

We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history.



City Manager's Report
February 25, 2025, City Council Meeting
Prepared by: Melissa Savage, City Engineer
Item #: 7.5

Subject: Consider approving Amendment No. 2 to the Consulting Services Agreement with GHD in the amount of \$35,720 for the Traffic Impact Mitigation Fee Update project (CIP #41701) and authorizing the City Manager to execute the same.

Recommendation: Adopt a Resolution approving Amendment No. 2 to the Consulting Services Agreement with GHD in the amount of \$35,720 for the Traffic Impact Mitigation Fee Update project (CIP #41701) and authorizing the City Manager to execute the same.

Purpose: The purpose of this item is to approve an amendment that would enable GHD to proceed to the next steps in the Traffic Impact Mitigation (TIM) Fee Program Update.

Strategic Plan Strategy: Increase Revenues – item c) Complete studies for new park, sewer, traffic, and water impact mitigation fees.

Background: Section 66000 et seq. of the Government Code requires that local agencies that adopt development fees to mitigate or defray "all or a portion of the cost of public facilities related to the development of a project" be done in compliance with statutory limits. For example, development impact fees like the TIM fee are initially developed by evaluating and identifying infrastructure needs to mitigate future traffic impacts, and developing a fee to equitably spread the burden of the infrastructure needs to those who create the need and utilize the improvements. Impact fees can only be collected for the portion of costs attributable to the new development and cannot already be funded from some other source. Every five years thereafter, the fees must be re-evaluated to ensure they are still needed and used or collected for specific Capital Improvement Projects.

Recently, the legislature adopted Assembly Bill 602 which imposes additional requirements for development impact fee programs. As a result, the City will be required to include the following:

- Update the TIM nexus study to identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate.
- If the study supports the increase of an existing fee, the City is required to review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Any nexus studies adopted after July 1, 2022 must calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development.

Discussion: On September 27, 2022, the City Council approved a Consulting Services Agreement with GHD in the amount of \$213,197 for assistance with compliance with the Mitigation Fee Act and traffic modeling to develop a City of Placerville traffic model using the El Dorado County model. In April 2023, staff issued a Task Order to GHD in the amount of \$25,000 to conduct updated traffic counts, which was not anticipated or included in their original scope of work. On April 24, 2024, the City Council approved Amendment No. 1 in the amount of \$149,740 for performing the traffic modeling, growth projections, updating the project list, and completing Nexus Study.

Through the initial traffic modeling work and assessment of growth projections, it was determined that additional analysis would need to be performed for a more comprehensive project list and Nexus Study. The traffic analysis was originally only to include roadway segments, but it was later decided that traffic conditions will need to be evaluated at intersections to determine deficiencies and make project recommendations as necessary.

The scope of work included in the proposed Amendment No. 2 includes collection of AM and PM peak hour traffic counts at 14 intersections, existing and future peak hour traffic analysis of those intersections, recommendations for improvements, and determination of the percentage of each improvement that is attributable to new development.

Tonight, staff is recommending the approval of Amendment No. 2 to the Agreement with GHD in the amount of \$35,720 to bring the total contract amount to \$398,657.

Options:

1. Approve Amendment No. 2 with GHD as recommended by staff.
2. Provide other direction to staff.

Environmental: Not applicable.

Cost: The cost of the proposed Amendment #2 with GHD is in the amount of \$35,720

Budget Impact: The City Council adopted the Fiscal Year 2016/2017 Capital Improvement Program Budget which appropriated \$135,978 for the TIM Fee Update project (CIP #41701). On September 27, 2022, the City Council approved a \$154,022 budget appropriation for a total project budget of \$290,000. On April 23, 2024, the City Council approved a \$200,000 budget appropriation for a total project budget of \$490,000.

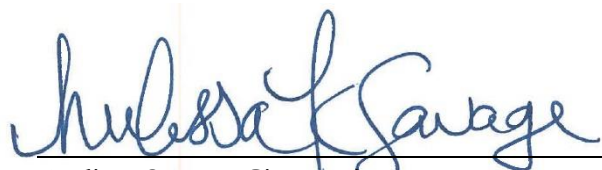
To date, the project has encumbered the following costs:

GHD (Original Agreement)	\$ 213,197
GHD (Task Order 1)	25,000
GHD (Amendment No. 1)	149,740
GHD (Proposed Amendment No. 2)	35,720
BNP Media	150
Jamar Technologies, Inc.	3,092
Kronick Moskowitz Tiedemann & Girard	822
Mountain Democrat	234
Institute of Transportation	1,131
City Personnel	40,834
Total	<u><u>\$ 469,920</u></u>

As you can see, the \$469,920 in total encumbrances, including the \$35,720 proposed Amendment No. 2 with GHD, is within the \$490,000 project budget.



M. Cleve Morris, City Manager



Melissa Savage, City Engineer

Attachments:

Attachment A: Resolution