los Angeles Area Chamber of Commerce, and Southern California Leadership Council. Our commitment and actions are taken on behalf of our employees, our tenants, and our regional neighbors. Therefore, our involvement with the Congestion Mitigation Plan (CMP) working group is one of many actions we are pursuing in partnership with Metro.

It has become clear through my participation in working groups that we need to invest more federal, state and local resources in our transportation infrastructure system to move both people and goods. Additionally, Metro and other transportation agencies are examining a range of funding sources to improve the region's transportation system. Unfortunately, it appears as if there hasn't been any coordination or policy context in which Metro is both identifying and developing these potential funding sources, including the proposed CMP Fee. For example, it is my understanding that Metro is either examining or pursuing the following sources to expand the transportation system in Los Angeles County:

1) An increase in the Los Angeles County sales tax;
2) User fees, including the imposition of tolls on selected highways;
3) A "greenhouse gas mitigation fee" or carbon tax; and
4) Benefit tax assessment districts.

These legislative or administrative efforts appear to have no relationship to the fiscal policy or fairness issues associated with what appears to be an independent process to pursue the CMP Fee. In fact, a memo prepared by Metro staff, dated January 16, 2008, addressed to the Planning and Programming Committee contains a very instructive chart entitled "Sustainable Mobility Criteria for New or Enhanced Transportation Funding." The criteria for "local revenue" contained in the memo has never been shared with our working group as policy framework for judging the viability of the proposed CMP Fee or its relationship to other funding sources Metro is considering.

Further, we share the many concerns about the CMP Fee voiced by other private sector interests and public sector agencies, which include the following:

1) The proposed fee would conflict with actions initiated by local communities to revitalize areas or stimulate reinvestment, including in-fill development;

2) There would be a disincentive for private sector investments to expand and upgrade existing structures, including industrial facilities. It should be pointed out that industrial facilities, including warehousing, are the "life blood" of the region's logistics sector of the Southern California economy, as documented by the Multi-County Goods Movement Action Plan; and

3) Potential revenues generated from the CMP Fee could potentially be diverted to regional transportation facilities, which have no physical relationship to the communities in which the fees are collected.

We strongly urge that Metro management reconsider the proposed CMP Fee, and rather focus on a more viable and equitable countywide approach with a broader revenue base.

Thank you for your consideration.

Sincerely,

Jennifer B. Johnson

Jennifer B. Johnson
Director, Public Affairs

cc. Mr. Robert Calix

ATTACHMENT F

Summary of Stakeholder Comment

Summary of Stakeholder Comment

1. **Local control of the Congestion Mitigation Fee program.** Local control of the Congestion Mitigation Fee program and revenue while still building meaningful transportation projects.
2. **Equitable Resolution of Credit Balances from current CMP Deficiency Plan.** Various jurisdictions stated that Metro should find a way to equitably resolve the issue of cities that have credit balances from the current CMP Deficiency Plan Debit-Credit methodology.
3. **Congestion Mitigation Fee Program should qualify for regional CEQA mitigation.** The development community strongly urged that the mitigation fee to be paid in this program should also go towards their regional CEQA mitigation responsibilities.
4. **Congestion Mitigation Fee should only apply to the net increase in residential, industrial, or commercial space, and should not apply to remodeling that does not generate new trips**
5. **Program should explain how the program will deal with the agreements that need to be made with Caltrans to fund and build freeway projects in fee program.**
6. **Congestion Mitigation Fee would make housing more expensive.**
7. **Collecting the fee and not building the transportation project it is supposed to build.** Developers are concerned with the certainty of constructing transportation projects within a reasonable time period whereby cities would collect the fee but transportation projects would not get built.
8. **Collaboration among jurisdictions is important for successful program implementation and meaningful transportation projects to be built.** Generating enough funding from the fee to build transportation projects that will benefit the regional transportation network would require local jurisdictions to collaborate. They acknowledged, however, the challenges involved with multi-jurisdictional collaboration
9. **New funding availability.** Significant additional funding would need to become available to match the fee revenue collected by local jurisdictions.
10. **New development paying its fair share and not for pre-existing conditions.** Developing a project list at the sub-regional level will ensure that new development is only paying its fair share and not paying for pre-existing conditions.
11. **Program exemptions** create a concern with cities that currently charge mitigation fees on new development within ¼ mile radius of a passenger rail station.
12. **Level playing field.** The Congestion Mitigation Fee program should ensure that it levels the playing field in the manner it is implemented and that it is equitable.
13. **Trip generation rate flexibility.** Provide flexibility in the area of trip generation rates in those cases where there is justification that a different rate should be used in place of the ITE trip generation rates provided in the Study Report.

14. **Cities may not generate enough fee revenue on their own.** Individual cities may not generate enough revenue to make the program meaningful, but are not sure how they can reach consensus on a list of multi-jurisdictional projects.
15. **Smaller cities may be at a disadvantage than larger cities.** Smaller cities stated that since they are already built out, they fear they will be at a disadvantage because their cities will generate far less fee revenue than those cities projected to have significant growth. This would place them at a comparative disadvantage if matching funds become available.
16. **Freight movement projects should qualify for funding by the fee program.** Transportation projects that mitigate the impact of freight movement should qualify for funding by the fee program given that the freight industry is one of the county's economic drivers.
17. **Developers should not be charged two congestion mitigation fees.** Credit should be provided in those cities where there is already a congestion mitigation fee in place.
18. **Establish threshold on the size of the residential dwelling.** If more than 3,500 square feet it is considered to have a higher trip generation rate.
19. **Fee should not pay for the total cost of transportation projects.** Fee should be used as a match to other funding.
20. **Twenty to thirty percent of fee revenue should go to projects beyond city.** A requirement should be included in the program whereby 20%-30% of the fee should fund projects that go beyond their city boundaries.
21. **Compliance with the CMP fee program should be based on collecting the fee** and administering the program.
22. **Cities that do not generate enough fee revenue should be exempt from the program.** Thus, a threshold should be established for those very-low growth cities.
23. **Metro should consider offering opportunities for incentives, through the Call-For-Projects or in other ways.**
24. **Metro should establish a CMP Technical Advisory Committee** comprised of stakeholders to address technical issues as they arise during Step 2 of the Work Plan