

EXHIBIT “A”

Revised Report Citywide Transportation Impact Fee Update

The Economics of Land Use



Revised Report

Citywide Transportation Impact Fee Update

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City of Fairfield

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1. BACKGROUND

This Report provides the 2022 update to the City of Fairfield's Citywide Development Transportation Impact Fee. The City first established its Citywide transportation impact fee, along with a number of other AB 1600 fees, in 1995. In 2013, the City completed a new nexus study that updated the Citywide transportation impact fee. At that time, a new Northeast Area Development Impact Fee was also established that required new development in the Northeast Area of the City to pay the additional Northeast Area fee.¹ Since 2013, the City has adjusted these fees annually using an inflation index consistent with its enabling ordinance.

This Report provides the technical documentation to support the update of the Citywide Transportation Impact fees consistent with the Mitigation Fee Act (Government Code Section 66000). This update is necessary due to the passage of time and changes in expected future development, improvement costs, and expected outside funding sources, among other factors. The updated Citywide transportation fee includes two components: (1) a base fee that will apply to all new development in the City (including Northeast Area development), and (2) an additional component that will apply to new development outside of the Northeast Area that will ensure that this development contributes its proportionate share towards Northeast Area transportation improvements.²

Requirements of AB 1600

The updated development impact fees, if approved, will be adopted by the City Council as a resolution under the City's general police powers and under the Mitigation Fee Act Government Code Section 66000 et seq. established by AB 1600 in 1988. The Mitigation Fee Act applies to all local agencies, as defined in Government Code section 66000(c), to include cities (both general law and chartered), counties, special districts, school districts, other municipal public corporations, and political subdivisions of the State. The legislation was drafted to establish a uniform process for formulating, adopting, imposing, collecting, accounting for, and protesting fees. The Mitigation Fee Act describes necessary actions and limits associated with establishing nexus, adopting the fee, payment of the fee, updating the fee, fee credits and reimbursements, surplus funds, and fee protests. Selected critical points associated with fee use, estimation and establishment are described below.

¹ The Northeast Area fee helps fund a set of capital improvements in the northeast area of the City that are required to support new growth in the City. The fee includes and covers the portion of Northeast Area transportation facilities costs that can be allocated to new Northeast Area development. It is only paid by Northeast Area development.

² This represents a change from the approach in 2013. In 2013, the proportionate share of Northeast Area transportation improvement costs that was allocated to new development outside of the Northeast Area was assumed to be covered by other funding sources. As these additional funding sources have not materialized, the 2022 update now requires new development outside of the Northeast Area to pay the appropriate additional fees to cover these impacts.

Fee Estimation and Establishment

On a broad level, development impact fee programs must be consistent with the following:

1. The facilities to be built with the fee relates to the development subject to the fee and
2. The fee cannot exceed the estimated reasonable cost of the development's proportionate share of the proposed facilities.

In establishing, increasing, or imposing a fee as a condition for the approval of a development project, Government Code 66001(a) and (b) state that the local agency must:

1. Identify the purpose of the fee;
2. Identify how the fee is to be used;
3. Determine how a reasonable relationship exists between the fee use and type of development project for which the fee is being used;
4. Determine how the need for the public facility relates to the type of development project for which the fee is imposed; and,
5. Show the relationship between the amount of the fee and the cost of the public facility.

These statutory requirements have been followed in establishing this 2022 Fee Update.

Fee Levels

Fee studies establish the maximum justifiable fees under the Mitigation Fee Act. No land uses can be charged fees above these maximum levels. Cities do have the option of charging fees below the maximum for specific land uses or specific geographic areas for policy reasons. In this 2022 Fee Update, fees below the maximum level are proposed for some non-residential land uses (to address development feasibility concerns) and in the Heart of Fairfield (to support Heart of Fairfield Specific Plan policy goals).

Use of Fee Revenues

Under Government Code 66000b a "fee" is defined as "a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with the approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project."³ Development impact fees provide funding for public capital improvements. The public facilities that can be funded by fees include public improvements and community amenities. Fees cannot be used for maintenance or services. Fees can be used for any development project, defined as "any project undertaken for the purpose of development" (Government Code 66000a).

³Abbott, William et al. (2012) *Exactions and Impact Fees in California*. Solano Press Books, Point Arena, California, p. 299.

Update Procedures and Use of Funds

This 2022 fee update represents a detailed update to the Citywide transportation impact fee last fully updated in 2013. The future capital facilities investments are considered in conjunction with future development's proportionate share contribution to these investments based on cost allocation procedures consistent with nexus and other Mitigation Fee Act requirements. The 2022 fee update identifies the maximum justifiable fees for Citywide transportation impact fees. It also provides a proposed set of updated Citywide transportation impact fees that, for some land uses and areas, are below the maximum justifiable level.

Beyond this 2022 update, City staff will continue to apply an inflation (or deflation) index factor to its development impact fees on an annual basis in April of each year. Staff will also conduct a technical update similar to this Report on a periodic basis examining the infrastructure programs and their costs and updating the expected development based on changes in the City's plans or on what development actually occurs.

The City of Fairfield has developed specific capital improvement programs comprised of a listing of development impact fee eligible projects as a basis for the fee calculation. It is important to note that, as part of the fee update, the list of capital improvements as well as their costs often change. These individual projects may be altered or replaced over time (with other qualifying projects) as the City administers the Development Impact Fee Program and builds the infrastructure needed to serve new development.

This Citywide transportation impact fee (AB 1600) update was developed collaboratively by EPS, Coastland Civil Engineering, Fehr and Peers (F&P), and CBG with extensive input and guidance from City staff. This Report provides both maximum justifiable and City staff proposed fee levels. The revised fee schedules included in this Nexus Study Update can, at the discretion of the City Council, be adopted and implemented. The City Council can also choose to adopt a different set of updated fee levels as long as all fees are at or below the maximum justifiable level. The technical components of the update can also be used as a technical basis and guide for subsequent annual reviews and updates that may occur in the future.

2. SUMMARY OF RESULTS

This chapter summarizes the proposed new Citywide transportation development impact fees. The technical analysis and justification for the maximum and proposed fee levels is provided in the subsequent chapters.

Updated Citywide Transportation Impact Fees

The Citywide development impact fees are differentiated by area. The three distinct areas include:

- Rest of City
- Heart of Fairfield
- Northeast Area, including TSSP

For all three areas, there is a “Base Citywide Fee” that is charged to new development in each of the three areas. In addition, there is an additional “Citywide Northeast Fee” component that applies to the areas outside of the Northeast Area – i.e., Rest of City and Heart of Fairfield. This additional fee component reflects the expected proportionate use of Northeast Area transportation improvements by new development in these areas. This fee component is not applied to the new development in the Northeast Area as that development is charged a distinct, larger Northeast Area fee that encompasses their share of Northeast Area transportation improvement costs.

In the 2013 fee update, the City identified sufficient other funding to support Northeast Area transportation improvements so that it was not necessary to charge new development outside of the Northeast Area that additional fee component. That is no longer the case and the 2022 update does propose charging that fee component to development in the Rest of the City. The Heart of Fairfield, however, because of its prioritization as a development area by the City, is proposed not to be charged the additional fee component.

The sections below describe the proposed Citywide transportation impact fees. City staff identified the circumstances where the proposed 2022 updated fees are below the maximum level.

Updated Citywide Transportation Fees - Rest of City

Table 1 shows the current and proposed Citywide transportation impact fees for developments in the Rest of City (outside of both the Northeast Area and the Heart of Fairfield). As shown, total citywide fees on new residential development increases substantially, with single family fees increasing by 86 percent and multifamily fees increasing by 60 percent. The primary driver of these increases, as noted above, is the need to charge Rest of City development its full contribution towards new Northeast Area transportation infrastructure. In 2013, the non-residential development impact fees were also set well below the maximum allowable due to concerns about development feasibility. The proposed 2022 update increases to all non-residential development (with the exception of Warehouse/ Distribution/ Speculative (WDS))

were constrained to 7.3 percent.⁴ Fees for WDS uses were increased to their maximum allowable level, an increase of 66 percent.

Table 1 Proposed Citywide Transportation Fees Summary – Rest of City (Non-HoF)

Development Type in Rest of City (Non-HoF)	Total Citywide Fee Burden		
	Current ¹	Proposed ²	% Change
<u>Residential (per unit)</u>			
Single-Family	\$8,112	\$15,079	86%
Multifamily	\$5,276	\$8,444	60%
<u>Nonresidential (per sq. ft.)</u>			
Retail	\$18.69	\$20.05	7.3%
Commercial	\$7.51	\$8.06	7.3%
Office/ Medical	\$4.54	\$4.87	7.3%
Industrial	\$3.17	-	-
WDS	-	\$5.28	66%
Manufacturing	-	\$3.40	7.3%

[1] Per City of Fairfield Development Department Fees Effective April 1, 2021. Current fees for Industrial development are imposed on all Industrial development equally. The new fee structure will break Industrial land uses into two categories: Manufacturing and Warehouse/Distribution/Speculative (WDS).

[2] The proposed fee levels are set at or below the maximum allowable levels, as described in the **Proposed Citywide Transportation Fees** section of the report.

Source: Economic & Planning Systems, Inc.

Updated Citywide Transportation Fees – Heart of Fairfield

Table 2 shows the current and proposed Citywide transportation impact fees for developments in the Heart of Fairfield. As shown, total citywide fees on new residential development are proposed to decrease by 24 percent for single family development and 35 percent for multifamily development. The drivers of these decreases are (1) the expectation of lower trip generation rates in the Heart of Fairfield than in the rest of the City; and (2) a policy decision not to charge new Heart of Fairfield development for their demand for/ impacts on new Northeast Area transportation improvements. The proposed fees for all non-residential development in the Heart of Fairfield with the exception of WDS and Manufacturing uses are proposed to remain at current

⁴ The 2022 Northeast Area Fee Update (under separate cover) identified a maximum Northeast Area fee increase of 7.3 percent for new single-family development; City staff proposes limiting increases in selected Citywide non-residential fees to this same level of increase.

levels. Proposed fees on WDS and Manufacturing uses in the HoF are proposed to increase by 47 percent and 7 percent, respectively, though limited amounts of this development are expected in this area of the City.

Table 2 Proposed Citywide Transportation Fee Summary – Heart of Fairfield (HoF)

Development Type in Heart of Fairfield (HoF)	Total Citywide Fee Burden		
	Current ¹	Proposed ²	% Change
<u>Residential (per unit)</u>			
Single-Family	\$8,112	\$6,155	-24%
Multifamily	\$5,276	\$3,447	-35%
<u>Nonresidential (per sq. ft.)</u>			
Retail	\$18.69	\$18.69	0%
Commercial	\$7.51	\$7.51	0%
Office/ Medical	\$4.54	\$4.54	0%
Industrial	\$3.17	-	-
WDS	-	\$4.64	47%
Manufacturing	-	\$3.40	7%

[1] Per City of Fairfield Development Department Fees Effective April 1, 2021. Current fees for Industrial development are imposed on all Industrial development equally. The new fee structure will break Industrial land uses into two categories: Manufacturing and Warehouse/Distribution/Speculative (WDS).

[2] The proposed fee levels are set at or below the maximum allowable levels, as described in the **Proposed Citywide Transportation Fees** section of the report.

Source: Economic & Planning Systems, Inc.

Updated Citywide Transportation Fees – Northeast Area

Table 3 shows the current and proposed Citywide transportation impact fees for developments in the Northeast Area. As shown, total citywide fees on new residential development are proposed to decrease by 14 percent for single family development and to decrease by 26 percent for multifamily development (these are the maximum justifiable fees). Proposed fee levels for all non-residential uses with the exception of WDS and Manufacturing increase by the same 7 percent as the single-family total fee burden (inclusive of NE Area fees). Proposed fees for both WDS and Manufacturing decrease by 23 percent (these are the maximum justifiable fees). As indicated in the first footnote of **Table 3**, Northeast Area development does not pay the Northeast Area component of the Citywide fee as it contributes separately to Northeast Area infrastructure costs through the Northeast Area fee; as a result, the values shown below do not represent the full transportation fee burden charged to new developments in the Northeast Area.

Table 3 Proposed Citywide Transportation Fee Summary – Northeast Area

Development Type in Northeast Area	Total Citywide Fee Burden ¹		
	Current ²	Proposed ³	% Change
<u>Residential (per unit)</u>			
Single-Family	\$8,112	\$6,994	-14%
Multifamily	\$5,276	\$3,917	-26%
<u>Nonresidential (per sq. ft.)</u>			
Retail	\$18.69	\$20.05	7%
Commercial	\$7.51	\$8.06	7%
Office/ Medical	\$4.54	\$4.87	7%
Industrial	\$3.17	-	-
WDS	-	\$2.45	-23%
Manufacturing	-	\$2.45	-23%

[1] Note these fee levels do not account for the Northeast Area Fee that is charged to Northeast Area developments to fund their share of new Northeast Area transportation improvements. These additional fees are documented in a separate Northeast Area Fee Report.

[2] Per City of Fairfield Development Department Fees Effective April 1, 2021. Current fees for Industrial development are imposed on all Industrial development equally. The new fee structure will break Industrial land uses into two categories: Manufacturing and Warehouse/Distribution/Speculative (WDS).

[3] The proposed fee levels are set at or below the maximum allowable levels, as described in the Proposed Citywide Transportation Fees section of the report.

Source: Economic & Planning Systems, Inc.

Maximum and Proposed Fee Levels

The technical analysis in the following chapters calculates the maximum justifiable Citywide transportation impact fee for new development in three City geographies – the Northeast Area, the Heart of Fairfield, and the Rest of City. In several cases, however, the proposed fees are below the maximum fee level. These recommendations are driven by consideration of potential impacts on development feasibility (e.g., fee levels on certain non-residential uses) and City policy goals (e.g., encouragement of new development in Heart of Fairfield). Detailed calculations determining the maximum and proposed fees are provided in **Chapter 4**. A summary comparison of the potential maximum development impact fees with the proposed fees is provided below in **Table 4**.

As shown in **Table 4**, the proposed citywide transportation fee levels for residential developments are set at the maximum levels everywhere except the Heart of Fairfield as the proposed fees for developments in this area are not proposed to contribute to the NE Area portion of the citywide fee. The proposed non-residential fee levels are substantially below the maximum for all but Northeast Industrial development and Warehouse/Distribution/Speculative (WDS) development in the RoC or HoF, which are set at the maximum allowable levels.

Table 4 Citywide Maximum and Recommended Transportation Impact Fees, by Zone

Development Type	Northeast Area Zone Fee ¹		Rest of City Zone Fee ¹		Heart of Fairfield Zone Fee ¹	
	Maximum	Proposed	Maximum	Proposed	Maximum	Proposed
<u>Residential (per unit)</u>						
Single-Family	\$6,994	\$6,994	\$15,079	\$15,079	\$13,269	\$6,155
Multifamily	\$3,917	\$3,917	\$8,444	\$8,444	\$7,431	\$3,447
<u>Nonresidential (per sq. ft.)</u>						
Retail	\$72.60	\$20.05	\$156.52	\$20.05	\$137.74	\$18.69
Commercial	\$14.13	\$8.06	\$30.46	\$8.06	\$26.80	\$7.51
Office/ Medical	\$11.40	\$4.87	\$24.58	\$4.87	\$21.63	\$4.54
Industrial	\$2.45	-	\$5.28	-	\$4.64	-
WDS	-	\$2.45	-	\$5.28	-	\$4.64
Manufacturing	-	\$2.45	-	\$3.40	-	\$3.40

[1] Note that fees shown here are the total transportation impact fee burden for the Citywide Transportation Fee program shown in **Tables 1, 2 and 3**. Northeast Area development is additionally subject to a separate Northeast Area transportation fee which is documented in a separate report.

Source: Economic & Planning Systems, Inc.

3. DEVELOPMENT FORECAST

Estimates of the new maximum, nexus-supported Citywide Transportation fees are, in part, driven by forecasts of new development growth in the City of Fairfield. City staff developed a growth forecast for 2020 to 2040 based on a detailed review of developable land capacity, General Plan land use designations, anticipated development densities, development applications which have been filed with the City, and market expectations. City staff and F&P worked closely together to ensure that existing 2020 development and forecasted 2020 to 2040 growth was allocated appropriately to each traffic analysis zone (TAZ) in the City. Existing and new development growth by TAZ was distinguished by development types (residential units and nonresidential square footage) and by geographic area (Northeast Area; Heart of Fairfield; Rest of City). These development allocations supported the modeling and analysis required to estimate maximum fees by land use and by area for the transportation fee update.

These development forecasts were developed at the point in time when the technical analysis was undertaken. It is also important to note that while there is uncertainty concerning final development densities/ plans, these forecasts represent best estimates based on recent development entitlements, development submissions, and developer communications.

The growth forecasts for 2020 to 2040 are shown in **Table 5** for the Northeast Area (including the Fairfield Train Station Specific Plan area and the rest of the Northeast Area) and the Rest of the City (including the Heart of Fairfield). Forecast growth relative to 2020 development levels is shown in **Table 6**. Growth data is summarized below:

- **New Residential Development.** A total of about 12,300 new residential units are forecast to be added in the City between 2020 and 2040. About half of these units are expected to be single-family and half multifamily. In this case, single-family includes all single-family detached development and two-attached unit developments (i.e., duplex or attached units on separate lots). Multifamily includes developments with three or more attached units. About 60 percent of projected residential growth is expected to occur in the Northeast Area of the City.
- **Nonresidential Residential.** About 6.0 million new square feet of nonresidential development are forecast, including 4.5 million in industrial development, 440,000 square feet in office/medical development, 53,000 square feet of “high-trip” retail (fast-food, gas stations, etc.), and 960,000 square feet in commercial, service, and hospitality development (all other retail, commercial, hotel/motels). Most of this growth is expected to occur outside of the Northeast area of the City. Note that the Train Station Specific Plan area has development capacity for more industrial development than the net growth of 1 million square feet forecast assumed as part of the City’s 4.5 million square feet forecast, though some of that industrial development is expected to occur beyond 2040.

- **Existing and New Development.** In 2020, Fairfield had over 38,000 residential units and more than 24 million square feet of nonresidential development. As shown in **Table 6**, growth expected through 2040 will increase the City’s residential development by over 30 percent and its nonresidential development base by 25 percent.

Table 5 Development Projections

Development Type	Forecasted Growth Between 2020 and 2040						Total City
	Northeast Area			Rest of City (RoC)			
	TSSP	Other NE	Total NE	HoF	Other RoC	Total RoC	
<u>Residential (units)</u>							
Single-Family	3,242	1,537	4,779	6	1,541	1,547	6,326
Multifamily	<u>2,301</u>	<u>280</u>	<u>2,581</u>	<u>1,447</u>	<u>1,983</u>	<u>3,430</u>	<u>6,011</u>
Total Residential	5,543	1,817	7,360	1,453	3,524	4,977	12,337
<u>Nonresidential (sq. ft.)</u>							
Retail ¹	-	19,102	19,102	12,632	21,072	33,704	52,806
Commercial ²	46,555	<u>23,954</u>	70,508	<u>200,288</u>	687,953	888,241	958,750
Office/ Medical	-	-	-	-	439,681	439,681	439,681
Industrial	<u>1,000,000</u>	-	<u>1,000,000</u>	-	<u>3,520,192</u>	<u>3,520,192</u>	<u>4,520,192</u>
Total Nonresidential	1,046,555	43,056	1,089,610	212,920	4,668,898	4,881,818	5,971,428

[1] Retail land use only includes those retail uses with high-trip generation rates such as fast food locations with drive-through services and gas stations.

[2] Commercial includes all other retail uses (all with relatively low trip generation rates). This category also includes hospitality uses like hotels and motels.

Source: City of Fairfield development forecast; Economic & Planning Systems, Inc.

Table 6 Existing Development and 2040 Forecasted Development

Development Type	Existing City, 2020	Forecasted Growth 2020 - 2040	Total City, 2040	% Change 2020 - 2040
<u>Residential (Units)</u>				
Single Family	29,327	6,326	35,653	22%
Multifamily	<u>8,715</u>	<u>6,011</u>	<u>14,726</u>	<u>69%</u>
Total Residential	38,042	12,337	50,379	32%
<u>Nonresidential (Sq. Ft.)</u>				
Retail ¹	1,012,000	52,806	1,064,806	5%
Commercial ²	5,483,000	958,750	6,441,750	17%
Office/ Medical	4,392,000	439,681	4,831,681	10%
Industrial	<u>13,273,000</u>	<u>4,520,192</u>	<u>17,793,192</u>	<u>34%</u>
Total Nonresidential	24,160,000	5,971,428	30,131,428	25%

[1] Retail land use only includes those retail uses with high-trip generation rates such as fast food locations with drive-through services and gas stations.

[2] Commercial includes all other retail uses (all with relatively low trip generation rates).

Source: City of Fairfield development forecast; Fehr & Peers; Economic & Planning Systems, Inc.

4. CITYWIDE TRANSPORTATION FEE

This chapter presents the methodology and fee calculation for the capital facilities related to the Citywide Transportation fee. This chapter also describes the necessary "nexus" between new development in the City of Fairfield and the new transportation improvements, as required under Government Code Section 66000 (AB 1600). The new Citywide Transportation Fee estimates will replace the existing Citywide Transportation Fee schedule, last formally updated in 2013, though adjusted annually through the indexing process. As described in **Chapter 1**, the fee update focuses on future development and future transportation improvements, recognizing that past development has made its fair share contribution. While a new Northeast Transportation fee is derived in a separate technical report, this Report and the Northeast Fee Report make findings related to transportation improvements located in the Northeast area of the City.

Nexus Findings

Nexus findings are provided below addressing: 1) the purpose of the fee and a related description of the facility for which fee revenue will be used; 2) the specific use of fee revenue; 3) the relationship between the facility and the type of development; 4) the relationship between the need for the facility and the type of development; and 5) the relationship between the amount of the fee and the proportionality of cost specifically attributable to development. The technical calculations described in the sections below are consistent with these nexus findings/requirements.

Purpose

The fee will help maintain adequate levels of transportation service in Fairfield.

Use of Fee

Fee revenue will be used to fund City transportation improvements, including roadway, intersection, interchange, and traffic signal improvements, as well as the reimbursement of upfront investments from other City funds for transportation improvements required to serve future growth. A representative list of projects and costs is included in the next section of this chapter.

Relationship

New development in the City of Fairfield will increase demands for and travel on the City's transportation network. Transportation fee revenue will be used to fund additional transportation capacity necessary to meet adopted standards. New development will benefit from the increased transportation capacity.

Need

Each new development project will add to the incremental need for transportation capacity and improvements. The transportation improvements considered in this study are considered necessary to meet the City's future transportation needs.

Proportionality

The fee levels are tied to the extent to which new development serves new development and/or fills existing deficiencies as well as fair share cost allocations based on the transportation model developed and operated by F&P.

Technical Fee Calculations

The technical derivation of the maximum nexus-supported Citywide transportation fees is provided below. The technical calculations follow nexus requirements and focus on transportation needs and costs and the fair share apportionment to new development in the City.

Transportation Improvement Program Projects and Total Project Costs

Table 7 shows the City's list of transportation improvement projects expected to be required, in part or in whole, to serve new development in the City between 2020 and 2040. The total cost is estimated at \$417.6 million. **Figure 1** shows that 69 percent of the costs are for Roadway projects, 25 percent are for interchanges and the rest of the program costs are for intersection and traffic signal improvements. Because these new transportation improvement projects are not required to fill existing deficiencies and are primarily to serve new development, the large majority of these costs are allocated to new development.

Figure 1 Transportation Improvement Program Total Costs by Category

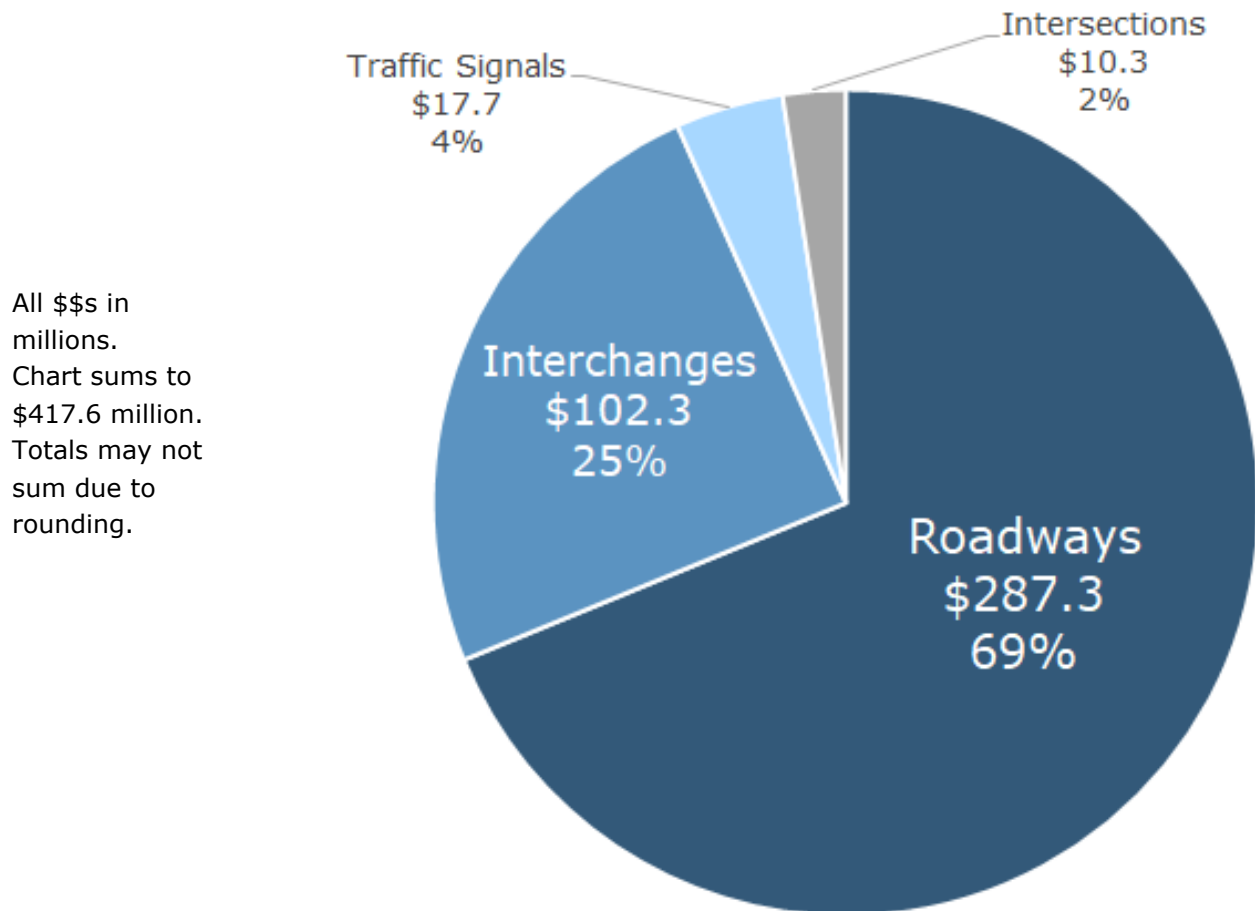


Table 7 Transportation Improvement Program Projects and Costs

Improvement Item	Gross Improvement Cost ¹
<u>Roadways</u>	
Manuel Campos Parkway	\$51,688,991
Vanden Road	\$57,746,000
Peabody Road	\$37,013,000
New Cannon Road	\$62,930,000
McCrary Road Extension	\$14,398,000
West Texas Complete Streets	\$17,230,000
General, ITS	<u>\$46,283,000</u>
Subtotal: Roadways	\$287,288,991
<u>Intersections</u>	
Air Base Parkway at Walters	\$1,317,500
Air Base Parkway at Clay Bank	\$144,925
Air Base Parkway at Dover	<u>\$8,807,000</u>
Subtotal: Intersections	\$10,269,425
<u>Interchanges</u>	
I-80 / SR 12 at Red Top / Business Center Drive	\$75,413,000
I- 80 at Green Valley Road	\$10,400,000
I- 80 at Suisun Valley Road	<u>\$16,532,000</u>
Subtotal: Interchanges	\$102,345,000
<u>Misc. Signals</u>	
Northeast Traffic Signal Improvements	\$8,260,547
Citywide Traffic Signal Improvements	<u>\$9,410,781</u>
Subtotal: Misc. Signals	\$17,671,328
Total Project Costs	\$417,574,745

[1] Cost estimates by Coastland, CBG, and City staff and are in 2022 dollars.

Source: City of Fairfield; Coastland; CBG; Economic & Planning Systems, Inc.

Transportation Improvement Program Net Costs

Table 8 shows the specific non-fee funding that is expected to be allocated for transportation improvements. This funding is netted out of the total transportation improvement costs to determine the net transportation costs. The total identified funding sums to \$130.2 million, leaving a total net transportation improvement cost of \$287.4 million. These total net costs will be allocated to the fee program based on the demand for transportation improvements generated by new growth in the City. **Figure 2** illustrates the net program costs by project category.

Table 8 Net Transportation Improvement Program Costs

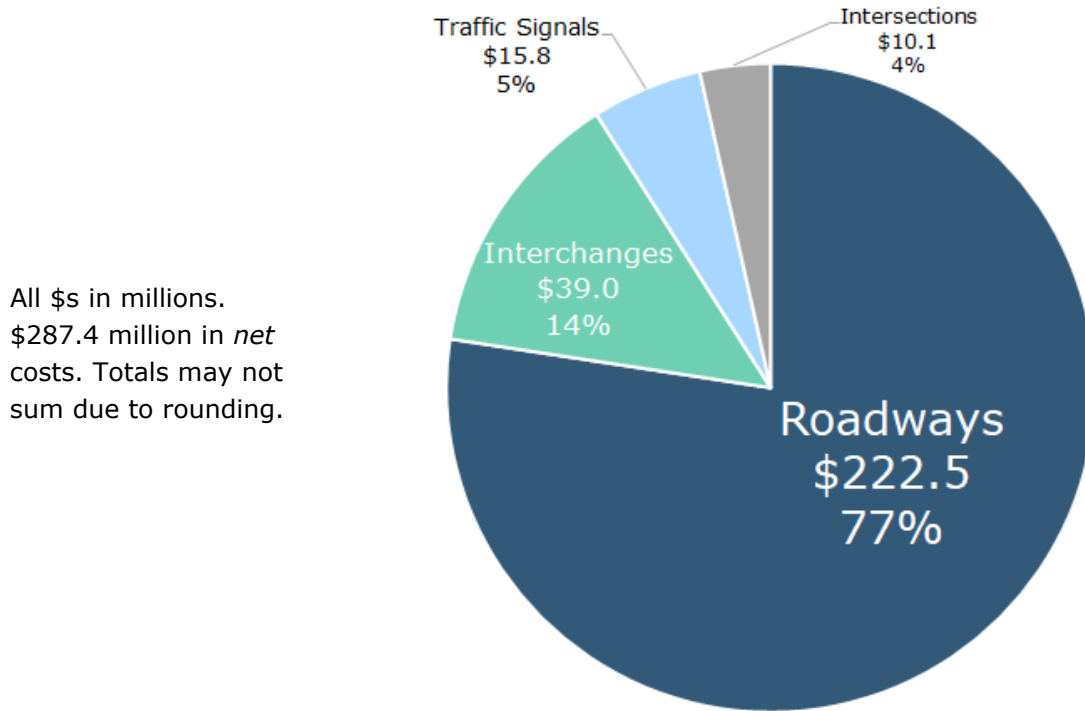
Improvement Item	Gross Improvement Cost ¹	Identified Outside Funding ²	Net Improvement Costs
Roadways			
Manuel Campos Parkway	\$51,688,991	\$8,501,466	\$43,187,525
Vanden Road	\$57,746,000	\$23,640,167	\$34,105,833
Peabody Road	\$37,013,000	\$9,521,750	\$27,491,250
New Cannon Road	\$62,930,000	\$5,130,000	\$57,800,000
McCrary Road Extension	\$14,398,000	\$5,807,000	\$8,591,000
West Texas Complete Streets	\$17,230,000	\$11,436,900	\$5,793,100
General, ITS	<u>\$46,283,000</u>	<u>\$800,000</u>	<u>\$45,483,000</u>
Subtotal: Roadways	\$287,288,991	\$64,837,283	\$222,451,708
Intersections			
Air Base Parkway at Walters	\$1,317,500	\$0	\$1,317,500
Air Base Parkway at Clay Bank	\$144,925	\$144,925	\$0
Air Base Parkway at Dover	<u>\$8,807,000</u>	<u>\$0</u>	<u>\$8,807,000</u>
Subtotal: Intersections	\$10,269,425	\$144,925	\$10,124,500
Interchanges			
I-80 / SR 12 at Red Top / Business Center Drive	\$75,413,000	\$59,247,000	\$16,166,000
I- 80 at Green Valley Road	\$10,400,000	\$4,136,500	\$6,263,500
I- 80 at Suisun Valley Road	<u>\$16,532,000</u>	<u>\$0</u>	<u>\$16,532,000</u>
Subtotal: Interchanges	\$102,345,000	\$63,383,500	\$38,961,500
Misc. Signals			
Northeast Traffic Signal Improvements	\$8,260,547	\$0	\$8,260,547
Citywide Traffic Signal Improvements	<u>\$9,410,781</u>	<u>\$1,836,758</u>	<u>\$7,574,023</u>
Subtotal: Misc. Signals	\$17,671,328	\$1,836,758	\$15,834,570
Total Project Costs	\$417,574,745	\$130,202,466	\$287,372,279

[1] Cost estimates by Coastland, CBG, and City staff and are in 2022 dollars.

[2] Outside funding sources include county, regional, state, and federal transportation resources. Funding for improvements at project approvals may occur if the need for a specific improvement (typically traffic signals) is triggered by the project seeking approval.

Source: City of Fairfield; Coastland; CBG; Economic & Planning Systems, Inc.

Figure 2 Transportation Improvement Program Net Costs by Category



Transportation Improvement Program: Northeast and Citywide Projects

The net transportation costs of \$287 million are allocated between different sources of travel demand based on the findings of the F&P traffic analysis (see **Appendix B**) and City input. In 2013, F&P analyzed transportation demand based on projected growth in trips in Fairfield and identified projects where demand is being primarily driven by growth in the Northeast and projects where demand is primarily driven by growth throughout the City. These improvement-specific analyses identified several projects where demand was primarily driven by in the new Northeast development. All of these projects are located in or adjacent to the Northeast growth area. Projects were then grouped as those primarily serving the Northeast area and those primarily serving growth Citywide. The 2022 F&P transportation analysis conducted similar transportation analysis for the updated set of transportation improvement projects that primarily serve the Northeast Area and those that more evenly serve growth throughout the City. Because the new transportation improvement projects are not required to fill existing deficiencies, the 2022 F&P transportation analysis allocated improvement costs between different types of new growth. **Table 9** reports the same net improvements costs shown in **Table 8** but separated into these two categories of projects and indicates:

- **Northeast Transportation Improvements.** Net costs of projects primarily serving growth in the Northeast sum to \$179.4 million.
- **Citywide Transportation Improvements.** Net costs of projects serving the growth in the City as a whole sum to \$107.9 million.

Table 9 TIP Net Costs, Organized by Northeast and Citywide-Serving Projects

Improvement Item	Net Improvement Cost
Roadway Improvements	
<u>Northeast Roadways</u>	
Manuel Campos Parkway	\$43,187,525
Vanden Road	\$34,105,833
Peabody Road	\$27,491,250
New Cannon Road	\$57,800,000
McCrary Road Extension	<u>\$8,591,000</u>
Subtotal Northeast	\$171,175,608
<u>Citywide-Serving Roadways</u>	
West Texas Complete Streets	\$5,793,100
General, ITS	<u>\$45,483,000</u>
Subtotal Citywide	\$51,276,100
Total Roadway Improvements	\$222,451,708
Intersection Improvements	
<u>Citywide-Serving Intersections</u>	
Air Base Parkway at Walters	\$1,317,500
Air Base Parkway at Clay Bank	\$0
Air Base Parkway at Dover	<u>\$8,807,000</u>
Total Citywide Intersections	\$10,124,500
Traffic Signal Improvements	
Northeast Traffic Signal Improvements	\$8,260,547
Citywide Traffic Signal Improvements	<u>\$7,574,023</u>
Total Traffic Signal Improvements	\$15,834,570
Interchanges	
<u>Citywide-Serving Interchanges</u>	
I-80 / SR 12 at Red Top / Business Center Drive	\$16,166,000
I- 80 at Green Valley Road	\$6,263,500
I- 80 at Suisun Valley Road	<u>\$16,532,000</u>
Total Citywide Interchanges	\$38,961,500
Total Northeast	\$179,436,155
Total Citywide-Serving Projects, located outside NE Area	<u>\$107,936,124</u>
Total Transportation Costs	\$287,372,279

Source: City of Fairfield; Coastland; CBG; Economic & Planning Systems, Inc.

Transportation Improvement Program Cost Allocation

The net transportation costs of \$287 million are allocated between different sources of travel demand based on the findings of the F&P traffic analysis. These findings were used to allocate the appropriate costs to the Northeast Area Fee program and the Citywide Fee program. As described further below, the Citywide Fee program was divided into a Northeast Zone and a Rest of City Zone (that encompasses the Heart of Fairfield) to ensure cost allocations met nexus requirements. There are two primary steps in the cost allocation process as described below.

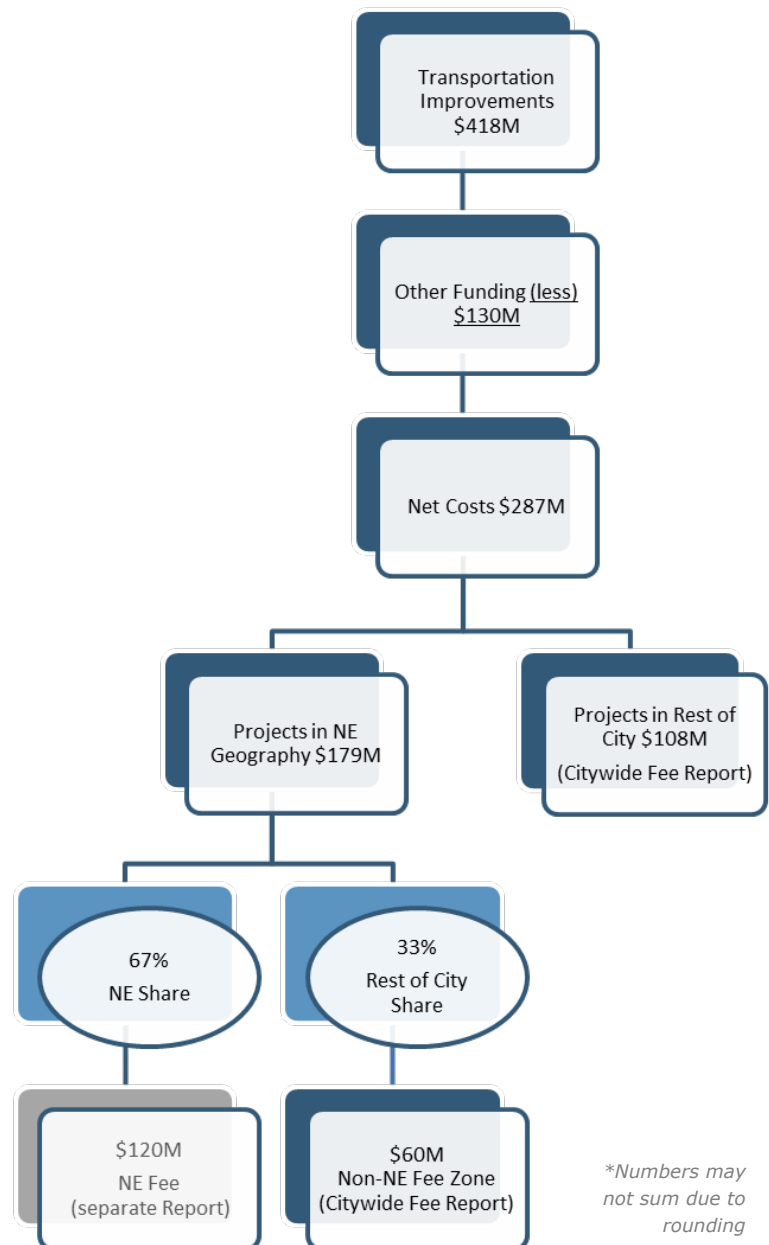
Step 1: Allocate Northeast Transportation Improvement Costs to Northeast Fee Program and Citywide Fee Program (and associated zones) based on Traffic Analysis.

Northeast transportation projects would not be required but for the new development plans in the northeast, so all net costs are allocated to new development. Northeast transportation projects will primarily serve new northeast development but will also serve new development elsewhere in the City. As described in **Appendix B**, about two-thirds of trips from new Fairfield development are expected to be generated by Northeast Fairfield development, while one-third of trips are expected from new development elsewhere in the City of Fairfield.

Figure 3 Step 1 in the Fee Allocation: Two-Thirds/ One-Third Split for NE Projects

Figure 3 illustrates this allocation, showing:

- Gross program costs totaling \$418 million
- (less) outside funding, results in \$287 million
- Separation of projects into their primary geographies
 - Projects in the rest of the City total \$108 million



- Projects in the Northeast Area total \$179 million
 - Allocation of Northeast Area project costs two-thirds to the northeast development (see Northeast Fee Report) and one-third to Non-Northeast (Rest of City) Fee Zone in this Citywide Fee Report

As a result of this split, of the \$179 million in net Northeast Area project costs, about two-thirds of the costs, \$120 million, are allocated to new development in the Northeast Area. The remaining one-third of Northeast Transportation costs associated with new development in the rest of the City (\$60 million) is allocated to the Citywide Fee Program, but only to the growth in the Rest of City Zone.

The 67 percent/33 percent allocation to the Northeast Area/Rest of City for the Northeast Area improvement projects was maintained from the prior DIF Study based on the F&P travel demand modelling results and consultation with the City, including the following specific items and considerations:

- Proportional gross trip generation for the two areas.
- Proportional trip assignment to the specific improvement locations for the two areas, including a review of alternative ways of assigning responsibility for trips that travel between the two areas to assess the range of proportional outcomes.
- The fact that many of the Northeast Area improvement projects will provide direct access to new Northeast Area development and would not be constructed but for that new development.

Step 2: Allocate Transportation Improvement Costs Outside of Northeast Area to Citywide Fee Program based on Traffic Analysis.

The projects outside of the Northeast Area, with a net cost of \$108 million, will serve all City development, including new development in the northeast and in the rest of the City. Based on the traffic analysis in **Appendix B**, about 7 percent of the Citywide transportation improvements costs, \$8 million, are associated with growth from outside the City. The remaining 93 percent, \$100 million, is associated with new Citywide growth.

Figure 4 illustrates this allocation as **Figure 3** does, from gross to net costs, focusing on the \$108 million cost associated with transportation projects outside of the Northeast area.

Figure 4 Step 2 in Fee Calculation: 93/7 Split for Non-Northeast Projects

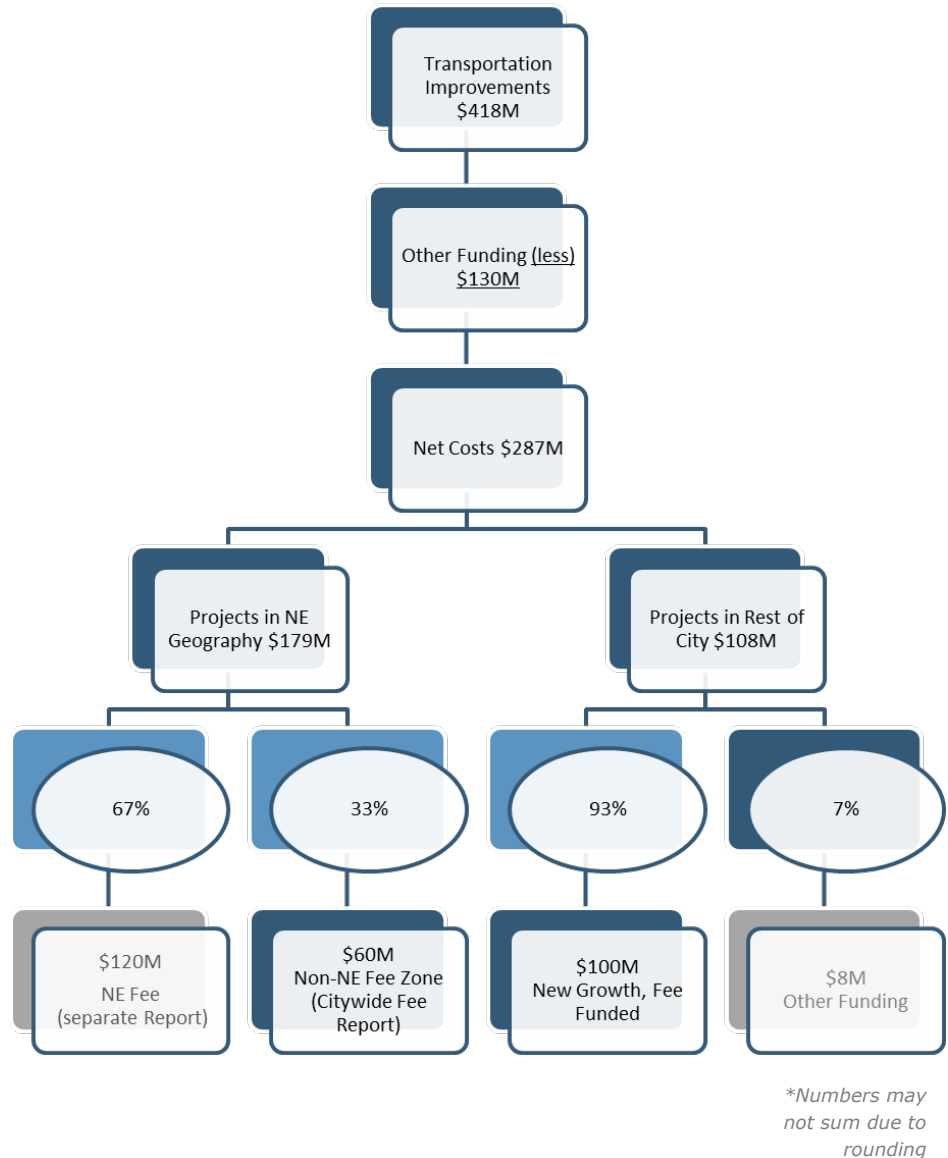


Table 10 reports the net project costs and allocations to Citywide growth, Northeast growth, Rest of City growth, and Existing development.

Table 10 Net Transportation Costs to Citywide and Northeast Fee Programs

Improvement Item	Net Improvement Costs (1)	Funding Sources			
		Percent Allocation (2) to:			
		Citywide Development Fee (3)	Rest of City Growth, Non-Northeast	Other Funding (4)	Existing Development / Growth from Outside Fairfield
		Citywide Growth		Northeast Growth	
Northeast Projects					
<u>Northeast Roadways (5)</u>					
Manuel Campos Parkway	\$43,187,525	0%			
Vanden Road	\$34,105,833	0%			
Peabody Road	\$27,491,250	0%	33%	67%	0%
New Canon Road	\$57,800,000	0%			
McCrary Road Extension	<u>\$8,591,000</u>	0%			
Northeast Roadways Total	\$171,175,608	\$0	\$57,058,536	\$114,117,072	\$0
<u>Northeast Traffic Signal Improvements</u>					
Northeast Traffic Signal Improvements Total	\$8,260,547	0%	33%	67%	
			\$2,753,516	\$5,507,031	
Total Northeast	\$179,436,155	\$0	\$59,812,052	\$119,624,104	\$0
Northeast Projects Allocation	100%	0%	33.3%	66.7%	0%
Citywide-Serving Projects, Located outside of NE Area					
<u>Roadways</u>					
West Texas Complete Streets	\$5,793,100	97%	0%	0%	3%
General, Intelligent Transportation Systems	<u>\$45,483,000</u>	100%	0%	0%	0%
Citywide Roadways Total	\$51,276,100	\$51,102,307	\$0	\$0	\$173,793
<u>Intersections</u>					
Air Base Parkway at Walters Road	\$1,317,500	72%	0%	0%	28%
Air Base Parkway at Clay Bank Road	\$0	89%	0%	0%	11%
Air Base Parkway at Dover Avenue	<u>\$8,807,000</u>	83%	0%	0%	17%
Citywide Intersections Total	\$10,124,500	\$8,258,410	\$0	\$0	\$1,866,090
<u>Citywide Traffic Signal Improvements</u>					
Citywide Traffic Signal Improvements Total	<u>\$7,574,023</u>	100%	0%	0%	0%
	\$7,574,023	\$7,574,023	\$0	\$0	\$0
<u>Interchanges</u>					
I-80 / SR 12 at Red Top / Business Center Drive	\$16,166,000	65%	0%	0%	35.0%
I-80 at Green Valley Road	\$6,263,500	98%	0%	0%	2%
I-80 at Suisun Valley Road	<u>\$16,532,000</u>	100%	0%	0%	0%
Citywide Interchanges Total	\$38,961,500	\$33,178,130	\$0	\$0	\$5,783,370
Total Citywide-Serving Projects, located outside NE Area	\$107,936,124	\$100,112,871	\$0	\$0	\$7,823,253
Citywide Projects Allocation	100%	93%	0%	0%	7%
Total Net Costs: Northeast + Citywide	\$287,372,279	\$100,112,871	\$59,812,052	\$119,624,104	\$7,823,253

(1) Costs after identified outside funding has been subtracted from the total project costs, see previous table.

(2) Percent allocations are based on a review of the traffic model for the City and broader region.

(3) Citywide Development Program is the subject of this Report. The costs in these columns are carried through the rest of the Report.

(4) Other Funding needed reflects costs allocated to the Northeast Fee Program (documented in a separate report) and costs associated with growth outside of Fairfield. The costs in these columns are not carried forward in this Report in terms of calculating the fee.

(5) See Appendix B for traffic analysis which is the basis for the one-third/two-thirds cost split to Citywide Development Fee and Northeast Area fee.

Source: Coastland; Fehr & Peers; CBG; Economic & Planning Systems, Inc.

Step 3: Aggregation of Costs to the Northeast Fee and Citywide Fee Programs.

- **Northeast Fee Program.** Consistent with the cost allocations described in Step 1, the maximum Northeast Area transportation impact fee can be estimated based on a cost of allocation of \$120 million to new Northeast development. The Northeast fee program and associated additional technical analysis is documented in the separate Northeast Fee technical report. Therefore, the \$120 million net costs in the Northeast Fee Program are not analyzed further in this Report.
- **Citywide Development Fee.** Consistent with the cost allocations described in Steps 1 and 2, the Citywide Transportation Impact Fee by Zone can be estimated based on \$100 million in non-Northeast project costs allocated to new growth Citywide and \$60 million in Northeast area projects allocated to growth in the Rest of the City (all areas outside of the Northeast), as shown in **Table 10**.

Step 4: Derive Average Cost per Trip

Trip generation rates by land use category are used to determine the number of trips generated by new development by 2040 (see **Appendix B** for details on trip generation rates). The 2020-2040 development projections (**Table 5**) are multiplied by each land use's trip generation rate to derive the total number of new trips generated by 2040. **Table 11** multiplies the development projections from **Table 5** by the relevant trip generation rates to arrive at the total number of trips generated by development area. Note that development in the Heart of Fairfield (HoF) is attributed lower trip generation rates as it is a Transit-Oriented Development (TOD) area. As shown, a total of 14,313 additional trips are projected to be generated by new development by 2040, with 6,915 generated from the Northeast Area and 7,398 from the Rest of City.

Table 11 Total Trip Generation by 2040

Development Type	New Trips per Unit		Northeast Area	Rest of City (RoC)			Total City
	/ 1,000 Sq. Ft. ¹			HoF	Non-HoF	Total RoC	
	Citywide	HoF					
Growth							
Residential (Units)							
Single-Family			4,779	6	1,541	1,547	6,326
Multifamily			<u>2,581</u>	<u>1,447</u>	<u>1,983</u>	<u>3,430</u>	<u>6,011</u>
Total Residential			7,360	1,453	3,524	4,977	12,337
Nonresidential (Sq. Ft.)							
Retail			19,102	12,632	21,072	33,704	52,806
Commercial ²			70,508	200,288	687,953	888,241	958,750
Office/ Medical			0	0	439,681	439,681	439,681
Industrial			<u>1,000,000</u>	<u>0</u>	<u>3,520,192</u>	<u>3,520,192</u>	<u>4,520,192</u>
Total Non-Residential			1,089,610	212,920	4,668,898	4,881,818	5,971,428
Trips ³							
Residential (Units)							
Single-Family	1.00	0.88	4,779	5	1,541	1,546	6,325
Multifamily	0.56	0.49	<u>1,445</u>	<u>713</u>	<u>1,110</u>	<u>1,824</u>	<u>3,269</u>
Total Residential			6,224	718	2,651	3,370	9,594
Nonresidential (Sq. Ft.)							
Retail	10.38	9.13	198	115	219	334	532
Commercial ²	2.02	1.78	142	356	1,390	1,746	1,888
Office/ Medical	1.63	1.43	0	0	717	717	717
Industrial	0.35	0.31	<u>350</u>	<u>0</u>	<u>1,232</u>	<u>1,232</u>	<u>1,582</u>
Total Non-Residential			691	471	3,557	4,029	4,719
Total Trips			6,915	1,190	6,209	7,398	14,313

[1] Trip generation rates from Fehr & Peers traffic modeling, see **Appendix B**.

[2] Commercial includes retail uses with relatively low trip generation rates.

[3] Multiplies growth values by relevant New Trips per Unit / 1,000 Sq. Ft. values.

Source: Fehr & Peers; Economic & Planning Systems, Inc.

An average cost per trip is derived for both the Citywide-Serving Projects cost and the portion of the NE Area Projects cost allocated to Rest of City development by dividing these costs by the trip generation totals both Citywide and for the Rest of City (Non-Northeast Area) development. For the Citywide-Serving Project portion, the total cost for citywide-serving transportation projects derived in **Table 10** (less the seven percent attributable to existing growth / growth outside of Fairfield) is divided by the total trip generation from all new development citywide (per **Table 11**) to arrive at the average per-trip cost of \$6,994 shown in **Table 12**. For the NE Area Project portion, the cost of NE Area Projects that are attributed to Rest of City growth from **Table 10** is divided by the new trips generated from Rest of City growth (**Table 11**) to arrive at the average per-trip cost of \$8,085 for NE Area Projects in **Table 12**.

Table 12 Average Cost per Trip – Citywide and NE Area Projects

Item	Citywide Projects	NE Area Projects
Total CIP Cost	\$100,112,871 ¹	\$59,812,052 ²
New Trips Generated by Projected Area Growth ³	14,313	7,398
Average Cost per Trip	\$6,994	\$8,085

[1] Per **Table 10**. Represents total Citywide-Serving Project costs allocated to total citywide growth. Excludes the \$7,823,253 allocated to Existing Development / Growth from Outside Fairfield and excluded from Fee Program.

[2] Per **Table 10**. Represents total Northeast Area Project costs allocated to Rest of City (Non-Northeast Area) development.

[3] Per **Table 11**.

Source: Economic & Planning Systems, Inc.

Step 5: Derive Citywide Development Fee Levels Based on Trips by Land Use

Trip generation rates are a typical measure of demand for new transportation infrastructure (see **Appendix B** for details on trip generation rates by land use category). There are three separate zones in the City with varying fee levels – The Northeast Area, the Heart of Fairfield (HoF), and the Rest of City (RoC). The Rest of City (RoC) area, which includes all development that is outside both the NE Area and the HoF, is addressed first. The average costs per trip derived in **Table 12** are carried into **Table 13** where they are multiplied by each land use category's specified trip generation rate. For each single-family unit built in the RoC area, the maximum nexus-justified fee level is \$15,079, comprised of \$6,994 for Citywide-Serving Projects and \$8,085 for the RoC's portion of NE Area Projects.

Table 13 Maximum Citywide Fee for Rest of City (RoC) Development

Development Type	New Trips per Unit / 1,000 Sq. Ft. ¹	Maximum Fees for RoC Development (Non-HoF)		
		Citywide Project (Base) Portion ²	NE Area Project Portion ²	Total Transportation Fee Burden
Baseline Cost per Trip ³		\$6,994	\$8,085	
<u>Residential (Per Unit)</u>				
Single-Family	1.00	\$6,994	\$8,085	\$15,079
Multifamily	0.56	\$3,917	\$4,527	\$8,444
<u>Nonresidential (Per Sq. Ft.)</u>				
Retail	10.38	\$72.60	\$83.92	\$156.52
Commercial	2.02	\$14.13	\$16.33	\$30.46
Office/ Medical	1.63	\$11.40	\$13.18	\$24.58
Industrial	0.35	\$2.45	\$2.83	\$5.28

[1] Trip generation rates from Fehr & Peers traffic modeling, see **Appendix B**.

[2] Values in this column derived by multiplying the Baseline Cost per Trip by each land use category's specific trip generation rate. Note that Nonresidential trip generation rates are per-1,000 square feet but maximum fee levels shown are converted to a per-square foot basis.

[3] Per **Table 12**.

Source: Economic & Planning Systems, Inc.

Table 14 below uses the same logic described above to derive the maximum Citywide fee results for developments built in the NE Area. Note that only the Citywide Fee portion for NE Area development is shown below, as the NE Area Project-based Fee for NE Area development is documented in a separate NE Area Fee Report, so the fee burden shown is not the total maximum transportation fee burden that can be charged to NE Area development.

Table 14 Maximum Citywide Fees for Northeast Area Development

Development Type	New Trips per Unit / 1,000 Sq. Ft. ¹	Maximum Citywide Transportation Fees for NE Area Development Citywide Project (Base) Portion ²
Baseline Cost per Trip ³		\$6,994
<u>Residential (Per Unit)</u>		
Single-Family	1.00	\$6,994
Multifamily	0.56	\$3,917
<u>Nonresidential (Per Sq. Ft.)</u>		
Retail	10.38	\$72.60
Commercial	2.02	\$14.13
Office/ Medical	1.63	\$11.40
Industrial	0.35	\$2.45

[1] Trip generation rates from Fehr & Peers traffic modeling, see **Appendix B**.

[2] Values in this column derived by multiplying the Baseline Cost per Trip by each land use category's specific trip generation rate. Note that Nonresidential trip generation rates are per-1,000 square feet but maximum fee levels shown are converted to a per-square foot basis.

[3] Per **Table 12**.

Source: Economic & Planning Systems, Inc.

As shown in **Table 14**, the maximum Citywide Fee portion from citywide-serving projects is the same for developments built both in the Northeast Area and the RoC at \$6,994 per Single-Family unit. **Table 15** demonstrates the maximum Citywide Transportation Fee for developments built in the Heart of Fairfield (HoF) area. The same baseline costs per trip are used, and with the lower trip generation rates attributable to HoF development due to their TOD discount, the maximum fee levels are subsequently lower. The total maximum transportation fee burden for a Single-Family unit built in the HoF is \$13,269, consisting of \$6,155 from the Citywide Project portion and \$7,114 from the NE Area Project portion.

Table 15 Maximum Citywide Fees for Heart of Fairfield (HoF) Development

Development Type	New Trips per Unit / 1,000 Sq. Ft. ¹	Maximum Fees for HoF Development		
		Citywide Project (Base) Portion ²	NE Area Project Portion ²	Total Transportation Fee Burden
Baseline Cost per Trip ³		\$6,994	\$8,085	
<u>Residential (Per Unit)</u>				
Single-Family	0.88	\$6,155	\$7,114	\$13,269
Multifamily	0.49	\$3,447	\$3,984	\$7,431
<u>Nonresidential (Per Sq. Ft.)</u>				
Retail	9.13	\$63.89	\$73.85	\$137.74
Commercial	1.78	\$12.43	\$14.37	\$26.80
Office/ Medical	1.43	\$10.03	\$11.60	\$21.63
Industrial	0.31	\$2.15	\$2.49	\$4.64

[1] Trip generation rates from Fehr & Peers traffic modeling, see **Appendix B**.

[2] Values in this column derived by multiplying the Baseline Cost per Trip by each land use category's specific trip generation rate. Note that Nonresidential trip generation rates are per-1,000 square feet but maximum fee levels shown are converted to a per-square foot basis.

[3] Per **Table 12**.

Source: Economic & Planning Systems, Inc.

Proposed Citywide Transportation Fees

Cities can choose to set fees at a rate equal to or lower than the maximum justifiable fees in order to advance policy objectives (e.g., to lessen the cost burden of fees on certain types of new development). To the extent the City does charge fees below the maximum allowable levels (without reducing service standards or removing capital improvements), the City will need to use other sources of funding.

City staff provided direction on when fees should be reduced below the maximum levels based on funding and policy considerations. Those cases included limiting fees on certain non-residential uses where the maximum fees could cause development feasibility issues as well as limiting the level of development impact fees charged to new development in the Heart of Fairfield Specific Plan area. Where non-residential fee increases were constrained below the maximum level, City staff proposed that increases be limited to 7.3 percent.⁵ Unlike in 2013, the 2022 Update proposes to charge new residential development in the Rest of the City its maximum allowable contribution to Northeast Area improvements through the Citywide transportation impact fee.

City staff direction on proposed fee levels and the associated differences between maximum justifiable fees and proposed fees are described below.

Proposed Fee Levels for Rest of City (RoC) Development

For developments built in the RoC (outside of the Heart of Fairfield), the proposed fee levels for residential developments are set at the maximum allowable levels. At present, developments in the RoC do not contribute to NE Area transportation improvement projects, though the new proposed fee levels envision charging the full allowable NE Area project portion fees to these developments. The proposed fee levels for non-industrial commercial land uses (Retail, Commercial, and Office/ Medical) and Manufacturing are set at a 7.3 percent increase over current levels. The Warehouse/Distribution/Speculative (WDS) proposed fee levels are set at the maximum allowable levels.

Proposed Fee Levels for Heart of Fairfield (HoF) Development

Fee levels for residential development built in the HoF are proposed to decrease by 24 percent for single-family and 35 percent for multifamily uses over current fee levels. These decreases are the result of: (1) the lower trip generation rates associated with new development in the HoF; and (2) a policy decision to not charge the portion of the fees that help fund NE Area transportation improvement projects to new HoF development. Proposed fee levels for all non-industrial commercial uses are proposed to be unchanged and set at the current existing fee levels. Proposed fee levels for WDS uses are set at the full maximum allowable fee burden, while the proposed fee levels for Manufacturing uses increase by the same 7.3 percent over existing levels as described in the above paragraph.

⁵ The 2022 Northeast Area Fee Update (under separate cover) identified a maximum Northeast Area fee increase of 7.3 percent for new single-family development; City staff proposes limiting increases in selected Citywide non-residential fees to this same level of increase.

Proposed Fee Levels for Northeast Area Development

In the Northeast Area, proposed fee levels for residential developments are set at the maximum allowable levels. The proposed fee levels for non-industrial commercial land uses (Retail, Commercial, and Office/ Medical) are set at a 7.3 percent increase over current levels, which is well below the maximum allowable levels. The Warehouse/Distribution/Speculative (WDS) and Manufacturing proposed fee levels are set at the maximum allowable levels. As noted previously, the additional Northeast Area fee component of the Citywide transportation fee does not apply to new Northeast Area development as it covers its obligation to those improvements through the separate 2022 Northeast Area fee (developed under separate cover/ nexus study).

Table 16, Table 17, and Table 18 report the current fees, maximum supportable fees based on nexus criteria, proposed fees based on City policy direction, and the percent change these proposed fees represent from the current fees for each development area in the City. **Table 16** shows these values for developments built in the Rest of City (Non-HoF outside of the NE Area), **Table 17** shows values for Heart of Fairfield development, and **Table 18** for Northeast Area development. Note that the fee levels shown for the Northeast Area represent only the Citywide Fee portion charged to Northeast Area Development and are not reflective of their total fee burden. These developments will also be charged a Northeast Area Fee in addition to the values shown in **Table 18** which are documented in a separate report.

Figure 5 illustrates the current, maximum, and proposed Citywide transportation fees for single-family residential development in all three areas of the City. Note the Northeast Area values shown in **Figure 5** represent only the Citywide portion of transportation impact fees charged to developments in the Northeast Area - the total fee burden for Northeast Area developments also includes an additional Northeast Area fee which is documented in a separate report.

Note that in the tables below, the Industrial development type has been split into either Warehouse / Distribution / Speculative (WDS) or Manufacturing. This split is based on further policy direction from the City, and the proposed fees for these new land uses are based on the nexus criteria for the overarching Industrial category.

Table 16 Current, Maximum, and Proposed Transportation Fees – Rest of City Development (Non-HoF)

Rest of City (RoC) Development Type	Current Fees ¹			Maximum Fees ²			Proposed Fees ³			% Change: Total Fee Burden	
	Base Portion	NE Area Portion	Total Fee Burden	Base Portion	NE Area Portion	Total Fee Burden	Base Portion	NE Area Portion	Total Fee Burden	Current to Maximum	Current to Proposed
<u>Residential (Per Unit)</u>											
Single-Family	\$8,112	\$0	\$8,112	\$6,994	\$8,085	\$15,079	\$6,994	\$8,085	\$15,079	86%	86%
Multifamily	\$5,276	\$0	\$5,276	\$3,917	\$4,527	\$8,444	\$3,917	\$4,527	\$8,444	60%	60%
<u>Nonresidential (Per Sq. Ft.)</u>											
Retail	\$18.69	\$0.00	\$18.69	\$72.60	\$83.92	\$156.52	\$20.05	\$0.00	\$20.05	737%	7%
Commercial	\$7.51	\$0.00	\$7.51	\$14.13	\$16.33	\$30.46	\$8.06	\$0.00	\$8.06	306%	7%
Office/ Medical	\$4.54	\$0.00	\$4.54	\$11.40	\$13.18	\$24.58	\$4.87	\$0.00	\$4.87	441%	7%
Industrial	\$3.17	\$0.00	\$3.17	\$2.45	\$2.83	\$5.28	-	-	-		
WDS ⁴	-	-	-	-	-	-	\$2.45	\$2.83	\$5.28	66%	66%
Manufacturing	-	-	-	-	-	-	\$2.45	\$0.95	\$3.40	66%	7%

[1] Per City of Fairfield Development Department Fees Effective April 1, 2021.

[2] Maximum fees as reported in **Table 13**.

[3] Based on policy direction from City of Fairfield.

[4] Warehouse / Distribution / Speculative. This and the Manufacturing development type create two subcategories into which new Industrial developments will be grouped.

Source: City of Fairfield; Economic & Planning Systems, Inc.

Table 17 Current, Maximum, and Proposed Transportation Fees – Heart of Fairfield (HoF) Development

Heart of Fairfield (HoF) Development Type	Current Fees ¹			Maximum Fees ²			Proposed Fees ³			% Change: Total Fee Burden	
	Base Portion	NE Area Portion	Total Fee Burden	Base Portion	NE Area Portion	Total Fee Burden	Base Portion	NE Area Portion	Total Fee Burden	Current to Maximum	Current to Proposed
<u>Residential (Per Unit)</u>											
Single-Family	\$8,112	\$0	\$8,112	\$6,155	\$7,114	\$13,269	\$6,155	\$0	\$6,155	64%	-24%
Multifamily	\$5,276	\$0	\$5,276	\$3,447	\$3,984	\$7,431	\$3,447	\$0	\$3,447	41%	-35%
<u>Nonresidential (Per Sq. Ft.)</u>											
Retail	\$18.69	\$0.00	\$18.69	\$63.89	\$73.85	\$137.74	\$18.69	\$0.00	\$18.69	637%	0%
Commercial	\$7.51	\$0.00	\$7.51	\$12.43	\$14.37	\$26.80	\$7.51	\$0.00	\$7.51	257%	0%
Office/ Medical	\$4.54	\$0.00	\$4.54	\$10.03	\$11.60	\$21.63	\$4.54	\$0.00	\$4.54	376%	0%
Industrial	\$3.17	\$0.00	\$3.17	\$2.15	\$2.49	\$4.64	-	-	-		
WDS ⁴	-	-	-	-	-	-	\$2.15	\$2.49	\$4.64	47%	47%
Manufacturing	-	-	-	-	-	-	\$2.15	\$1.25	\$3.40	47%	7%

[1] Per City of Fairfield Development Department Fees Effective April 1, 2021.

[2] Maximum fees as reported in **Table 15**.

[3] Based on policy direction from City of Fairfield.

[4] Warehouse / Distribution / Speculative. This and the Manufacturing development type create two subcategories into which new Industrial developments will be grouped.

Source: City of Fairfield; Economic & Planning Systems, Inc.

Table 18 Current, Maximum, and Proposed Citywide Transportation Fees – Northeast Area Development

				% Change: Citywide Fees	
Northeast Area Development Type	Current Fees ¹	Maximum Fees ²	Proposed Fees ³	Current to Maximum	Current to Proposed
<u>Residential (Per Unit)</u>					
Single-Family	\$8,112	\$6,994	\$6,994	-14%	-14%
Multifamily	\$5,276	\$3,917	\$3,917	-26%	-26%
<u>Nonresidential (Per Sq. Ft.)</u>					
Retail	\$18.69	\$72.60	\$20.05	288%	7%
Commercial	\$7.51	\$14.13	\$8.06	88%	7%
Office/ Medical	\$4.54	\$11.40	\$4.87	151%	7%
Industrial	\$3.17	\$2.45	-		
WDS ⁵	-	-	\$2.45	-23%	-23%
Manufacturing	-	-	\$2.45	-23%	-23%

[1] Per City of Fairfield Development Department Fees Effective April 1, 2021.

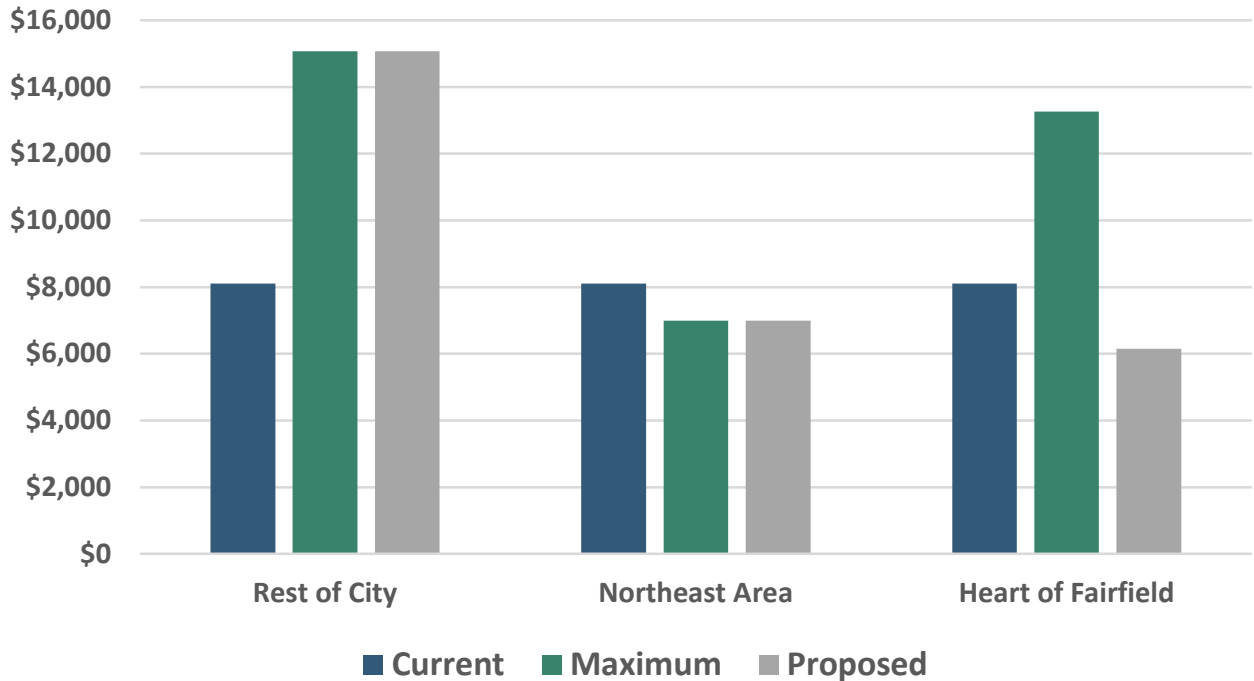
[2] Maximum fees as reported in **Table 14**.

[3] Based on policy direction from City of Fairfield.

[4] Warehouse / Distribution / Speculative. This and the Manufacturing development type create two subcategories into which new Industrial developments will be grouped.

Source: City of Fairfield; Economic & Planning Systems, Inc.

Figure 5 Current, Maximum, and Proposed Citywide Fee Burdens per Single-Family Residential Unit



Other Funding Required

The transportation program for Citywide and Northeast projects totals \$419 million. **Figure 6** illustrates the various allocations of that amount and identifies additional funding that is needed, with the bars showing the following (from left to right):

- Total program is \$418 million.
- \$130 million has already been identified from other funding sources, leaving \$287 million.
- \$120 million is allocated to the Northeast Fee Program (see separate report), of which \$113 million is anticipated in revenue from the proposed Northeast Fee levels, leaving \$175 million.
- \$119 million is expected in revenue from the proposed Citywide transportation fees.
- \$56 million in costs are identified as needing additional funding.

Figure 6 Total Program, Identified Funding, and Funding Needed (millions)

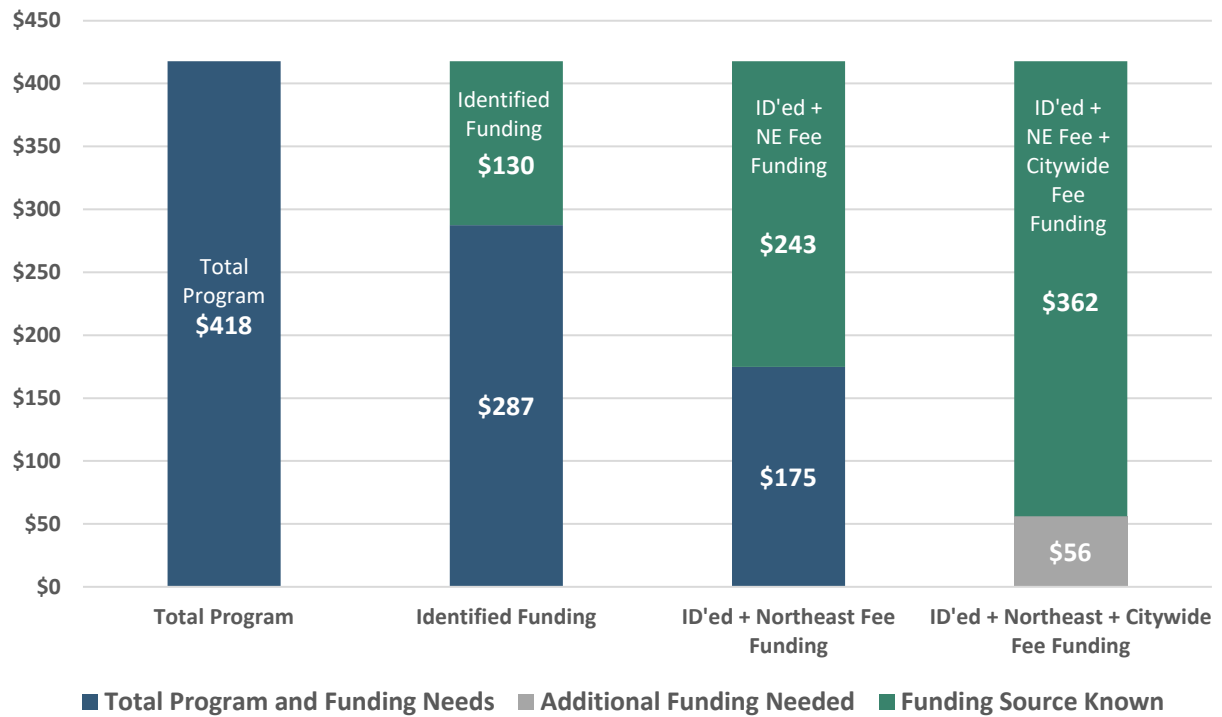
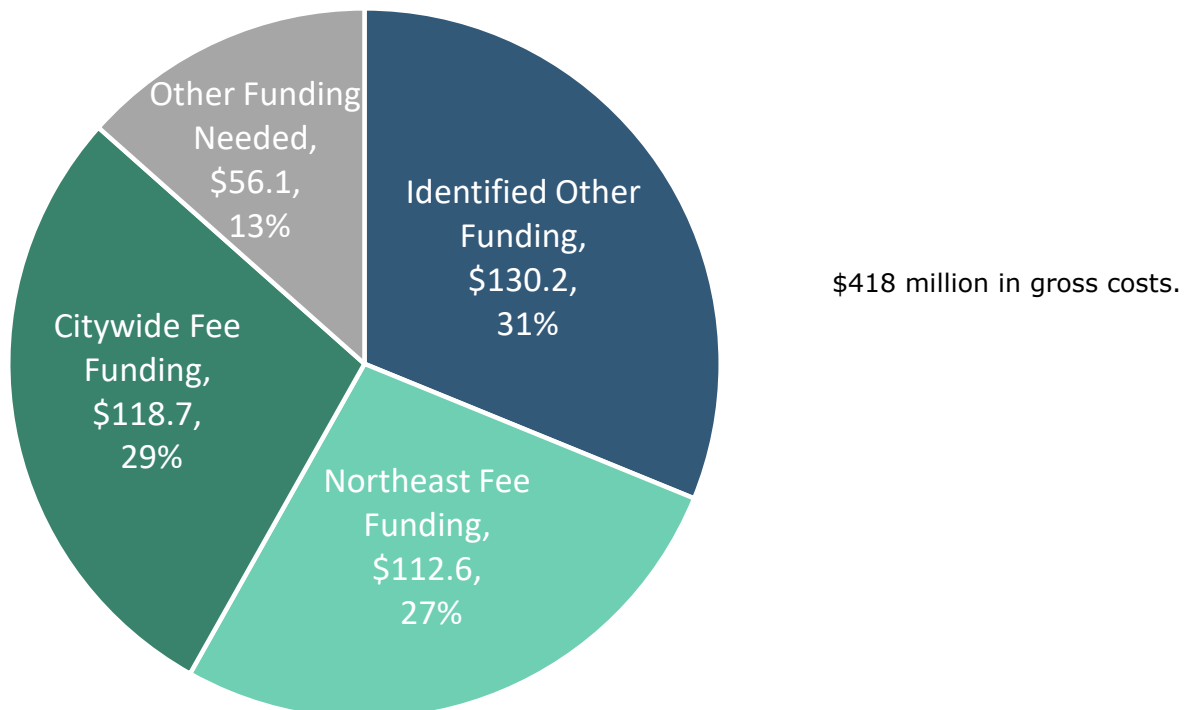


Figure 7 illustrates this same concept but in pie chart format which shows the relative proportions of costs. The City intends to raise the additional funding required over time from a range of sources, including the pursuit of additional State and federal transportation funding.

Figure 7 Illustration of \$418 Million Program, by Funding Source



APPENDIX A:

Comprehensive List of Transportation Projects



Improvement	Segment	Costs	Identified Funding Sources				Net Costs	Percent Cost Allocation				Dollar Cost Allocation to:			
			Cost Previously Allocated	Regional/Grant Funding	Developer Share	Total Identified Funding		Citywide AB 1600	Rest of City NE	NE Area AB 1600	General City	Citywide AB 1600	Rest of City NE	NE Area AB 1600	General City
NE AREA ROADWAY IMPROVEMENTS															
1	MANUEL CAMPOS PARKWAY	DOVER TO MYSTIC ¹	\$63,000	\$63,000	\$0	0%	\$63,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
2		MYSTIC TO DICKSON HILL - PHASE 1 ¹	\$7,348,991	\$6,529,466	\$0	0%	\$6,529,466	\$819,525	0%	33%	67%	0%	\$0	\$273,175	\$546,350
3		MYSTIC TO DICKSON HILL - PHASE 2 ¹	\$1,909,000	\$1,909,000	\$0	0%	\$1,909,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
4		DICKSON HILL TO CLAY BANK - WEST BOUND LANES	\$2,592,000	\$0	\$0	0%	\$0	\$2,592,000	0%	33%	67%	0%	\$0	\$864,000	\$1,728,000
5		CLAY BANK TO PORTLAND DRIVE - PHASE 1	\$2,287,000	\$0	\$0	0%	\$0	\$2,287,000	0%	33%	67%	0%	\$0	\$762,333	\$1,524,667
6		CLAY BANK TO PORTLAND DRIVE - PHASE 2	\$1,130,000	\$0	\$0	0%	\$0	\$1,130,000	0%	33%	67%	0%	\$0	\$376,667	\$753,333
7		PORTLAND DRIVE TO WALTERS - PHASE 1	\$10,631,000	\$0	\$0	0%	\$0	\$10,631,000	0%	33%	67%	0%	\$0	\$3,543,667	\$7,087,333
8		PORTLAND DRIVE TO WALTERS - PHASE 2	\$4,592,000	\$0	\$0	0%	\$0	\$4,592,000	0%	33%	67%	0%	\$0	\$1,530,667	\$3,061,333
9		PORTLAND DRIVE TO WALTERS - PHASE 3	\$290,000	\$0	\$0	0%	\$0	\$290,000	0%	33%	67%	0%	\$0	\$96,667	\$193,333
10		WALTERS TO NOONAN - PHASE 1	\$10,683,000	\$0	\$0	0%	\$0	\$10,683,000	0%	33%	67%	0%	\$0	\$3,561,000	\$7,122,000
11		WALTERS TO NOONAN - PHASE 2	\$4,838,000	\$0	\$0	0%	\$0	\$4,838,000	0%	33%	67%	0%	\$0	\$1,612,667	\$3,225,333
12		NOONAN TO PEABODY	\$4,075,000	\$0	\$0	0%	\$0	\$4,075,000	0%	33%	67%	0%	\$0	\$1,358,333	\$2,716,667
13		RIGHT-OF-WAY ACQUISITION	\$1,250,000	\$0	\$0	0%	\$0	\$1,250,000	0%	33%	67%	0%	\$0	\$416,667	\$833,333
		SUBTOTAL MANUEL CAMPOS PARKWAY	\$51,688,991	\$8,501,466	\$0	\$8,501,466	\$43,187,525	\$0	\$0	\$14,395,842	\$28,791,684	\$0	\$0	\$0	\$0
14	VANDEN ROAD	PEABODY TO WEST COLLECTOR (INTERSECTION #68) ¹	\$3,543,000	\$3,543,000	\$0	0%	\$3,543,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
15		WEST COLLECTOR TO LAKE ENTRANCE (INTERSECTION #41) ¹	\$9,433,000	\$9,433,000	\$0	0%	\$9,433,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
16		LAKE SIGNAL TO PHASE 2A LIMIT ¹	\$7,852,000	\$7,852,000	\$0	0%	\$7,852,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
17		PHASE 2A LIMIT TO SOUTH SIDE OF EMBANKMENT ²	\$7,683,000	\$210,642	\$0	0%	\$210,642	\$7,472,358	0%	33%	67%	0%	\$0	\$2,490,786	\$4,981,572
18		SOUTH SIDE OF EMBANKMENT TO NEW CANON ²	\$6,554,000	\$179,689	\$0	0%	\$179,689	\$6,374,311	0%	33%	67%	0%	\$0	\$2,124,770	\$4,249,541
19		NEW CANON TO NORTH SIDE OF EMBANKMENT ²	\$16,007,000	\$438,858	\$0	0%	\$438,858	\$15,568,142	0%	33%	67%	0%	\$0	\$5,189,381	\$10,378,761
20		NORTH SIDE OF EMBANKMENT TO CITY LIMIT ²	\$6,674,000	\$1,982,979	\$0	0%	\$1,982,979	\$4,691,021	0%	33%	67%	0%	\$0	\$1,563,674	\$3,127,348
		SUBTOTAL VANDEN ROAD	\$57,746,000	\$23,640,167	\$0	\$23,640,167	\$34,105,833	\$0	\$0	\$11,368,611	\$22,737,222	\$0	\$0	\$0	\$0
21	PEABODY ROAD	AIR BASE PARKWAY TO DOBE LANE ¹	\$2,111,000	\$2,111,000	\$0	0%	\$2,111,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
22		DOBE LANE TO HUNTINGTON	\$2,250,000	\$0	\$0	0%	\$0	\$2,250,000	0%	33%	67%	0%	\$0	\$750,000	\$1,500,000
23		HUNTINGTON TO NEW MARKELEY	\$2,093,000	\$1,569,750	\$0	0%	\$1,569,750	\$523,250	0%	33%	67%	0%	\$0	\$174,417	\$348,833
24		NEW MARKELEY TO VANDEN	\$87,000	\$0	\$0	0%	\$0	\$87,000	0%	33%	67%	0%	\$0	\$29,000	\$58,000
25		UPRR OVERCROSSING ¹	\$5,841,000	\$5,841,000	\$0	0%	\$5,841,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
26		VANDEN TO 350' PAST VANDEN	\$1,098,000	\$0	\$0	0%	\$0	\$1,098,000	0%	33%	67%	0%	\$0	\$366,000	\$732,000
27		350' PAST VANDEN TO INTERSECTION #44	\$2,082,000	\$0	\$0	0%	\$0	\$2,082,000	0%	33%	67%	0%	\$0	\$694,000	\$1,388,000
28		INTERSECTION #44 TO INTERSECTION #45	\$3,534,000	\$0	\$0	0%	\$0	\$3,534,000	0%	33%	67%	0%	\$0	\$1,178,000	\$2,356,000
29		INTERSECTION #45 TO LINEAR PARK	\$2,650,000	\$0	\$0	0%	\$0	\$2,650,000	0%	33%	67%	0%	\$0	\$883,333	\$1,766,667
30		LINEAR PARK TO PUTAH SOUTH CANAL	\$236,000	\$0	\$0	0%	\$0	\$236,000	0%	33%	67%	0%	\$0	\$78,667	\$157,333
31		PUTAH SOUTH CANAL BRIDGE	\$3,416,000	\$0	\$0	0%	\$0	\$3,416,000	0%	33%	67%	0%	\$0	\$1,138,667	\$2,277,333
32		PUTAH SOUTH CANAL BRIDGE TO CHUCK HAMMOND DRIVE	\$1,266,000	\$0	\$0	0%	\$0	\$1,266,000	0%	33%	67%	0%	\$0	\$422,000	\$844,000
33		CHUCK HAMMOND DRIVE TO McAVENIA DRIVEWAY	\$717,000	\$0	\$0	0%	\$0	\$717,000	0%	33%	67%	0%	\$0	\$239,000	\$478,000
34		McAVENIA DRIVEWAY TO NEW CANON ROAD	\$3,252,000	\$0	\$0	0%	\$0	\$3,252,000	0%	33%	67%	0%	\$0	\$1,084,000	\$2,168,000
35		NEW CANON ROAD TO CITY LIMITS	\$5,130,000	\$0	\$0	0%	\$0	\$5,130,000	0%	33%	67%	0%	\$0	\$1,710,000	\$3,420,000
36		RIGHT-OF-WAY ACQUISITION	\$1,250,000	\$0	\$0	0%	\$0	\$1,250,000	0%	33%	67%	0%	\$0	\$416,667	\$833,333
		SUBTOTAL PEABODY ROAD	\$37,013,000	\$9,521,750	\$0	\$9,521,750	\$27,491,250	\$0	\$5	\$11	\$0	\$0	\$0	\$9,163,750	\$18,327,500
37	NEW CANON ROAD	PEABODY TO PUTAH SOUTH CANAL	\$6,605,000	\$0	\$0	0%	\$0	\$6,605,000	0%	33%	67%	0%	\$0	\$2,201,667	\$4,403,333
38		PUTAH SOUTH CANAL TO RESIDENTIAL COLLECTOR	\$5,652,000	\$0	\$0	0%	\$0	\$5,652,000	0%	33%	67%	0%	\$0	\$1,884,000	\$3,768,000
39		RESIDENTIAL COLLECTOR TO VANDEN	\$4,365,000	\$0	\$0	0%	\$0	\$4,365,000	0%	33%	67%	0%	\$0	\$1,455,000	\$2,910,000
40		VANDEN TO McCORRY (INTERSECTION #39)	\$36,017,000	\$0	\$0	0%	\$0	\$36,017,000	0%	33%	67%	0%	\$0	\$12,005,667	\$24,011,333
41		McCORRY TO END OF INDUSTRIAL	\$5,130,000	\$0	\$0	100%	\$5,130,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
42		END OF INDUSTRIAL TO NORTHGATE	\$5,161,000	\$0	\$0	0%	\$0	\$5,161,000	0%	33%	67%	0%	\$0	\$1,720,333	\$3,440,667
		SUBTOTAL NEW CANON ROAD	\$62,930,000	\$0	\$0	\$5,130,000	\$57,800,000	\$0	\$0	\$19,266,667	\$38,533,333	\$0	\$0	\$0	\$0
43	McCORRY ROAD EXTENSION	NEW CANON TO INDUSTRIAL	\$8,591,000	\$0	\$0	0%	\$0	\$8,591,000	0%	33%	67%	0%	\$0	\$2,863,667	\$5,727,333
44		INDUSTRIAL TO OLD McCORRY ROAD	\$5,807,000	\$0	\$0	100%	\$5,807,000	\$0	0%	33%	67%	0%	\$0	\$0	\$0
		SUBTOTAL McCORRY ROAD EXTENSION	\$14,398,000	\$0	\$0	\$5,807,000	\$8,591,000	\$0	\$0	\$2,863,667	\$5,727,333	\$0	\$0	\$0	\$0
45	WALTERS ROAD	AIR BASE PARKWAY TO MANUEL CAMPOS PARKWAY ³	N/A	\$0	\$0	\$0	\$0	\$0	0%	33%	67%	0%	\$0	\$0	\$0
		SUBTOTAL WALTERS ROAD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46	NE AREA TRAFFIC SIGNALS	VARIOUS LOCATIONS (17)	\$8,260,547	\$0	\$0	0%	\$0	\$8,260,547	0%	33%	67%	0%	\$0	\$2,753,516	\$5,507,031
		SUBTOTAL NE AREA TRAFFIC SIGNALS	\$8,260,547	\$0	\$0	\$0	\$0	\$8,260,547	\$0	\$0	\$2,753,516	\$5,507,031	\$0	\$0	\$0
TOTAL - NE AREA ROADWAY IMPROVEMENTS			\$232,036,538	\$41,663,383	\$0	\$52,600,383	\$179,436,155	\$0	\$0	\$59,812,052	\$119,624,104	\$0	\$0	\$0	\$0
CITYWIDE ROADWAYS															
47	WEST TEXAS	BECK TO PENNSYLVANIA - COMPLETE STREETS	\$17,230,000	\$516,900	\$10,920,000	0%	\$11,436,900	\$5,793,100	97%	0%	0%	3%	\$5,619,307	\$0	\$0
48	NORTH CONNECTOR	WEST SEGMENT ⁴	N/A	\$0	\$0	0%	\$0	\$0	0%	33%	67%	0%	\$0	\$0	\$0
		SUBTOTAL - CITYWIDE ROADWAYS	\$17,230,000	\$516,900	\$10,920,000	\$11,436,900	\$5,793,100	\$5,619,307	\$0	\$0	\$0	\$0	\$0	\$0	\$173,793
INTERSECTIONS															
49	AIR BASE PARKWAY	AT WALTERS	\$1,317,500	\$0	\$0	0%	\$0	\$1,317,500	72%	0%	0%	28%	\$948,600	\$0	\$0
50	AIR BASE PARKWAY	AT CLAYBANK	\$144,925	\$144,925	\$0	0%	\$144,925	\$0	89%	0%	0%	11%	\$0	\$0	\$0
51	AIR BASE PARKWAY	AT DOVER	\$8,807,000	\$0	\$0	0%	\$0	\$8,807,000	83%	0%	0%	17%	\$7,309,810	\$0	\$0
		SUBTOTAL - INTERSECTIONS	\$10,269,425	\$144,925	\$0	\$144,925	\$10,124,500	\$7,309,810	\$0	\$0	\$0	\$0	\$0	\$0	\$1,866,090
INTERCHANGES															
52	SR12	AT RED TOP/NORTH CONNECTOR ⁴	\$75,413,000	\$0	\$59,247,000	0%	\$59,247,000	\$16,166,000	65%	0%	0%	35%	\$10,507,900	\$0	\$0
53	I80	AT GREEN VALLEY ROAD	\$10,400,000	\$4,136,500	\$0	0%	\$4,136,500	\$6,263,500	98%	0%	0%	2%	\$6,138,230	\$0	\$0
54	I80	AT SUI SUN VALLEY ROAD	\$16,532,000	\$0	\$0	0%	\$0	\$16,532,000	100%	0%	0%	0%	\$16,532,000	\$0	\$0
		SUBTOTAL - INTERCHANGES	\$102,345,000	\$4,136,500	\$59,247,000	\$63,383,500	\$38,961,500	\$33,178,130	\$0	\$0	\$0	\$0	\$0	\$0	\$5,783,370
TRAFFIC SIGNALS															
55	ARTERIAL/ARTERIAL	NEW (3)	\$1,950,000	\$0	\$0	0%	\$0	\$1,950,000	100%	0%	0%	0%	\$1,950,000	\$0	\$0
56	ARTERIAL/ARTERIAL	MODIFY EXISTING (2)	\$1,218,750	\$0	\$0	0%	\$0	\$1,218,750	100%	0%	0%	0%	\$1,218,750	\$0	\$0
57	ARTERIAL/COLLECTOR	NEW (8)	\$4,680,000	\$0	\$0	25%	\$1,170,000	\$3,510,000	100%	0%	0%	0%	\$3,510,000	\$0	\$0
58	ARTERIAL/COLLECTOR	MODIFY EXISTING (1)	\$457,031	\$0	\$0	25%	\$114,258	\$342,773	100%	0%	0%	0%	\$342,773	\$0	\$0
59	COLLECTOR/COLLECTOR	NEW (2)	\$1,105,000	\$0	\$0	50%	\$552,500	\$552,500	100%	0%	0%	0%	\$552,500	\$0	\$0
60	ITS	CITYWIDE	\$46,283,000	\$0	\$800,000	0%	\$800,000	\$45,483,000	100%	0%	0%	0%	\$45,483,000	\$0	\$0
		SUBTOTAL - TRAFFIC SIGNALS	\$55,693,781	\$0	\$800,000	\$2,636,758	\$53,057,023	\$53,057,023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL - CITYWIDE IMPROVEMENTS			\$185,538,207	\$4,798,325	\$70,967,000	\$77,602,083	\$107,936,124	\$100,112,871	\$0	\$0	\$0	\$0	\$0	\$0	\$7,823,253
GRAND TOTAL			\$417,57												

APPENDIX B:

Traffic Model Detail (Fehr & Peers)



Memorandum

Date:	January 26, 2022
To:	Teifion Rice-Evans and Luke Foelsch, EPS
From:	Ellen Poling and Mackenzie Watten, Fehr & Peers
Subject:	Fairfield Traffic Impact Fee Program Update – Transportation Analysis

WC20-3687

Introduction

The purpose of this memorandum is to describe technical work Fehr & Peers prepared in support of Fairfield's updated traffic impact fee. Specifically, this memorandum documents the analytical approach for determining the nexus between the fees and the local transportation impacts created by anticipated development in Fairfield. The memo addresses the steps in the analytical process used to determine nexus, including identification of existing deficiencies, assumptions about existing and future land uses, categorization of transportation improvement projects, modeling procedures, and determination of fair-share contributions from new development. The most up-to-date versions of the available analytical tools and techniques were used to ensure the highest level of consistency with current standards.

Existing Deficiencies

Impact fees are intended to capture the fair-share contributions from new development to cover the costs associated with providing public facilities and services for that development. As such, the fees are not intended to correct existing deficiencies in the public facilities or services. In order to evaluate the current status of the City's transportation system and determine whether there are any existing deficiencies at intersections or along roadway segments included in the fee program, the project team reviewed the most recent transportation studies conducted in the City, including the *Heart of Fairfield Specific Plan EIR* (2017), and requested deficiency information from city staff. This review and consultation indicated that none of the projects in the updated fee program have current deficiencies. Therefore, the nexus analysis for the fee update did not incorporate any existing deficiencies. A description of how deficiency analysis is incorporated into a nexus analysis is included as Attachment A, for information.



Land Use Assumptions

One of the key elements of the impact fee calculation is estimating the growth in land use between now and 2040. The City of Fairfield provided detailed growth forecasts for the entire city that were then allocated into traffic analysis zones (TAZs) in the Fairfield Travel Demand Model.²

Table 1 shows the anticipated growth in Fairfield between 2020 and 2040, divided into the two geographic areas of the Northeast Area and the remainder of the City. The definitions of these areas were based on conversations with Fairfield staff to fairly allocate the cost of providing transportation infrastructure to new developments in different parts of the city, and the amounts of growth anticipated in the Northeast Area and in the Rest of the City were provided by City staff. Overall, Table 1 shows that the Northeast Area is expected to add 7,300 new housing units, one million square feet of industrial uses, and about 90,000 square feet of retail and commercial uses. The rest of the city, including the Heart of Fairfield Specific Plan area, is anticipated to add just under 5,000 housing units, about 3.5 million square feet of industrial uses, about 922,000 square feet of retail and commercial uses, and about 440,000 square feet of office and medical office uses.

Table 1: Projected Land Use Growth in Fairfield

Land Use Category	Northeast Area	Rest of City
Single Family Dwelling Units	4,779	1,547
Multi-Family Dwelling Units	2,581	3,430
Retail ¹ (1,000 square feet)	19.102	33.704
Office/Medical Office (1,000 square feet)	0	439.681
Service Commercial ¹ (1,000 square feet)	70.508	888.241
Industrial (1,000 square feet)	1,000	3,520.192

Note: ¹ The Retail category includes high-trip-generating retail uses. The Service Commercial category contains low-trip-generating retail uses, hospitality uses such as hotels, and relatively low-volume services such as auto repair shops.

Source: City of Fairfield, EPS, and Fehr & Peers, March 2021.

In addition to growth within the city, additional growth in the nearby City of Suisun City was also accounted for. These growth forecasts were based on the model adjustments made as part of the Suisun City 2035 General Plan (2015). Also, through trips (that is, trips that pass through Fairfield but do not either begin or end in Fairfield) were estimated using the Fairfield Travel Demand Model.

² TAZs are block-sized geographic areas that are used in the Fairfield Travel Demand Model to summarize existing and future land uses. There are approximately 400 TAZs in the model.



Transportation Improvement Projects

The City of Fairfield provided a comprehensive list of transportation improvement projects that are to be included in the updated impact fee program; these projects are listed in **Table 2** (please see the fee program nexus report for the project costs and other details).

Table 2: Transportation Improvement Projects for Inclusion in Fee Program

Project	Description/Scope
Interchange Projects	
I-80/SR 12 at Red Top Road/Business Center Drive	Interchange
I-80 at Green Valley Road	Interchange
I-80 at Suisun Valley Road	Interchange
Roadway Improvement Projects	
Manuel Campos Parkway	Dover Street to Peabody Road
Vanden Road	Peabody Road to Fairfield City Limits
Peabody Road	Air Base Parkway to Vanden Road
New Canon Road	Vanden Road to North Gate Road
McCrory Road Extension	New Canon Road to McCrory Road
West Texas Complete Streets	Beck Avenue to Pennsylvania Avenue
Intelligent Transportation Systems	N/A
Intersection Improvement Projects	
Air Base Parkway at Walters Road	N/A
Air Base Parkway at Clay Bank Road	N/A
Air Base Parkway at Dover Avenue	N/A
New Signals	N/A
Signal Upgrades	N/A

Source: City of Fairfield, 2012.

Modeling Procedures

The Fairfield Travel Demand Model was updated as part of this work to reflect the 2020 land uses and network for the base year, in collaboration with City staff. The 2040 model was developed to include the land use growth and network improvements described above. Details about the travel demand forecasting model's structure, assumptions, and limitations are described in the *City of Fairfield Travel Demand Forecasting Model: Final Model Development Report* (Fehr & Peers, 2011).



The travel demand forecasting model was run for the 2020 and 2040 scenarios to determine the share of growth in traffic volumes on all of the transportation facilities listed in Table 2 that is attributable to new development in Fairfield. The projects were divided into two sections: those that would be part of the Northeast Fee area, and those that would be part of the Citywide Fee area; please refer to the fee program nexus report for more information on the distinction between these two fee programs.

For those projects that are to be included in the Northeast Fee area, shown in **Table 3**, the travel model was used to determine the proportionate share of traffic usage on those facilities that was generated by new growth in the Northeast Area versus new growth in the rest of the City. It is important to note that the Northeast Area is currently relatively undeveloped, so the future infrastructure improvements are primarily planned to serve new growth in that area. As noted above, existing deficiencies were also considered, but no information on existing deficiencies was provided as part of this analysis. The projects in the Northeast Fee area had varied percentage share results between the Northeast area development and citywide development. Overall the findings support the retention of the uniform split of two-thirds (67%) Northeast Fee and one-third (33%) Citywide Fee to all of the projects listed in Table 3, consistent with the findings for the 2013 fee nexus study.

Table 3: Northeast Fee Area Projects and Trip Percentages

Project Location	Description	Percentage Share Attributable to:		
		NE Fee Area	City Fee Area	Existing Deficiency
Roadway Improvement Projects				
Manuel Campos Parkway	Dover Street to Peabody Road	67%	33%	0%
Vanden Road	Peabody Road to Fairfield City Limits	67%	33%	0%
Peabody Road	Air Base Parkway to Fairfield City Limits	67%	33%	0%
New Canon Road	Vanden Road to North Gate Road	67%	33%	0%
McCrory Road Extension	New Canon Road to McCrory Road	67%	33%	0%

Source: Fehr & Peers, 2012

For those projects that are to be included in the Citywide fee program, shown in **Table 4**, the travel model was used to determine the proportionate share of traffic usage on those facilities generated by new growth in the City and growth from outside of Fairfield. Because these percentage share results varied quite widely between different projects, it was decided to use the results in Table 4 directly for each individual project. Please refer to the fee program nexus report for more detail on how these percentage shares were applied in the fee calculations.



Table 4: Citywide Fee Area Projects and Trip Percentages

Project Location	Description	Percentage Share Attributable to:		
		Citywide Growth	Existing Deficiencies	Growth from Outside Fairfield
Interchange Projects				
I-80/SR 12 at Red Top Road	Interchange	65%	0%	35%
I-80 at Green Valley Road	Interchange	98%	0%	2%
I-80 at Suisun Valley Road	Interchange	100%	0%	100%
Roadway Improvement Projects				
West Texas Complete Streets	N/A	97%	0%	3%
Intelligent Transportation Systems	N/A	100%	0%	0%
Intersection Improvement Projects				
Air Base Parkway at Walters Road	N/A	72%	0%	28%
Air Base Parkway at Clay Bank Road	N/A	89%	0%	11%
Air Base Parkway at Dover Avenue	N/A	83%	0%	17%
New Signals	N/A	100%	0%	0%
Signal Upgrades	N/A	100%	0%	0%

Source: Fehr & Peers, March 2021

Trip Generation Equivalents

Impact fees are charged to a wide range of land use types, and there must be a mechanism by which the different land uses are treated equitably with respect to the burden each places on the transportation system. A common method to determine an equitable distribution of fees across land use types is by taking account of the trip generation rates and percentages of pass-by trips attributable to different land uses.

For the purposes of this evaluation, trip generation rates from the Institute of Transportation Engineers' *Trip Generation Manual, 10th Edition* were used to apportion the relative trip contribution potential of different land uses. **Table 5** shows the PM peak hour trip generation rate for each land use category, as well as the percentage of new trips (as opposed to "pass-by" trips which are made opportunistically during a primary trip between origin and destination) attributable to each category from a commonly-accepted reference document on this subject, the San Diego Association of Governments *Brief Guide of Vehicular Traffic Generation Rates* (April 2002). These figures are multiplied together to determine the number of new trips per unit of



development for each of the standard land use categories (per dwelling unit for residential uses, and per thousand square feet for non-residential uses).

Table 5: Calculation of Trip Generation Equivalents by Land Use Category

Land Use	Unit ¹	PM Peak Hour Trip Rate ² (a)	% New Trips ³ (b)	New Trips per Unit (a * b)
Single-Family Residential	DU	1.00	100	1.00
Multi-Family Residential	DU	0.56	100	0.56
Retail	KSF	20.76	50	10.38
Office / Medical	KSF	2.33	70	1.63
Service Commercial	KSF	4.04	50	2.02
Industrial	KSF	0.41	85	0.35

Notes:

DU = dwelling unit; KSF = thousands of square feet.

ITE, *Trip Generation, 10th Edition*. Rates referenced include: Single Family (Use 201); Multi-Family (Use 221); Retail (Use 820); Service Commercial (Uses 820, 848 and 857); Office/Medical Office (Uses 710 and 720); Industrial (Uses 110 and 150).

SANDAG Brief Guide of Vehicular Traffic Generation Rates, April 2002.

Source: Fehr & Peers, March 2021.

Note that, for development in the Heart of Fairfield Specific Plan area, the dwelling unit equivalents were reduced by 12 percent to reflect the analysis conducted for that Specific Plan EIR, which indicated that the density and mixed-use characteristics of the Specific Plan development would reduce external vehicle trip making by 12 percent; i.e., those trips would be made by bus, walking or bicycling.

Conclusions

This memorandum summarizes the key technical approaches used to allocate the cost of the transportation improvements to the new development in the City of Fairfield. A method was presented to demonstrate a nexus between transportation projects and impact fees in the City. In addition, trip rates were calculated to assist in equitably distributing fees across land use categories. Application of the methodologies described in this memorandum will ensure that the transportation project costs are equitably distributed to different types of development in relation to their relative demands on the transportation system.

Attachment

A – Existing Deficiency Process in Nexus Studies

ATTACHMENT A: EXISTING DEFICIENCY PROCESS IN NEXUS STUDIES

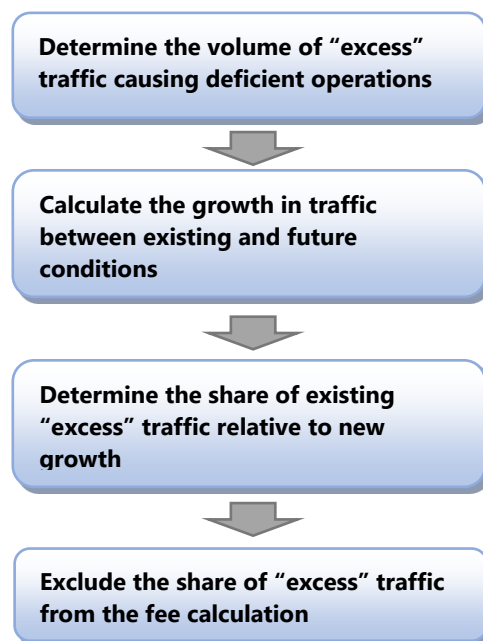
Note: This overview references the current Fairfield General Plan (2002), because the General Plan Update had not started when the Fairfield Fee Update work was performed. As stated in the memorandum, no existing deficiencies were identified for this fee update cycle.

Impact fees are intended to capture the fair-share contributions from new development to cover the costs associated with providing public facilities and services for that development. As such, the fees are not intended to correct existing deficiencies in the public facilities or services. The following process describes how existing deficiencies are identified and extracted from the proportional share calculations in a nexus analysis.

To measure and describe the operational status of the local roadway network, transportation engineers and planners commonly use a grading system called level of service (LOS). Level of service is a description of a facility's operation, ranging from LOS A (indicating free-flow traffic conditions with little or no delay) to LOS F (representing over-saturated conditions where traffic flows exceed design capacity, resulting in long queues and delays).

The City's General Plan (June 2002) contains policy direction about what constitutes acceptable operations on the City's street network. The policy direction states that it is the City's desire to "maintain a PM peak hour level of service of 'D' or better for arterial streets, level of service 'C' or better for collector streets, and 'B' or better for local streets..." Given that the focus of the traffic impact fee is on arterial streets, the existing deficiency assessment would be based on the LOS D standard.

If an existing deficiency is identified, a methodology to account for the deficiency within the nexus calculation is applied. The basic elements of the existing deficiency calculation are summarized in the flowchart below.



As shown in the flowchart on the preceding page, at project locations where there is an existing deficiency, the number of “excess” trips that causes the intersection to operate at LOS E or F is calculated. The Synchro traffic operations software is typically used for excess traffic calculation. This number of excess trips is next added to the total number of new trips associated with land use growth between the base year and the forecast year at the subject location. Next, the share of existing deficiency traffic relative to new traffic growth is calculated. This existing deficiency traffic share is then excluded from the traffic impact fee so that new growth is not subject to paying for existing traffic deficiencies.

To help put the methodology described above into perspective, consider the following examples. In locations where there is no existing deficiency, all of the new development trip growth is allocated to the fee and therefore the entire project cost is attributable to new development (with the exception of any through trips). At locations with existing deficiencies, the existing deficiency share of new traffic growth is applied to the project cost and excluded from the fee. The graphic below uses a hypothetical example to demonstrate how the existing deficiency share is calculated.

