AGENDA
REGULAR MEETING
COUNCIL OF SAN BENITO COUNTY GOVERNMENTS

DATE: Thursday, January 21, 2016
3:00 p.m.

LOCATION: **Board of Supervisors Chambers**
481 Fourth St., Hollister, CA 95023

DIRECTORS: Chair Jerry Muenzer, Vice Chair Tony Boch
Directors Anthony Botelho, Victor Gomez, and Ignacio Velazquez
Alternates: San Benito County: Jaime De La Cruz;
City of Hollister: Mickie Luna; City of San Juan Bautista: Jim West
Ex Officio: Caltrans District 5

Persons who wish to address the Board of Directors must complete a Speaker Card and give it to the Clerk prior to addressing the Board. Those who wish to address the Board on an agenda item will be heard when the Chairperson calls for comments from the audience. Following recognition, persons desiring to speak are requested to advance to the podium and state their name and address. After hearing audience comments, the Public Comment portion of the agenda item will be closed. ***The Opportunity to address the Board of Directors on items of interest not appearing on the agenda will be provided during Section F. Public Comment.***

3:00 P.M. CALL TO ORDER

A. Pledge of Allegiance

B. Verification of Certificate of Posting

C. ELECT COG Chairperson for 2016

D. ELECT COG Vice Chairperson for 2016

E. COMMITTEE APPOINTMENTS

1. Delegate and Alternate to the California Association of Councils of Governments (CALCOG)
2. Representative to Speak on Behalf of COG at California Transportation Commission and Central Coast Coalition Meetings

F. Public Comment (Opportunity to address the Board on items of interest on a subject matter within the jurisdiction of the Council of Governments and not appearing on the agendas. No action may be taken unless provided by Govt. Code Sec. 54954.2 Speakers are limited to 3 minutes.)

G. Executive Director's Report

H. Caltrans Report – Gubbins/Loe

I. Board of Directors' Reports

CONSENT AGENDA:

(These matters shall be considered as a whole and without discussion unless a particular item is removed from the Consent Agenda. Members of the public who wish to speak on a Consent Agenda item must submit a Speaker Card to the Clerk and wait for recognition from the Chairperson. Approval of a consent item means approval as recommended on the Staff Report.)

1. **APPROVE** Council of Governments Draft Meeting Minutes Dated December 17, 2015 – Gomez (Pages 5-9)

2. **RECEIVE** Construction Projects Report – Caltrans District 5 (Pages 10-11)

3. **APPROVE** Contract with Michael Baker International, to Prepare a Triennial Performance Audit for Three Year Period Ending June 30, 2015 – Postigo (Pages 12-40)

4. **APPROVE** Contract with Michael Baker International for an Amount Not to Exceed $5,052 for Completion of the Traffic Impact Mitigation Fee Study – Gilbert (Pages 41-52)

5. **RECEIVE** Report on Fixing America's Surface Transportation Act, or "FAST Act" – Lezama (Pages 53-55)

6. **ACCEPT** Donation in the Amount of $1,000 to Purchase Bicycle Helmets – Lezama (Page 56-57)

REGULAR AGENDA:

7. **RECEIVE** Update on Highway 25 Widening Design Alternatives Analysis – Gilbert (Page 58)

8. **RECEIVE** 2016 Traffic Impact Mitigation Fee Nexus Study and **FORWARD** to City of Hollister, City of San Juan Bautista, and County of San Benito for Consideration and Adoption – Gilbert (Page 59-109)

9. **Transportation Sales Tax Measure** – Gilbert (Page 110-111)
   a) **RECEIVE** Update on Work Plan, Including Stakeholder and other Public Outreach
   b) **REVIEW** Funding Priorities for Inclusion in Draft Expenditure Plan

Closed Session:

10. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
    Title: COG Executive Director

Adjourn to COG Meeting on February 18, 2016 Agenda Deadline is Tuesday, February 9, 2016 at 12:00 p.m.

In compliance with the Americans with Disabilities Act (ADA), if requested, the Agenda can be made available in appropriate alternative formats to persons with a disability. If an individual wishes to request an alternative agenda format, please contact the Clerk of the Council four (4) days prior to the meeting at (831) 637-7665. The Council of Governments Board of Directors meeting facility is accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the Clerk of the Council's office at (831) 637-7665 at least 48 hours before the meeting to enable the Council of Governments to make reasonable arrangements to ensure accessibility.

Looking east on Highway 46 in San Luis Obispo County

Caltrans District 5

District Director

Timothy Gubbins

Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability.

FALL 2015

District Director's Report

A quarterly publication for our transportation partners

Highway 46 Project Awarded Excellence

The second five-mile segment of the Highway 46 widening in San Luis Obispo County, also known as Whitley 1, was recently recognized with a Caltrans *Excellence in Transportation Award* in the rural category.

Over the years, several high-profile injury and fatal collisions occurred along Highway 46. To address safety, the route is being converted from a two-lane conventional highway to a four-lane divided expressway. In all, nearly 63 miles will be widened from US 101 near Paso Robles to Interstate 5 in Kern County with two lanes in each direction, separated by a wide, unpaved median.

A unique and innovative feature of Whitley 1 is the use of landform grading allowing the roadway to blend with the natural rolling topography and rural setting. A network of frontage and connector roads in the Whitley Gardens community was also constructed, eliminating conflicts with traffic crossing the highway. Caltrans' partners on the project include San Luis Obispo Council of Governments, Fix 46 Committee and Papich Construction Inc.

Sara von Schwind

New Maintenance & Operations Leader

Sara von Schwind is now the Deputy District 5 Director of Maintenance and Traffic Operations. She has acted in this position since January 2015. Before that, she served as Deputy District Director of Program Project Management since 2012.

Von Schwind is a licensed civil engineer and has served 23 years in various Caltrans positions, including Project Management. She holds a Bachelor's degree in civil engineering and a Master's in the same field with coastal and geotechnical emphases. She previously worked in the Geotechnical Division and is experienced in bridge foundations, retaining walls, slope stabilization, rock scaling and storm damage repairs.

$25K for Innovative Ideas

Caltrans is one of three state agencies offering $25,000 each for the most innovative ideas addressing the following:

- Improving the state's transportation system (Caltrans).
- Improving sustainable government practices to address climate change (Department of General Services).
- Helping to prevent underage drinking (Department of Alcoholic Beverage Control).

All California residents are encouraged to apply. State employees and their immediate families are ineligible to compete. Applications are available online until **5 p.m. Tuesday, Oct. 13, 2015.** http://www.dot.ca.gov/hq/paffairs/news/pressrel/15pro80.htm.

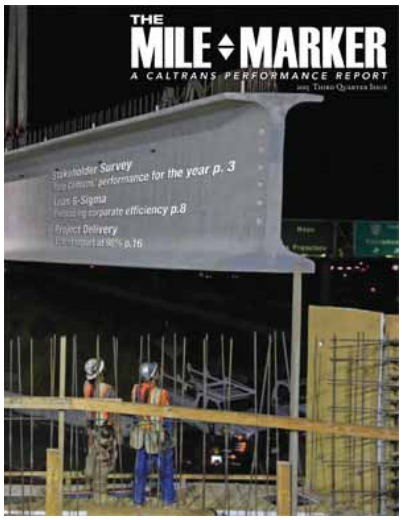
Please Submit Maintenance Service Requests at the Following Link: http://www.dot.ca.gov/hq/maint/msrsubm

Connected Vehicles Pilot Program

Caltrans and its partners are working to improve transportation safety and mobility, and reduce environmental impacts using connected vehicle technology. This state-of-the-art system has the potential to transform the way Americans travel through a safe, interoperable wireless communication network connecting cars, buses, trucks, trains, traffic signals, smart phones and other devices. These vehicles would feature safety warnings alerting motorists of upcoming road hazards such as collisions, icy conditions and sharp curves. This technology has the potential to address crashes caused by non-impaired drivers, but more research is needed to determine effectiveness, according to the National Highway Traffic Safety Administration.

Caltrans, the Metropolitan Transportation Commission (MTC) of the San Francisco Bay Area, the Los Angeles County Metropolitan Transportation Authority (METRO), and the San Diego Association of Governments (SANDAG) together are proposing a robust connected vehicle pilot program in San Francisco, Los Angeles and San Diego. The program, titled, *One California*, focuses on safety, mobility, the environment, and agency efficiency. It also furthers the *California Transportation Plan 2040* goals by creating a sustainable, interconnected transportation system encouraging economic vitality, protecting natural resources, and promoting the health and well-being of all Californians. More information is available at: http://www.dot.ca.gov/research/operations/one_california/.

Mile Marker Fall Edition Released



The Mile Marker: A Caltrans Performance Report edition is now available online. The plain language report addresses how well Caltrans is protecting and improving California's transportation system.

The latest issue discusses Caltrans' project delivery at 98 percent, greenhouse gas reductions, using greener pavements, daily hours of vehicle delay and incident clearance. It also features corporate efficiency efforts, high-technology pavement monitoring, and travel behavior and options. More information is available at: http://www.dot.ca.gov/MileMarker/2015-3/files/1.html

Proposition 1B – Good Investment Return

Since voters passed Proposition 1B in 2006, more than 2,000 projects statewide have improved California's transportation infrastructure, including roads, bridges, and rail and transit systems.

Proposition 1B, totaling nearly $20 billion, represents the state's largest expenditures on transportation since the 1950s. These include:

- $4.5 billion – 90 corridor projects to reduce congestion.
- $2.5 billion – 87 projects improving freight movement on state highways, rail systems and ports.
- $3.6 billion – Nearly 1,200 transit and rail system improvements, including upgraded transit services, modernized transit stations and cleaner-running buses.
- $1 billion – 23 projects to improve SR 99 in the state's Central Valley.

In District 5, Proposition 1B provided $96 million for widening 13 miles of Highway 46 East in San Luis Obispo County, and $28 million for constructing the US 101/San Juan Road interchange in Monterey County. To date, this funding has provided more than $18 billion to improve transportation statewide. More information is available at: http://www.dot.ca.gov/hq/paffairs/news/pressrel/15pro88.htm.

Agenda Item:_____

SAN BENITO COUNTY
COUNCIL OF GOVERNMENTS
REGULAR MEETING

December 17, 2015, 3:00 P.M.

DRAFT MINUTES

MEMBERS PRESENT:
Chair Muenzer, Vice-Chair Boch, Director Botelho, Director Gomez, and Director Velazquez
Ex Officio: Aileen Loe, Caltrans District 5

STAFF PRESENT:
Deputy County Counsel, Shirley Murphy; Executive Director, Mary Gilbert; Administrative Services Specialist, Kathy Postigo; Transportation Planner, Veronica Lezama; Secretary, Monica Gomez

OTHERS PRESENT:
Joe Arch, JJACPA, Inc.; Dino Serafini, Michael Baker International Firm

CALL TO ORDER:
Chair Muenzer called the meeting to order at 3:00 P.M.

A. PLEDGE OF ALLEGIANCE

B. CERTIFICATE OF POSTING

Upon a motion duly made by Director Boch, and seconded by Director Gomez, the Directors acknowledged the Certificate of Posting. Vote: 5/0 motion passes.

C. PUBLIC COMMENT:

Chair Muenzer stated for the record that the COG Board received Joe Thompson's public comment correspondence dated November 23, 2015 through December 10, 2015. The correspondence was entered into the public record.

D. EXECUTIVE DIRECTOR'S REPORT: Gilbert

Ms. Gilbert noted a correction to Item 4 on the Consent Agenda. The revised contract Amendment #2 was provided to the Board.

Ms. Gilbert announced that staff has leased one of its Vanpool vehicles to Health and Human Services Agency to provide transportation to and from the Homeless Shelter.

Lastly, Ms. Gilbert reminded the Board that the COG office will be closed beginning December 21, 2015 and will re-open January 4, 2016.

E. CALTRANS DISTRICT 5 REPORT: Gubbins

Aileen Loe stated that at the last COG meeting she received a series of questions from the Board. Caltrans staff is still evaluating some of those items and she will respond at the next Board meeting. With regards to the questions regarding pedestrian connectivity, they may require local support. For example; to allow added time to enable pedestrians to cross, the city might need to respond to Caltrans and be willing to accept that alteration. They may need local support to acknowledge what the trade-offs are and any associated costs.

She reported that COG will begin to see a project on next month's Project Update Report to correct the curve on Highway 25 Bypass.

Lastly, she reported that the California Transportation Agency and the California Transportation Commission together are considering the Road Charge Pilot Program and seeking volunteers to participate in that effort. This is partly in response to Senate Bill 1077, which requires the state to design and implement a statewide pilot program to consider the implications of the road charge model by January 2017.

Director Botelho inquired about the passing of the Federal Fast Act and what it means to San Benito County and District 5.

Ms. Loe stated that the Fast Act was approved recently and it's a 5 year $3.5 billion measure that is not enacted. She stated that there are a few new provisions on it, with an emphasis on freight and it helps to stabilize the Highway Trust Fund. Ms. Loe stated that she would provide more details next month.

Director Gomez asked if Caltrans could provide more information with regards to the Pilot Program results from Oregon.

Ms. Loe recommended going to the website www.CaliforniaRoadChargePilot.com because it provides a great deal of information.

F. BOARD OF DIRECTORS REPORTS:

Chair Muenzer reported out on the first Mobility Partnership Meeting that he attended along with Director Ignacio Velazquez, Supervisor Margie Barrios, and COG's Executive Director Mary Gilbert. He stated that they went over what the partnership means for Highway 152 and Highway 25 and the history behind it. They came up with somewhat of a work plan for the future of the project. They will provide more information as it evolves.

CONSENT AGENDA:

1. **APPROVE** Council of Governments Draft Meeting Minutes Dated November 19, 2015 – Gomez
2. **APPROVE** Council of Governments Draft Special Meeting Minutes Dated November 19, 2015 – Gomez
3. **RECEIVE** Construction Projects Report – Caltrans District 5
4. **APPROVE** Amendment No. 2 to Contract with Apex Strategies, Extending the Contract through June 2016 and Increasing the Amount Not to Exceed by $25,000 for Additional Work to be Performed – Gilbert

Upon a motion duly made by Director Velazquez, and seconded by Director Botelho, the Directors unanimously approved Items 1-4 from the Consent Agenda with the noted correction on Item 4. Vote: 5/0 motion passes.

There was no public comment on the Consent Agenda.

REGULAR AGENDA
TRANSPORTATION ITEMS:

5. ACCEPT Council of Governments FY 2014/15 Basic Financial Statements – Postigo

Ms. Postigo introduced Joe Arch with JJACPA, Inc. Mr. Arch provided a report on COG's FY 2014/15 Basic Financial Statements.

Mr. Arch reported that there was a finding this year with regards to the conversion of the County's records to their new computer system. They recommended that the County reorganize the funds in a manner that is consistent with the financial statement presentation or that COG consider obtaining its own accounting system because currently, there is a duplication of effort involved with getting the information in a form that they can audit.

Chair Muenzer stated that he would bring the issue up to the County's Audit Committee.

Mr. Arch stated that there was concurrence with the recommendation and COG Staff will meet with County staff to resolve the finding. He mentioned that they could be involved to help foster the resolution if needed.

Mr. Arch noted a slight modification to the footnote on page 58 regarding CalPERS. He stated that at some point COG may want to consider having an actuarial report done to separate COG's piece of the CalPERS from the County's report because there is no way to determine what the liability is at this point. He wanted to point it out because it's done in a different format than it has been done in the past.

There was no public comment on this item.

Upon a motion duly made by Director Gomez, and seconded by Director Botelho, the Directors unanimously accepted Item 5. Vote: 5/0 motion passes.

6. RECEIVE Contract with WMH Corporation for the Highway 25 Widening Design Alternatives Analysis – Gilbert

Ms. Gilbert reported that staff held a kick-off meeting and the first project development team (PDT) meeting with representatives from Caltrans, the County, Santa Clara VTA, and the contractors. City representatives were unable to attend but they will be kept up to date.

The PDT meeting involved an initial review of the Highway 25 corridor, what some of the deficiencies are in different areas, what some known problem points may be in the area, and what some potential solutions could be. They are looking at a whole list of interim improvements, passing lanes, intersection improvements, the full widening project and what can be done to accommodate 4 lanes in the area. In addition, if there is any transportation demand management or alternative transportation modes that can be looked into. The consultant will be working on this long list of potential options that have not yet been weighed against any criteria to determine how feasible they are.

Staff will provide an update to the Board in January.

There was no public comment on this item.

7. RECEIVE Presentation on the Updated Draft Traffic Impact Mitigation Fee Program Nexus Study – Gilbert

Ms. Gilbert reported that staff updated the Draft Traffic Impact Mitigation Fee Program Nexus Study based on several comments that the Board had at its November meeting.

Ms. Gilbert introduced Dino Serafini with Michael Baker International Firm, who provided an update and overview of the changes that were made from the previous meeting. They reviewed the identified improvements and the costs and they are looking at the changes that were made from the previous draft that the Board saw last month. They reviewed the road improvements that are being proposed and the costs associated with them and what the fee structure would now be looking like.

Ms. Gilbert provided clarification with regards to the Improvement Location identified as #14 Pacific Way Ext. w/SR-25 Over-Crossing. She revisited the project with City Engineering staff who stated that they are recommending that the project be included in the Impact Mitigation Fee Program.

Ms. Gilbert stated that the next steps would be to make the TIMF Study Report available to the public and stakeholder groups, gather public comments, and hold public hearings to present the Study, receive comments and discuss findings. The Board of Supervisors and City Councils would then adopt TIMF Resolutions. The revised TIMF would be effective 60 days after adoption.

There was discussion about the public hearing process and whether or not COG could expedite the process to finalize the TIMF and forward it to the Board of Supervisors and City Councils to hold public hearings and move it for approval as soon as possible.

Deputy County Counsel, Shirley Murphy stated that it has been the process COG has followed for years. She would have to further research whether or not the process could be changed and report back to the Board.

Ms. Gilbert stated that staff should be able to accommodate getting the TIMF back to the Board for final approval in January and ensure that it is made available for public review.

Aileen Loe clarified that because it is the Regional Impact Fee it is important that the Fee is actually adopted by the COG Board and then forwarded to the local agencies for their implementation. Otherwise, it would be considered a local ordinance.

There was consensus from the Board to put an urgency on this item, but ensuring that they move forward with the most expedited legal process.

There was no public comment.

8. Transportation Sales Tax Measure – Gilbert

a) **Receive** Update on Work Plan, Including Stakeholder and other Public Outreach
b) **Identify** Funding Priorities for Inclusion in Draft Expenditure Plan to be Reviewed in January 2016
c) **Approve** Contract with EMC Research, Inc. to Conduct Polling of Likely San Benito County Voters for an Amount Not to Exceed $25,000

Ms. Gilbert provided a Power-Point presentation from the COG Stakeholder Meeting.

After brief discussion there was consensus from the Board with regards to Funding Strategies Tax Breakdown – Option 4 – Mix of Funding. They agreed with 50% towards Highway 25, but recommended swapping percentages for Local Projects and Road Maintenance, putting 30% towards Road Maintenance and 20% towards Local Projects. They also discussed keeping a general dedication of the funds as they go out to the community and discuss. As well as identifying projects throughout the County and getting projects done right away to show the community that they are working and moving forward.

There was consensus from the Board to allow staff to move forward with putting together the polling questionnaire based on feedback that the Board has provided and adding a polling question for a 30 year tax.

There was no public comment on this item.

Upon a motion duly made by Director Gomez, and seconded by Director Velazquez, the Directors unanimously approved Item 8(c). Vote: 5/0 motion passes.

Upon a motion duly made by Director Boch, and seconded by Director Gomez, the Directors Unanimously adjourned the COG meeting at 4:48 p.m. Vote:5/0 motion passes.

ADJOURN TO COG MEETING JANUARY 21, 2016.

PROJECT UPDATE – SAN BENITO COUNTY

PREPARED FOR JANUARY 21, 2016 COUNCIL OF SAN BENITO COUNTY GOVERNMENTS MEETING

COMPLETED CONSTRUCTION PROJECTS

	Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Contractor	Comments
1.	**Hwy. 25 Curve Realignment (0T6404)**	On Route 25 Near Hollister, from 0.8 mile north of San Benito Lateral to 2 miles south of Rte 146 (PM 18.8/19.5)	Realign roadway and widen lanes and shoulders	June 8, 2015-December 9, 2015	$1.99 Million	SHOPP	Caltrans	Richard Rosales (KB)	John Madonna Construction Co.	Project completed and accepted on Dec. 9, 2015 Note: An emergency project will install cable drapery and netting on the cut slopes beginning Jan. 4 due to small rockslides and rockfalls.

CONSTRUCTION PROJECTS

	Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Contractor	Comments
2.	**Hwy. 101/San Juan Road Interchange (315804)**	On Route 101 near Prunedale .4 mile south of Dumbarton Road in Mon. Co. (PM 100.0-101.3)	Construct new interchange at San Juan Road and US 101	Dec. 3, 2012-Summer 2016 (Timeframe includes Plant Establishment Work)	$46.2 Million	STIP/ CMIA/ ARRA	Caltrans	David Silberberger (JW)	Granite Construction/ MCM	The new interchange and related improvements were fully open to traffic on July 17, 2015. However, the project remains active due to a 1-year plant establishment process which is targeted to be completed by the summer of 2016.

California Department of Transportation
District 5, 50 Higuera Street, San Luis Obispo, California 93401
District 5 Public Information Office (805) 549-3318
www.dot.ca.gov/dist05 email: Info-d5@dot.ca.gov
Monterey – San Benito – San Luis Obispo – Santa Barbara – Santa Cruz

PROJECTS IN DEVELOPMENT										
	Project	**Location**	**Description**	**Construction Timeline**	**Construction Cost**	**Funding Source**	**Imple-menting Agency**	**Project Manager**	**Phase**	**Comments**
3.	**Hwy. 25 Route Adoption Hollister to Gilroy (48540_)**	Near Hollister and Gilroy on SR 25 in SBT & SCL Counties (SBT-25-51.5/60.1) (SBT-156-R10.5/12.2) (SCL-25-0.0/2.6)	Route Adoption (SBT-25-51.5 to SCL-25-2.6)	N/A	N/A	Local	Caltrans	Richard Rosales	PA&ED	Internal Final Environmental Document in quality review. Anticipate completing review late November. On schedule for December approval.
4.	**Hwy. 156 Improvement Project (34490_)**	On SR 156 in and near San Juan Bautista from The Alameda to 0.2 mi east of 4th St. near Hollister (PM 3.0/R8.2)	Widen 2 to 4 Lanes	Summer 2017 to Summer 2019	$47.3 Million	STIP, IIP, RIP, Local	Caltrans	Richard Rosales	PS&E	Project design on-going. Right of Way appraisals in progress. Request for Controlled Access Highway Agreement approved by SBt BOS. Utility relocation design coordination almost complete. 60% design complete July 2015.

California Department of Transportation
District 5, 50 Higuera Street, San Luis Obispo, California 93401
District 5 Public Information Office (805) 549-3318
www.dot.ca.gov/dist05 email: Info-d5@dot.ca.gov
Monterey – San Benito – San Luis Obispo – Santa Barbara – Santa Cruz

Agenda Item:_____

Staff Report

To:	Council of Governments
From:	Kathy Postigo, Administrative Services Specialist **Telephone:** (831) 637-7665
Date:	January 21, 2016
Subject:	Triennial Performance Audit for Period ending June 2015

Recommendation:

APPROVE Contract with Michael Baker International, to prepare a Triennial Performance Audit for Three Year Period Ending June 30, 2015.

Summary:

The Council of Governments is required by the Transportation Development Act to complete a Triennial Performance Audit every three years. The last performance audit was completed in June 2013 for the period ending June 30, 2012.

Financial Impact:

The Contract is for a total amount not to exceed $19,380. This item is included in the 2015/2016 Fiscal Year Council of Governments' and the Local Transportation Authority's budget.

Discussion:

In October, the Council of Governments' Board approved the issuance of a Request for Proposals for the performance audit. After evaluating the proposals received, the review panel recommends Michael Baker International as the preferred consultant.

Staff recommends that the Board APPROVE the contract with Michael Baker International.

Executive Director Review:_____ Counsel Review: Yes

Attachment: Contract between COG and Michael Baker International.

DRAFT

CONTRACT

The COUNCIL OF SAN BENITO COUNTY GOVERNMENTS ("COG") and Michael Baker International ("CONTRACTOR") enter into this contract which shall be effective on the date stated in Paragraph 1.

1. **Duration of Contract.**

   This contract shall commence on January 21, 2016, and end on June 30, 2016, unless sooner terminated as specified herein.

2. **Scope of Services.**

   CONTRACTOR, for COG's benefit shall perform the services specified on Attachment A to this contract. Attachment A is made a part of this contract.

3. **Compensation for Services.**

   In consideration for CONTRACTOR's performance, COG shall pay compensation to CONTRACTOR according to the terms specified in Attachment B. Attachment B is made a part of this contract.

4. **General Terms and Conditions.**

   The rights and duties of the parties to this contract are governed by the general terms and conditions mutually agreed to and listed in Attachment C. Attachment C is made a part of this contract.

5. **Insurance Limits.**

   CONTRACTOR shall maintain the following insurance policy limits of coverage consistent with the further insurance requirements specified in Attachment C.

   (a) Comprehensive general liability insurance: $1,000,000
   (b) Professional liability insurance: $1,000,000
   (c) Comprehensive motor vehicle liability insurance: $1,000,000

6. **Termination.**

   The number of days of advance written notice required for termination of this contract is thirty (30) days.

7. **Specific Terms and Conditions** *(check one)*

   [ ] There are no additional provisions to this contract.

   [X] The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment D. Attachment D is made a part of this contract.

   [ ] The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment E. Attachment E is made a part of this contract.

8. **Information about Contract Administrators.**

The following names, titles, addresses, and telephone numbers are the pertinent information for the respective contract administrators for the parties.

Contract Administrator for COG :

Name: Mary Gilbert

Title: I Executive Director

Address: 330 Tres Pinos Rd., Suite C7

Hollister, California 95023

Telephone No.: (831) 637-7665

Fax No.: (831) 636-4160

Contract Administrator for CONTRACTOR:

Name: Philip O. Carter

Title: Vice President

Address:2729 Prospect Park Drive, Suite220

Rancho Cordova, CA 95670

Telephone No.: (916) 361-8384

SIGNATURES

APPROVED BY COG:

_____

Name: Tony Boch

Chair, Council of Governments

Date: _____

APPROVED BY CONTRACTOR:

_____

Name: _____

Title:_____

Date: _____

APPROVED AS TO LEGAL FORM:
San Benito County Counsel's Office

_____

By: Shirley L. Murphy, Deputy County Counsel

Date: _____

ATTACHMENT A
Scope of Work

On behalf of COG, CONTRACTOR shall perform the following services:

CONTRACTOR for COG'S benefit, shall perform a triennial performance audit of the Council of San Benito County Governments and of the Local Transportation Authority and contract transit operators, for the fiscal year ending June 30, 2015, consisting of the following tasks:

A. Performance Audit of Council of San Benito County Governments

Task 1: Kickoff Meeting and Data Collection

Objective: Conduct initial kickoff meeting with COG to communicate work scope and schedule, understand project expectations, and answer questions. Develop list of specific documents to be provided by COG.

Approach: The CONTRACTOR will coordinate the kickoff meeting to introduce the Michael Baker team; review overall performance audit objectives; clarify any aspects of our work plan, schedule, or approach; clarify the roles and responsibilities of COG and the consultant team; discuss the study schedule and progress reporting; and initiate the data collection effort.

During the meeting, the CONTRACTOR will intend to discuss the audit steps and schedule, as well as gain an understanding of some of the issues through discussion with COG as the regional transportation funding agency.

As part of the initial communication, the CONTRACTOR will create a list of data needs and documents that traditionally have been used to help create a background assessment of the agency's performance and compliance over the past three years. Additional items may be identified as a result of the kickoff discussion. The CONTRACTOR will coordinate with COG on the request for specific information and documents necessary to complete the audit requirements. The CONTRACTOR will follow up with telephone calls to answer questions and clarify data needs. At a minimum, the types of information required will include the following:

1. Annual TDA apportionments
2. Annual budgets and financial and compliance audits
3. TDA and STA claims

4. Organizational chart, goals, objectives, policies, and procedures
5. Transit unmet needs documentation
6. Transportation Improvement Program (TIP) documentation
7. Overall work plan
8. Response to prior performance audit recommendations

Task 2: Evaluate Compliance with TDA Administrative Processes

Objective: Evaluate the way in which COG complies with requirements under the TDA.

Approach: The Caltrans Guidebook identifies a series of compliance requirements which must be met by regional transportation planning agencies, such as COG. These comprise 14 specific requirements found in the Public Utilities Code (PUC) and in the California Code of Regulations. Conformance with these requirements will be ascertained during this task.

The CONTRACTOR will review COG's previous performance audit, relevant accounting records, internal documents such as Board of Directors meeting minutes and meeting minutes from relevant policy and technical advisory committees, and other pertinent information.

The CONTRACTOR will also interview COG staff such as finance administrative staff and transit planning staff to gain an understanding of the three-year trends in TDA funds. As part of this evaluation, the CONTRACTOR will conduct reviews to ensure that adequate documentation and instructions to claimants are available and that accurate records exist regarding apportionments and allocations to the claimants.

The CONTRACTOR will develop a matrix table of the 14 compliance requirements and document COG's effort to meet each requirement.

Task 3: Evaluate TDA Claim Approval Process and Transit Performance Oversight

Objective: Review the TDA claims process and transit monitoring program.

Approach: The CONTRACTOR will review the claims process and COG's role in administrating the funds. Sample completed claims packets and accompanying documentation to substantiate the claims for TDA and STA funds will be collected and reviewed. Compliance checklists and/or other documents typically attached to the claims forms will be evaluated and reviewed with staff.

The CONTRACTOR will also review the transit performance reporting and monitoring system employed by COG. The CONTRACTOR will confirm or verify that the data provided by the transit operators is "adequate" for basing decisions on claim allocations and for monitoring progress on previous allocations. In performing this evaluation, the CONTRACTOR will select certain data provided by the systems and verify through independent confirmations that the data is materially correct. The evaluation will also review the usefulness of the performance indicator monitoring system as a means to monitor trends in transit operator performance and to provide a focus for the performance audit process.

Task 4: Conduct Interviews and Detailed Review of RTPA Functions

Objective: Determine operational and structural efficiencies and institutional relationships.

Approach: The CONTRACTOR will review COG's organizational effectiveness through an analysis of the following specific areas:

- ***San Benito COG Administration and Management.*** This will include examining the general management of the agency, identifying achievements and challenges, policies and goals, governing board activities, roles and staff functions, and overall work programs. The CONTRACTOR will interview COG staff to identify any administrative and management issues of concern. The CONTRACTOR will investigate potential issues and make findings and possibly recommendations as part of the audit. Topics to be covered include:
  - General administration
  - Internal planning and achievement
  - Governing Board activities
  - Personnel
- ***Planning and Regional Coordination.*** This will include evaluating COG's regional functions as an RTPA. It will include the practices and methods in which COG prepares transportation and related planning documents. The CONTRACTOR will also examine the process COG follows in managing transit plans and other transit projects in its area of jurisdiction. Topics to be covered include:
  - Regional Transportation Plan development and adoption
  - Regional Transportation Plan topics and implementation
  - Transportation and transit planning and programming
  - Information collection, generation, and distribution for use in the planning process

- ***Relationship with Related Agencies.*** The CONTRACTOR will interview COG staff on its role in working with allied planning organizations such as neighboring regional transportation planning agencies and Caltrans, as well as other local governmental agencies in COG's jurisdiction and in adjacent areas where travel and development may have an impact on COG's related responsibilities. The CONTRACTOR will contact these other agencies as necessary.

- ***TDA Claims Processing and Transit Oversight.*** The CONTRACTOR will review the claims process and COG's role in administrating the funds. Sample completed claims packets and accompanying documentation to substantiate the claims for TDA and STA funds will be collected and reviewed. The CONTRACTOR will evaluate compliance checklists and/or other supporting documents that are typically attached to the claims forms. Topics to be covered include:

  - Transit productivity monitoring and evaluation
  - Technical and managerial assistance to transit operators
  - Assistance with TDA compliance
  - TDA claim processing

- ***Marketing and Transportation Alternatives.*** The CONTRACTOR will review the marketing and communication efforts provided by COG of its regional transportation planning activities. The CONTRACTOR will review COG's efforts to keep the public informed about transportation issues and external events that influence travel and transportation choices.

- ***Grant Management.*** This will include gaining an understanding of the level of grant administration and assistance provided by COG for transportation revenue sources such as state and federal programs. The CONTRACTOR will review COG's ability to secure discretionary funding sources that enhance and increase the availability and quality of transportation in the county. Topics to be covered include:

  - Grant application coordination and assistance
  - Grant management and compliance

Finally, the CONTRACTOR will interview COG staff, including executive and senior staff, to identify any administrative and management issues of concern. The CONTRACTOR will investigate potential issues and make findings and potential recommendations as part of the audit. As necessary and if warranted, the CONTRACTOR will also conduct interviews with select individuals from COG's standing committees or external agencies on the local, regional, state, and/or federal level to gauge their perspectives regarding agency activities. This task may include interviews with public members and/or board members.

Task 5: Follow Up on Prior Performance Audit Recommendations

Objective: Review prior performance audit recommendations and actions taken by COG to implement the recommendations.

Approach: The prior performance audit by PMC (integrated now into Michael Baker) made four recommendations which will be reviewed with COG staff as to their implementation status. During this task, the CONTRACTOR will focus our activities in the following specific areas:

- ***Obtain and Review Key Documents.*** The CONTRACTOR will collect documents that contain prior recommendations and review the status of these recommendations. Possible key literature includes prior performance audits, recommendations submitted in management memorandums, and other performance evaluation documents.

- ***Document Implementation of Recommendation.*** The CONTRACTOR will follow up on the course of action taken by COG to implement the recommendations.

  If COG has implemented a recommendation, the CONTRACTOR will seek data to confirm implementation, discuss the effectiveness and benefits from the recommendation, and discuss difficulties and costs associated with the recommendation.

  If COG is currently implementing a recommendation, the CONTRACTOR will address the current status of implementation, as well as any difficulties and costs of implementation.

  If a recommendation has not been implemented, the CONTRACTOR will make a determination as to whether the recommendation is (a) no longer applicable due to changes in circumstances, (b) infeasible, or (c) still valid and should still be implemented. For each determination, the CONTRACTOR will draw conclusions on the implementation status of these recommendations. If the prior recommendation still deserves merit, The CONTRACTOR will include the recommendation in the current audit report.

The CONTRACTOR will document evidence of implementation. Evidence may be contained in operator reports, memorandums, and documents or obtained by direct observation.

Task 6: Identify Improvements and Develop Recommendations

Objective: Identify the specific improvements and issues that have been identified in each of the previous tasks and develop recommendations that would assist in implementing the improvements.

Approach: Based on work done earlier during the study, recommendations could be developed for the following principal areas:

- The TDA administrative process, including the institutional arrangements, the organizational structure, allocation process, prioritization, detailed RTPA review, and how the previous performance audit recommendations have been implemented.
- The monitoring of performance indicators and how the data can be used for claim review, analysis, and monitoring performance.
- The adequacy of the monitoring system including the validity of the data and whether the most appropriate data are being collected and utilized. Data consistency and comparability will be reviewed in developing recommendations for improvement.
- Effectiveness of administrative controls.

The task will highlight both accomplishments and any areas where COG might not be in compliance with TDA regulations; the impact of noncompliance will be identified. The CONTRACTOR will provide recommendations in sufficient detail to address the issue or concern found. In addition, all recommendations will identify the priority and responsible party for implementing the recommendations.

Task 7: Prepare Audit Report and Presentation

Objective: Prepare an administrative draft for review and then finalize the audit report.

Approach: The draft and final report will contain the detailed review, findings, and recommendations from the audit process. An executive summary will also be provided summarizing the audit findings and recommendations.

Following the schedule to the RFP, the CONTRACTOR will provide the COG Executive Director an electronic PDF copy of the draft audit report by June 2, 2016, for distribution, review, and comment. After the CONTRACTOR has received comments, the CONTRACTOR will prepare the final report by June 16, 2016. The CONTRACTOR will deliver 10 bound copies, one loose leaf copy, and an electronic PDF copy of the final report no later than June 30, 2016.

B. Performance Audit of Local Transportation Authority

The County's public transit provider is the San Benito County LTA. The authority administers and operates County Express, comprising fixed-route transit service that serves the City of Hollister, a complementary ADA paratransit service, general public dial-a-ride service, and intercounty services to the City of Gilroy in Santa Clara County.

The LTA also contracts with Jovenes de Antaño, a small nonprofit organization that provides specialized transportation services to the elderly and to persons with disabilities.

Task 1: Kickoff and Data Collection

Objective: Coordinate the kickoff with the LTA to communicate work scope and schedule, understand project expectations, and answer questions. Develop list of specific documents to be provided by each operator.

Approach: The CONTRACTOR will coordinate the kickoff to discuss the audit steps and schedule and to gain an understanding of some of the issues through discussion with the agencies and private contractors.

As part of our initial communication, the CONTRACTOR will create a list of data needs and documents that traditionally have been used to help create a background assessment of the transit operator's performance and compliance over the past three years. Additional items may be identified as a result of the kickoff discussion. The CONTRACTOR will coordinate on the request for specific information and documents necessary to be provided by the operators to complete the audit requirements. The CONTRACTOR will follow up with telephone calls to answer questions and clarify data needs. At a minimum, the types of information required will include the following:

- State Controller's Transit Operator Reports
- National Transit Database Reports
- Annual budgets and financial and compliance audits
- CHP Safety Compliance Report/Terminal Record Update, Carrier Inspection, and Equipment Inspection Report
- MOUs/service provider agreements with other operators and agencies
- Performance productivity reports (e.g., monthly and end-of-year summary)
- Vehicle operations data such as on-time performance, road calls, vehicle failures, and customer complaints
- Organizational charts, goals, objectives, policies, and procedures
- Short- and Long-Range Transit Plans
- Response to prior performance audit recommendations

Upon receipt of the data, the CONTRACTOR will compile performance profiles using numeric data and initiate compliance reviews. The CONTRACTOR will begin to identify areas of compliance as well as potential noncompliance. The CONTRACTOR will also compile the TDA-mandated performance indicators, farebox recovery ratios, and other indicators relevant to functional area performance. The CONTRACTOR will

document the values used for the statistics and indicators, note the amount of change, and determine whether this change represents a positive or negative trend. Causal factors for all observed trends will be determined in subsequent tasks.

Task 2: Conduct Site Visits and Interviews

Objective: Conduct in-person site visits for County Express and Jovenes de Antaño.

Approach: Prior to our site interviews and fieldwork, the CONTRACTOR will review the materials provided from the list under Task 1 and generate a list of follow-up questions to ask during the meetings and possibly other materials. The background data and preliminary analysis as described in the prior task will serve as a basis for the audit process and site visits.

Performance trend results will be discussed with the operator in major functional areas such as operations, maintenance, and administration in order to focus the site visit interviews. Interview guides will be developed and utilized to help focus discussions and maximize the effectiveness of time spent in discussions with transit staff. Potential topics for discussion include data collection and reporting processes; performance trends and factors influencing trends; accomplishments and challenges; and actions taken to implement prior audit recommendations, the resources required for implementation, and the results of those actions.

Task 3: Determine Compliance with Statutory and Regulatory Requirements

Objective: Review and make a determination as to the operator's compliance with the TDA and related sections of the California Code of Regulations.

Approach: During this task, the CONTRACTOR will focus our activities in three specific areas.

- ***Discuss Compliance Requirements with the Operator.*** This first step involves meeting with operator staff, including transit management, and discussing the compliance described in the Caltrans Guidebook. Approximately 11 operator compliance requirements are listed in the guidebook, which the CONTRACTOR will discuss.

- ***Investigate Evidence of Compliance.*** Based upon the interviews and discussions with transit staff, the CONTRACTOR will investigate evidence of compliance by collecting pertinent documents and records demonstrating sufficient objective evidence to meet each of the minimum 11 compliance requirements. Some of the documents will be from the initial data list provided during the kickoff. Staff assistance from the LTA and Jovenes de Antaño will be utilized to obtain the most

relevant data. Evidence of compliance may also be produced from our direct observation of the compliance requirement.

- ***Disclose Results of the Compliance Review.*** The CONTRACTOR will document the methodology and results of the compliance review. The review will ensure that the evidence collected is objective and representative of the activities of the transit operators for the past three years. If the CONTRACTOR finds an indication of noncompliance with any of the requirements, the CONTRACTOR will make a finding in the audit report, draw conclusions, and make appropriate recommendations.

Task 4: Follow Up on Prior Performance Audit Recommendations

Objective: Review prior performance audit recommendations and actions taken by the operator to implement the recommendations.

Approach: The prior performance audit identified three recommendations for the County transit system. During this task the CONTRACTOR will focus our activities in three specific areas.

- ***Review Prior Recommendations and Evidence of Compliance.*** The CONTRACTOR will review the prior audit recommendations with respective transit staff and review the status of implementation. The CONTRACTOR will work with staff to determine the validity of each recommendation in light of the evolving nature of transit operations. Evidence may be obtained via operator reports, memorandums and documents, and performance evaluation documents or through direct observation.

- ***Document Implementation of Recommendation.*** The CONTRACTOR will follow up on the course of action taken by the operator to implement the recommendations.

  If the operator has implemented a recommendation, the CONTRACTOR will seek data to confirm implementation, discuss the effectiveness and benefits from the recommendation, and discuss difficulties and costs associated with the recommendation.

  If the operator is currently implementing a recommendation, The CONTRACTOR will address the current status of implementation, as well as any difficulties and costs of implementation.

  If a recommendation has not been implemented, The CONTRACTOR will make a determination as to whether the recommendation is (a) no longer applicable, with a clear statement as to why, (b) infeasible, with a clear statement as to why, or (c) still valid and should be implemented and the benefits that are likely to result. For each determination, The CONTRACTOR will draw conclusions on the implementation status of these recommendations. If the prior recommendation still deserves merit,

the CONTRACTOR will include the recommendation in the current audit report, either as stated or modified to account for any changes in conditions.

- ***Disclose Results of Follow-Up Review.*** The CONTRACTOR will document the results of the review and report the status of prior recommendations. For those recommendations that have been implemented, significant accomplishments from these prior recommendations will be recognized as well as difficulties and costs of implementation. The evidence used to confirm implementation will meet the standards for performance audit fieldwork evidence described in the Comptroller General's revised Government Auditing Standards.

Task 5: Verify Performance Indicators

Objective: Quantify and review the efficiency and effectiveness of the transit operator's activities, TDA-required performance measures, and other potential performance indicators if warranted.

Approach:

Subtask A: The CONTRACTOR will first review and validate the operator's collection methods of basic data needed to calculate these indicators. The basic data include operating cost, passenger counts, vehicle service hours, vehicle service miles, employee hours, and fare revenue. This task will be accomplished by tracing and evaluating the steps taken by the operator to report the data. The CONTRACTOR will review sample driver logs, driver manifests, daily and monthly operator reports, and other pertinent materials where actual performance data is recorded to determine their compliance with the TDA definitions (PUC 99247).

Additional operations data such as on-time arrival, missed trips, and number of road calls and preventable accidents will be included in the review. The CONTRACTOR will discuss this process with the transit operator and identify any issues discovered from our review of the data. If warranted, the CONTRACTOR will then suggest corrective actions to ensure compliance with the statute.

Subtask B: A triennial performance audit must include the verification of a minimum of five performance measures. Section 99246(d) of the PUC requires that the performance indicators are:

- Operator's operating cost per passenger;
- Operating cost per vehicle service hour;
- Passengers per vehicle service hour;
- Passengers per vehicle service mile; and

- Vehicle service hours per employee as defined in Section 99247 of the California PUC.

Though the farebox recovery ratio is not a required performance indicator under Section 99246(d), Section 99268 et seq. requires calculation of the farebox ratio so that an operator's eligibility for funding can be determined. The CONTRACTOR will be attentive to how each operator calculates its farebox ratios, as reflected in documents such as the State Controller's Report, TDA claims, and annual fiscal audits.

The CONTRACTOR will create user-friendly tables to depict the trends over the recent three-year period on a system-wide basis and by mode/type (i.e., fixed route, dial-a-ride). The CONTRACTOR will contrast these performance trends with other three-year trends that influence transit performance (e.g., Consumer Price Index). The CONTRACTOR will document the values used for the statistics and indicators, note the amount of change, and determine whether this change represents a positive or negative trend. The CONTRACTOR will document causal factors for all observed performance trends based on the numerical information and information from the site visits.

The CONTRACTOR will also provide visual graphic representation via bar/line charts and data labels. The performance trends will provide the symptoms of potential issues that will be reviewed in depth during the functional review audit, as well as changes in efficiencies and effectiveness.

Other performance indicators will be calculated if the analysis warrants further examination of a particular performance area of concern which is not covered by the any of the five indicators. Any additional performance measures to be developed are intended to be useful and help determine trends in service. Example additional performance indicators include complaints per 100,000 passengers, on-time performance, and vehicle breakdowns per 100,000 revenue miles.

The CONTRACTOR will consult the Transit Cooperative Research Program document entitled *A Guidebook for Developing a Transit Performance-Measurement System* for a comprehensive listing of performance indicators relative to various transit functional areas. Additional functional area performance indicators pertaining directly to service efficiency and effectiveness during the audit period will be developed as necessary.

Task 6: Operator Functional Reviews

Objective: Review the various functions and investigate potential functional concerns, problems, and possible improvements, while also highlighting recent accomplishments.

Approach: The review of operator functions can be divided into two parts—an initial review and a detailed review. The initial review will provide an understanding of the operator's characteristics and the functions performed. Operator characteristics include

general data such as a description of the entity providing service, legal status (e.g., local jurisdiction, JPA), mode of service (bus, van, general public, specialized, etc.), type of service (fixed route, dial-a-ride), and size of operations. The CONTRACTOR will review pertinent documents such as transit plans and staff reports in addition to discussions with appropriate transit staff to obtain a clear view of the general functions of the audited transit system.

For the detailed review of operator functions, San Benito COG identified several functions including the system's organizational structure, vehicle maintenance program, and driver training program. The various functions are consistent with the Caltrans Guidebook.

Each function, in turn, can be broken into several sub-functional areas as described by the following:

- ***General Management and Organization.*** The CONTRACTOR will review the management and structure of the operator including an assessment of:
  - Administrative oversight
  - Organizational structure and reporting
  - Recent program changes and innovations
  - Areas of interest to management and board
- ***Scheduling, Dispatch, and Operations.*** The daily scheduling and coordination of routes, drivers, and vehicles will be reviewed including:
  - Assignment of drivers and vehicles to specific routes
  - Driver absence and sick leave
  - Part-time and cover drivers
  - Dispatch procedures and communication
- ***Service Planning.*** The CONTRACTOR will review how short-range transit plan recommendations, public input through surveys, and other planning and evaluation techniques have been implemented, and assess their results on operations. Topics that will be covered include:
  - Strategic planning
  - Short-range planning
  - Evaluation of routes
  - Planning for special transportation needs
  - Surveys of riders/non-riders

- ***Maintenance.*** The CONTRACTOR will review maintenance records, CHP terminal and vehicle inspections, and other maintenance-related documentation on the condition of the vehicles and other capital facility assets. The sub-functions in this area include:
  - Preventive maintenance
  - Sufficiency of facility
  - Vehicle condition and maintenance schedules
  - Parts and inventory management
  - Communications with dispatch
  - Maintenance outsourcing
- ***Personnel Management and Training.*** The CONTRACTOR will review personnel policies, driver recruitment practices, turnover trends, and management of human resources. Topics that will be covered include:
  - Recruitment and motivation
  - Training and safety
  - Discipline
  - Benefits
- ***Administration and Financial Controls.*** Business and support services necessary for the operations of the agency will be assessed. The CONTRACTOR will examine adopted policy documents guiding financial management and procurement practices. Administrative activities include:
  - Budgeting, financial, and grants management
  - Revenue collection and cash management
  - Payroll
  - Risk management
- ***Marketing and Public Information.*** Efforts to make information available to the public, market the service to the community, and communicate with social service agencies and other governmental entities will be reviewed. The assessment will include:
  - Marketing programs and objectives
  - Communications strategies with the public
  - Intergovernmental communications

The CONTRACTOR will use various data means to perform the assessment, including interviews with transit staff and management, in-house data collection, annual productivity reports, surveys and public input, transit plans, and other materials presented to the governing board.

The CONTRACTOR will describe the improvements and changes made over the past three years in each function. The CONTRACTOR will also review events and/or activities that may have occurred either before or after the audit period, as necessary, to digest the impacts during the audit period. The CONTRACTOR will also identify and evaluate any functional concerns using such methods as calculating additional performance indicators that would be applicable to said concern. The CONTRACTOR'S site visits and interviews, and documents such as board and advisory committee reports and agendas, and internal documentation, will help with describing the service changes or performance concerns.

From the functional review, the CONTRACTOR will then provide a set of clear and concise recommendations for improvement with a clear timeline for implementation and identify the potential cost savings/benefit and responsible party for follow up. Depending on the operator function, the recommendations may vary from managerial improvements to operational efficiencies to financial controls. The CONTRACTOR is prepared to bring a fresh, objective approach to the audits and conduct the work as prescribed by state law.

Task 7: Prepare Audit Report and Presentation

Objective: Prepare administrative drafts for review and finalize the audit reports.

Approach: The CONTRACTOR will prepare a draft report encompassing all aspects of the audit process and meeting state TDA requirements. The report will also serve as a detailed actions plan for recommended improvements, thereby providing a useful management tool for the transit operator. The report will include a discussion of:

- Audit scope, approach, methodologies used to test compliance and internal controls, interviews conducted, and documents reviewed;
- Agency accomplishments during the audit period as well as particular challenges;
- Performance trends, audit findings, and conclusions for the TDA indicators;
- Causal factors contributing to performance results; and
- Specific recommendations for improvement as warranted by findings and conclusions with a suggested action plan for implementation.

Following the schedule to the RFP, the CONTRACTOR will provide the COG Executive Director an electronic PDF copy of the draft audit report by June 2, 2016, for distribution, review, and comment. After The CONTRACTOR have received comments,

the CONTRACTOR will prepare the final report by June 16, 2016. The CONTRACTOR will deliver 10 bound copies, one loose leaf copy, and an electronic PDF copy of the final report no later than June 30, 2016.

ATTACHMENT B
Payment Schedule

B-1. BILLING

Charges for services rendered pursuant to the terms and conditions of this contract shall be invoiced on the following basis: (check one)

[ ] One month in arrears.
[ ] Upon the complete performance of the services specified in Attachment A.
[X] The basis specified in paragraph B-4.

B-2. PAYMENT

Payment shall be made by COUNCIL OF GOVERNMENTS to CONTRACTOR at the address specified in paragraph 8 of this contract, net thirty (30) days from the invoice date.

B-3. COMPENSATION

COUNCIL OF GOVERNMENTS shall pay to CONTRACTOR: (check one)

[ ] a total lump sum payment of $ _____, or

[X] a total sum not to exceed $ $19,380,

for services rendered pursuant to the terms and conditions of this contract and pursuant to any special compensation terms specified in this attachment, Attachment B.

B-4. SPECIAL COMPENSATION TERMS: (check one)

[ ] There are no additional terms of compensation.
[X] The following specific terms of compensation shall apply:

CONTRACTOR shall invoice monthly at an hourly rate for services rendered pursuant to Attachment B-1 of this Contract. CONTRACTOR shall provide a monthly progress report as a part of the monthly invoice which tracks tasks specified in Attachment A, Scope of Services, with services completed by Contractor. The monthly progress report shall include the following:

- Description of the tasks in progress or achieved
- Description of the tasks still to be achieved
- Percentage of work still anticipated for each task for the completion of the project

The COG shall have the right to retain 10% of the total contracted amount until the project is deemed completed by the CONTRACTOR and the COG.

END OF ATTACHMENT B.

Attachment B-1

FEE SCHEDULE

Council of San Benito County Governments Budget

	D. Wong Project Manager		R. Williams Assoc. Planner		Administrative		Total	
Audit Tasks	Hours	$140	Hours	$100	Hours	$70	Hours	Budget
Task 1 - Kickoff Meeting/Data Collection	2	$280	1	$100		$0	3	$380
Task 2 - Evaluate TDA Administrative Processes	2	$280	4	$400		$0	6	$680
Task 3 - Evaluate Claim Approval Process and Transit Monitoring	2	$280	2	$200		$0	4	$480
Task 4 - Conduct Detailed Review of RTPA Functions	6	$840	8	$800		$0	14	$1,640
Task 5 - Follow Up on Prior Performance Audit Recommendations	1	$140	1	$100		$0	2	$240
Task 6 - Identify Improvements and Develop Recommendations	1	$140	1	$100		$0	2	$240
Task 7 - Prepare Audit Report	12	$1,680	8	$800	2	$140	22	$2620
Subtotal	26	$3,640	25	$2,500	2	$140	53	$6280
Direct Expenses (travel, printing, mail)								$250
Total COG Audit								$6,530

Local Transportation Authority Budget

	D. Wong Project Manager		R. Williams Assoc. Planner		Administrative		Total	
Audit Tasks	Hours	$140	Hours	$100	Hours	$70	Hours	Budget
Task 1 - Kickoff and Data Collection	2	$280	4	$400		$0	6	$680
Task 2 - Interviews and Site Visits	6	$840	6	$600		$0	12	$1,440
Task 3 - Determine Compliance with Statutory and Regulatory Requirements	3	$420	8	$800		$0	11	$1,220
Task 4 - Follow Up on Prior Performance Audit Recommendations	1	$140	2	$200		$0	3	$340
Task 5 - Verify Performance Indicators	2	$280	10	$1,000		$0	12	$1,280
Task 6 - Operator Functional Reviews	14	$1,960	12	$1,200		$0	26	$3,160
Task 7 - Prepare Audit Report	16	$2,240	20	$2,000	2	$140	38	$4,380
Subtotal	44	$6,160	62	$6,200	2	$140	108	$12,500
Direct Expenses (travel, printing, mail)								$350
Total Audit								$12,850

ATTACHMENT C

General Terms and Conditions

C-1. INDEMNIFICATION.

CONTRACTOR and COG each agree to indemnify, defend and save harmless the other party and the other party's officers and employees, from and against any and all claims and losses whatsoever arising out of, or in any way related to, the indemnifying party's performance under this contract, including, but not limited to, claims for property damage, personal injury, death, and any legal expenses (such as attorneys' fees, court costs, investigation costs, and experts' fees) incurred by the indemnitee in connection with such claims or losses. A party's "performance" includes the party's action or inaction and the action or inaction of that party's officers and employees.

C-2. GENERAL INSURANCE REQUIREMENTS.

Without limiting CONTRACTOR's duty to indemnify COG, CONTRACTOR shall comply with the insurance coverage requirements set forth in the contract and in this attachment. Those insurance policies mandated by Paragraph C-3 shall satisfy the following requirements:

(a) Each policy shall be issued by a company authorized by law to transact business in the State of California.

(b) Each policy shall provide that COG shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or nonrenewal thereof.

(c) The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming the County of San Benito and its officers, agents and employees as additional insureds.

(d) The required coverage shall be maintained in effect throughout the term of this contract.

CONTRACTOR shall require all subcontractors performing work under this contract to obtain substantially the identical insurance coverage required of CONTRACTOR pursuant to this agreement.

C-3. INSURANCE COVERAGE REQUIREMENTS.

If required by paragraph 5 of the contract, CONTRACTOR shall maintain the following insurance policies in full force and effect during the term of this contract:

(a) Comprehensive general liability insurance. CONTRACTOR shall maintain comprehensive general liability insurance, covering all of CONTRACTOR's operations with a combined single limit of not less than the amount set out in paragraph 5 of this contract.

(b) Professional liability insurance. CONTRACTOR shall maintain professional liability insurance with liability limits of not less than the amount set out in paragraph 5 of this contract.

(c) Comprehensive motor vehicle liability insurance. CONTRACTOR shall maintain comprehensive motor vehicle insurance covering all motor vehicles (including owned, non-owned and hired) used in providing services under this contract, with a combined single limit of not less than the amount set out in Paragraph 5 of this contract.

(d) Workers' compensation insurance. CONTRACTOR shall maintain a workers' compensation plan covering all of its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If CONTRACTOR elects to be self-insured, the certificate of insurance otherwise required by this contract shall be replaced with a consent to self-insure issued by the State Director of Industrial Relations.

C-4. CERTIFICATE OF INSURANCE.

Prior to the commencement of performance of services by CONTRACTOR and prior to any obligations of COG, CONTRACTOR shall file certificates of insurance with COG, showing that CONTRACTOR has in effect the insurance required by this contract. CONTRACTOR shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file. In lieu of providing proof of insurance, CONTRACTOR may provide proof of self-insurance meeting requirements equivalent to those imposed herein. CONTRACTOR warrants that CONTRACTOR's self-insurance provides substantially the same protection to COG as the insurance required herein. CONTRACTOR further agrees to notify COG in the event any change in self-insurance occurs that would alter the obligations undertaken in this contract within thirty (30) days of such change.

C-5. RECORDS TO BE MAINTAINED.

CONTRACTOR shall keep and maintain accurate records of all costs incurred and all time expended for work under this contract. CONTRACTOR shall contractually require that all of CONTRACTOR's subcontractors performing work called for under this contract also keep and maintain such records. All such records, whether kept by CONTRACTOR or any SUBCONTRACTOR, shall be made available to COG or its authorized representative, Federal Transit Administration (FTA), or any duly authorized representative of the Federal Government or officials of the State of California for review or audit during normal business hours, upon reasonable advance notice given by COG, its authorized representative, or officials of the State of California.

C-6. RETENTION OF RECORDS.

CONTRACTOR shall maintain and preserve all records related to this contract for a period of three years from the close of the fiscal year in which final payment under this contract is made. CONTRACTOR shall also contractually require the maintenance of such records in the possession of any third party performing work related to this contract for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to insure the maintenance of the records beyond the initial three year period shall arise only if the COG notifies CONTRACTOR of the commencement of an audit prior to the expiration of the three year period.

C-7. TITLE TO DOCUMENTS; COPYRIGHT.

All reports and other materials collected or produced by the CONTRACTOR or any Subcontractor of CONTRACTOR shall, after completion and acceptance of the contract, become the property of COG, and shall not be subject to any copyright claimed by the CONTRACTOR, subcontractor, or their agents or employees. CONTRACTOR may retain copies of all such materials exclusively for administrative purposes. Any use of completed or uncompleted documents for other projects by CONTRACTOR, any subcontractor, or any of their agents or employees, without the prior written consent of COG is prohibited.

C-8. INDEPENDENT CONTRACTOR.

CONTRACTOR and its officers and employees, in the performance of this contract, are independent contractors in relation to COG and not officers or employees of COG. Nothing in this contract shall create any of the rights, powers, privileges or immunities of any officer or employee of COG. CONTRACTOR

shall be solely liable for all applicable taxes or benefits, including, but not limited to, federal and state income taxes, Social Security taxes, or ERISA retirement benefits, which taxes or benefits arise out of the performance of this contract. CONTRACTOR further represents to COG that CONTRACTOR has no expectation of receiving any benefits incidental to employment.

C-9. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. CONTRACTOR further covenants that, in the performance of this contract, no subcontractor or person having such an interest shall be used or employed.

C-10. COMPLIANCE WITH APPLICABLE LAWS.

CONTRACTOR shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this contract. This obligation includes, without limitation, the acquisition, and maintenance of any permits, licenses, or other entitlements necessary to perform the duties imposed expressly or impliedly under this contract.

C-11. NONDISCRIMINATION.

CONTRACTOR shall not discriminate in the employment of persons necessary to perform this contract on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.

C-12. BANKRUPTCY.

CONTRACTOR shall immediately notify COG in the event that CONTRACTOR ceases conducting business in the normal manner, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors.

C-13. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION OF DUTIES.

Except as specifically authorized herein, no rights under this contract may be assigned and no duties under this contract may be delegated by CONTRACTOR

without the prior written consent of COG, and any attempted assignment or delegation without such consent shall be void.

C-14. NEGOTIATED CONTRACT.

This contract has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this contract within the meaning of California Civil Code Section 1654.

C-15. SEVERABILITY.

Should any provision herein be found or deemed to be invalid, this contract shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this contract are declared to be severable.

C-16. ENTIRE CONTRACT.

This contract is the entire agreement of the parties. There are no understandings or agreements pertaining to this contract except as are expressly stated in writing in this contract or in any document attached hereto or incorporated herein by reference.

C-17. TIME IS OF THE ESSENCE.

Time is of the essence in the performance of this contract.

C-18. TERMINATION.

Either party may terminate this contract, with or without cause, at any time. In order to terminate this contract, the terminating party shall give advance written notice to the other party. The termination shall be effective no earlier than the expiration of the number of days specified in paragraph 6 of this contract. The termination notice shall be made as specified in paragraph C-19, below. In the event of termination, COG shall pay CONTRACTOR for all work satisfactorily performed prior to the effective date of the termination.

C-19. NOTICES.

Notices to the parties in connection with the administration of this contract shall be given to the parties' contract administrator personally, by regular mail, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:

(a) The day the notice is personally delivered to the contract administrator or the office of the party's contract administrator; or

(b) Five days after the date the notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, with first-class postage fully prepaid; or

(c) On the day that the notice is transmitted by facsimile to a party's facsimile number specified in paragraph 8 of this contract, provided that an original of such notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, on the same day as the facsimile transmission is made.

C-20. RESPONSIBILITY OF CONTRACT ADMINISTRATORS.

All matters concerning this contract which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective contract administrators or to the party's employee specified, in writing, by the contract administrator. A party may, in its sole discretion, change its designation of its contract administrator and shall promptly give written notice to the other party of any such change.

C-21. MATERIALITY.

The parties consider each and every term, covenant, and provision of this contract to be material and reasonable.

C-22. WAIVER.

Waiver by either party of a breach of any covenant of this contract will not be construed to be a continuing waiver of any subsequent breach. COG's receipt of consideration with knowledge of CONTRACTOR's violation of a covenant does not waive its right to enforce any covenant of this contract. The parties shall not waive any provisions of this contract unless the waiver is in writing and signed by all parties.

C-23. AUTHORITY AND CAPACITY.

CONTRACTOR and CONTRACTOR's signatory each warrant and represent that each has full authority and capacity to enter into this contract.

C-24. BINDING ON SUCCESSORS.

All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of CONTRACTOR. CONTRACTOR and all of CONTRACTOR's heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under this contract.

C-25. CUMULATION OF REMEDIES.

All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.

C-26. INDEPENDENT ADVICE.

Each party hereby represents and warrants that in executing this contract it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this contract and the rights and duties arising out of this contract, or that such party willingly foregoes any such consultation.

C-27. NO RELIANCE ON REPRESENTATIONS.

Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this contract may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this contract shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.

C-28. REDUCTION OF CONSIDERATION.

CONTRACTOR agrees that COG shall have the right to deduct from any payments specified in Attachment B any amount owed to COG by CONTRACTOR as a result of any obligation arising prior to, or after, the execution of this contract. For purposes of this paragraph, obligations arising prior to, or after, the execution of this contract may include, without limitation, any property tax, secured or unsecured, which tax is in arrears. If COG exercises the right to reduce the consideration specified in Attachment B, COG, at the time of making a reduced payment, shall give CONTRACTOR notice of the amount of any off-set and the reason for the reduction.

C-29. COUNTERPARTS.

This contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one contract.

END OF ATTACHMENT C.

Agenda Item:_____

Staff Report

To: Council of San Benito County Governments
From: Mary Gilbert, Executive Director Phone Number: (831) 637-7665 x207
Date: January 21, 2016
Subject: Traffic Impact Mitigation Fee Study Update

Recommendation:

APPROVE Contract with Michael Baker International for an Amount Not to Exceed $5,052 for Completion of the Traffic Impact Mitigation Fee Study

Summary:

Staff is seeking approval of a new contract with Michael Baker International for completion of the work initiated under a previous contract dated November 2014, which expired December 31, 2016.

Financial Considerations:

The budget for this contract is for the remaining work, an amount not to exceed $5,052. The full cost of the update was an amount not to exceed $84,936. Traditionally, the study update has been paid for with impact fees collected by the City of Hollister and San Benito County. In the past, the City of San Juan Bautista has not participated in the funding and development of the study.

Staff Analysis

Approval of the contract will authorize the final items of work to be completed under the original contract budget as approved in November 2014. Work is anticipated to be complete no later than June 2016.

Executive Director Review:_____ Counsel Review: Yes

Supporting Attachments: Contract with Michael Baker International

C O N T R A C T

The COUNCIL OF SAN BENITO COUNTY GOVERNMENTS ("COG") and CONTRACTOR International (formerly PMC) ("CONTRACTOR") enter into this contract which shall be effective on the date stated in Paragraph 1.

1. Duration of Contract.

This contract shall commence on January 21, 2016, and end on June 30, 2016, unless sooner terminated as specified herein.

2. Scope of Services.

CONTRACTOR, for COG's benefit shall perform the services specified on Attachment A to this contract. Attachment A is made a part of this contract.

3. Compensation for Services.

In consideration for CONTRACTOR's performance, COG shall pay compensation to CONTRACTOR according to the terms specified in Attachment B. Attachment B is made a part of this contract.

4. General Terms and Conditions.

The rights and duties of the parties to this contract are governed by the general terms and conditions mutually agreed to and listed in Attachment C. Attachment C is made a part of this contract.

5. Insurance Limits.

CONTRACTOR shall maintain the following insurance policy limits of coverage consistent with the further insurance requirements specified in Attachment C.

(a) Comprehensive general liability insurance: $1,000,000
(b) Professional liability insurance: $1,000,000
(c) Comprehensive motor vehicle liability insurance: $500,000

6. Termination.

The number of days of advance written notice required for termination of this contract is Thirty (30) Days.

7. Specific Terms and Conditions *(check one)*

[x] There are no additional provisions to this contract.

[ ] The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment D. Attachment D is made a part of this contract.

[ ] The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment E. Attachment E is made a part of this contract.

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8. Information about Contract Administrators.

The following names, titles, addresses, and telephone numbers are the pertinent information for the respective contract administrators for the parties.

Contract Administrator for COG :

Name: Mary Gilbert

Title: Executive Director

Address: 330 Tres Pinos Road, Suite C-7

Hollister, California 95023

Telephone No.: 831-637-7665

Fax No.: 831-636-4160

Contract Administrator for CONTRACTOR:

Name: Philip O. Carter

Title: President

Address: 2729 Prospect Dr. Suite 220

Rancho Cordova, CA 95670

Telephone No.: (916) 361-8384

Fax No.: (916) 361-1574

SIGNATURES

APPROVED BY COG:

_____

Name: Tony Boch

Chair, COG

Date: November 20, 2014

APPROVED BY CONTRACTOR:

_____

Name: Philip O. Carter

Title: President

Date: _____

APPROVED AS TO LEGAL FORM:
SAN BENITO COUNTY COUNSEL'S OFFICE

_____
By: Shirley L. Murphy, Deputy County Counsel

Date: _____

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ATTACHMENT A
Scope of Services

CONTRACTOR shall complete the following scope of services on behalf of COG for the Traffic Impact Mitigation Fee Nexus Study. CONTRACTOR previously provided certain professional services, under a previous contract entered November 20, 2014 herein referenced as Attachment D. Attachment D. is made a part of this contract. CONTRACTOR, for the COG's benefit, shall complete the following tasks to complete the Nexus Study:

Task 1: Presentations to Stakeholder and Community Groups

CONTRACTOR will attend and participate in one (1) workshop presentation to member agencies and/or stakeholder groups. CONTRACTOR will work directly with the COG to develop a PowerPoint presentation for the workshop. The presentation will be created to inform and address any concerns from the following groups:

- COG Board of Directors
- The City Councils of Hollister and San Juan Bautista
- County of San Benito Board of Supervisors
- Developer or landowner individuals or groups
- Community individuals or groups

CONTRACTOR will prepare and present the following specific items:

- Clarify fee calculation methodologies
- Explanation of state law regarding impact fees and nexus studies
- Provide results of other tasks and/or deliverables as necessary to clarify and explain the findings
- Prepare presentation agenda and meeting notes

Task 2: Nexus Study Report

CONTRACTOR will prepare an administrative draft nexus fee report and submit an electronic copy to COG staff for review. CONTRACTOR will discuss the administrative draft report's findings with COG staff via teleconference. CONTRACTOR will then incorporate agreed-upon COG suggested edits into a public review draft fee report to be released for review by the public, stakeholders, interest groups, and member agencies. CONTRACTOR will provide a final screencheck of the public review draft for COG staff to review. The public review draft will contain the complete nexus methodology, findings, growth assumptions, cost and allocation analyses, fee tables, and recommended fee levels for each benefit zone. CONTRACTOR will provide up to ten (10) hard copies and an electronic file (PDF, Word, and Excel) at the COG's request.

CONTRACTOR will incorporate comments from the public review into a final TIMF nexus report for delivery to COG staff. The final draft report will summarize key results and document the findings required by Government Code Section 66000. The report will also clearly present the fee calculation methodologies, an explanation of existing deficiencies, and fee schedules.

CONTRACTOR will create a PowerPoint presentation for the public hearings and provide up to ten (10) hard copies and an electronic copy of the final report as requested by the COG.

Task 3: Attend Public Hearings

CONTRACTOR will attend four (4) public hearings, one at each legislative body: COG, County of San Benito, the City of Hollister, and the City of San Juan Bautista, where the final report, findings, and fee recommendations will be presented. CONTRACTOR will coordinate with COG staff on the scheduling efficiencies for these hearings.

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ATTACHMENT B
Payment Schedule

B-1. BILLING

Charges for services rendered pursuant to the terms and conditions of this contract shall be invoiced on the following basis: (check one)

[ ] One month in arrears.
[ ] Upon the complete performance of the services specified in Attachment A.
[x] The basis specified in paragraph B-4.

B-2. PAYMENT

Payment shall be made by COUNCIL OF GOVERNMENTS to CONTRACTOR at the address specified in paragraph 8 of this contract, net thirty (30) days from the invoice date.

B-3. COMPENSATION

COUNCIL OF GOVERNMENTS shall pay to CONTRACTOR: (check one)

[ ] a total lump sum payment of $ _____, or

[x] a total sum not to exceed $ 5,052_____,

for services rendered pursuant to the terms and conditions of this contract and pursuant to any special compensation terms specified in this attachment, Attachment B.

B-4. SPECIAL COMPENSATION TERMS: (check one)

[ ] There are no additional terms of compensation.
[x] The following specific terms of compensation shall apply: (Specify)

CONTRACTOR shall invoice monthly for services rendered. CONTRACTOR shall provide a monthly progress report as a part of the monthly invoice which tracks tasks specified in Attachment A, Scope of Services, with services completed by CONTRACTOR. The monthly progress report shall include the following:

- Description of the tasks in progress or achieved
- Description of the tasks still to be achieved
- Percentage of work still anticipated for each task for the completion of the project

The COG shall have the right to retain 10% of the total contracted amount until the project is deemed completed by the CONTRACTOR and the COG.

Attachment B-1 is attached hereto and incorporated herein by reference.

END OF ATTACHMENT B.

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ATTACHMENT C
General Terms and Conditions

C-I. INDEMNIFICATION.

CONTRACTOR and COG each agree to indemnify, defend and save harmless the other party and the other party's officers and employees, from and against any and all claims and losses whatsoever arising out of, or in any way related to, the indemnifying party's performance under this contract, including, but not limited to, claims for property damage, personal injury, death, and any legal expenses (such as attorneys' fees, court costs, investigation costs, and experts' fees) incurred by the indemnitee in connection with such claims or losses. A party's "performance" includes the party's action or inaction and the action or inaction of that party's officers and employees.

C-2. GENERAL INSURANCE REQUIREMENTS.

Without limiting CONTRACTOR's duty to indemnify COG, CONTRACTOR shall comply with the insurance coverage requirements set forth in the contract and in this attachment. Those insurance policies mandated by Paragraph C-3 shall satisfy the following requirements:

(a) Each policy shall be issued by a company authorized by law to transact business in the State of California.

(b) Each policy shall provide that COG shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or nonrenewal thereof.

(c) The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming COG and its officers, agents and employees as additional insureds.

(d) The required coverage shall be maintained in effect throughout the term of this contract.

CONTRACTOR shall require all subcontractors performing work under this contract to obtain substantially the identical insurance coverage required of CONTRACTOR pursuant to this agreement.

C-3. INSURANCE COVERAGE REQUIREMENTS.

If required by paragraph 5 of the contract, CONTRACTOR shall maintain the following insurance policies in full force and effect during the term of this contract:

(a) Comprehensive general liability insurance. CONTRACTOR shall maintain comprehensive general liability insurance, covering all of CONTRACTOR's operations with a combined single limit of not less than the amount set out in paragraph 5 of this contract.

(b) Professional liability insurance. CONTRACTOR shall maintain professional liability insurance with liability limits of not less than the amount set out in paragraph 5 of this contract.

(c) Comprehensive motor vehicle liability insurance. CONTRACTOR shall maintain comprehensive motor vehicle insurance covering all motor vehicles (including owned, non-owned and hired) used in providing services under this contract, with a combined single limit of not less than the amount set out in Paragraph 5 of this contract.

(d) Workers' compensation insurance. CONTRACTOR shall maintain a workers' compensation plan covering all of its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If CONTRACTOR elects to be self-insured, the certificate of insurance otherwise required by this contract shall be replaced with a consent to self-insure issued by the State Director of Industrial Relations.

C-4. CERTIFICATE OF INSURANCE.

Prior to the commencement of performance of services by CONTRACTOR and prior to any obligations of COG, CONTRACTOR shall file certificates of insurance with COG, showing that CONTRACTOR has in effect the insurance required by this contract. CONTRACTOR shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file. In lieu of providing proof of insurance, CONTRACTOR may provide proof of self-insurance meeting requirements equivalent to those imposed herein. CONTRACTOR warrants that CONTRACTOR's self-insurance provides substantially the same protection to COG as the insurance required herein. CONTRACTOR further agrees to notify COG in the event any change in self-insurance occurs that would alter the obligations undertaken in this contract within thirty (30) days of such change.

C-5. RECORDS TO BE MAINTAINED.

CONTRACTOR shall keep and maintain accurate records of all costs incurred and all time expended for work under this contract. CONTRACTOR shall contractually require that all of CONTRACTOR's subcontractors performing work called for under this contract also keep and maintain such records. All such records, whether kept by CONTRACTOR or any subcontractor, shall be made available to COG or its authorized representative, or officials of the State of California for review or audit during normal business hours, upon reasonable advance notice given by COG, its authorized representative, or officials of the State of California.

C-6. RETENTION OF RECORDS.

CONTRACTOR shall maintain and preserve all records related to this contract for a period of three years from the close of the fiscal year in which final payment under this contract is made. CONTRACTOR shall also contractually require the maintenance of such records in the possession of any third party performing work related to this contract for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to insure the maintenance of the records beyond the initial three year period shall arise only if COG notifies CONTRACTOR of the commencement of an audit prior to the expiration of the three year period.

C-7. TITLE TO DOCUMENTS; COPYRIGHT.

All reports and other materials collected or produced by the CONTRACTOR or any subcontractor of CONTRACTOR shall, after completion and acceptance of the contract, become the property of COG, and shall not be subject to any copyright claimed by the CONTRACTOR, subcontractor, or their agents or employees. CONTRACTOR may retain copies of all such materials exclusively for administrative purposes. Any use of completed or uncompleted documents for other projects by CONTRACTOR, any subcontractor, or any of their agents or employees, without the prior written consent of COG is prohibited.

C-8. INDEPENDENT CONTRACTOR.

CONTRACTOR and its officers and employees, in the performance of this contract, are independent contractors in relation to COG and not officers or employees of COG. Nothing in this contract shall create any of the rights, powers, privileges or immunities of any officer or employee of COG. CONTRACTOR shall be solely liable for all applicable taxes or benefits, including, but not limited to, federal and state income taxes, Social Security taxes, or ERISA retirement benefits, which taxes or benefits arise out of the performance of this contract. CONTRACTOR further represents to COG that CONTRACTOR has no expectation of receiving any benefits incidental to employment.

C-9. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. CONTRACTOR further covenants that, in the performance of this contract, no subcontractor or person having such an interest shall be used or employed.

C-10. COMPLIANCE WITH APPLICABLE LAWS.

CONTRACTOR shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this contract. This obligation includes, without limitation, the acquisition, and maintenance of any permits, licenses, or other entitlements necessary to perform the duties imposed expressly or impliedly under this contract.

C-11. NONDISCRIMINATION.

CONTRACTOR shall not discriminate in the employment of persons necessary to perform this contract on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.

C-12. BANKRUPTCY.

CONTRACTOR shall immediately notify COG in the event that CONTRACTOR ceases conducting business in the normal manner, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors.

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Except as specifically authorized herein, no rights under this contract may be assigned and no duties under this contract may be delegated by CONTRACTOR without the prior written consent of COG, and any attempted assignment or delegation without such consent shall be void.

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This contract has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this contract within the meaning of California Civil Code Section 1654.

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Should any provision herein be found or deemed to be invalid, this contract shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this contract are declared to be severable.

C-16. ENTIRE CONTRACT.

This contract is the entire agreement of the parties. There are no understandings or agreements pertaining to this contract except as are expressly stated in writing in this contract or in any document attached hereto or incorporated herein by reference.

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Time is of the essence in the performance of this contract.

C-18. TERMINATION.

Either party may terminate this contract, with or without cause, at any time. In order to terminate this contract, the terminating party shall give advance written notice to the other party. The termination shall be effective no earlier than the expiration of the number of days specified in paragraph 6 of this contract. The termination notice shall be made as specified in paragraph C-19, below. In the event of termination, COG shall pay CONTRACTOR for all work satisfactorily performed prior to the effective date of the termination.

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Notices to the parties in connection with the administration of this contract shall be given to the parties' contract administrator personally, by regular mail, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:

(a) The day the notice is personally delivered to the contract administrator or the office of the party's contract administrator; or

(b) Five days after the date the notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, with first-class postage fully prepaid; or

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(c) On the day that the notice is transmitted by facsimile to a party's facsimile number specified in paragraph 8 of this contract, provided that an original of such notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, on the same day as the facsimile transmission is made.

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All matters concerning this contract which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective contract administrators or to the party's employee specified, in writing, by the contract administrator. A party may, in its sole discretion, change its designation of its contract administrator and shall promptly give written notice to the other party of any such change.

C-21. MATERIALITY.

The parties consider each and every term, covenant, and provision of this contract to be material and reasonable.

C-22. WAIVER.

Waiver by either party of a breach of any covenant of this contract will not be construed to be a continuing waiver of any subsequent breach. COG's receipt of consideration with knowledge of CONTRACTOR's violation of a covenant does not waive its right to enforce any covenant of this contract. The parties shall not waive any provisions of this contract unless the waiver is in writing and signed by all parties.

C-23. AUTHORITY AND CAPACITY.

CONTRACTOR and CONTRACTOR's signatory each warrant and represent that each has full authority and capacity to enter into this contract.

C-24. BINDING ON SUCCESSORS.

All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of CONTRACTOR. CONTRACTOR and all of CONTRACTOR's heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under this contract.

C-25. CUMULATION OF REMEDIES.

All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.

C-26. INDEPENDENT ADVICE.

Each party hereby represents and warrants that in executing this contract it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this contract and the rights and duties arising out of this contract, or that such party willingly foregoes any such consultation.

C-27. NO RELIANCE ON REPRESENTATIONS.

Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this contract may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this contract shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.

C-28. REDUCTION OF CONSIDERATION.

CONTRACTOR agrees that COG shall have the right to deduct from any payments specified in Attachment B any amount owed to COG by CONTRACTOR as a result of any obligation arising prior to, or after, the execution of this contract. For purposes of this paragraph, obligations arising prior to, or after, the execution of this contract may include, without limitation, any property tax, secured or unsecured, which tax is in arrears. If COG exercises the right to reduce the consideration specified in Attachment B, COG, at the time of making a reduced payment, shall give CONTRACTOR notice of the amount of any off-set and the reason for the reduction.

C-29. COUNTERPARTS.

This contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one contract.

END OF ATTACHMENT C.

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Staff Report

To:	Council of Governments	
From:	Veronica Lezama, Transportation Planner	**Telephone:** (831) 637-7665 Ext. 204
Date:	January 21, 2016	
Subject:	**Fixing America's Surface Transportation Act, or "FAST Act"**	

Recommendation:

RECEIVE report on Fixing America's Surface Transportation Act, or "FAST Act."

Summary:

On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act, or "FAST Act." This law is the first Federal law passed in over ten years to provide long-term funding certainty for surface transportation. Staff will be reporting back to the Board in more detail at a future meeting as more current information becomes available.

Financial Considerations:

The FAST Act authorizes $305 billion over fiscal years 2016 through 2020 for the Department's highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology and statistics programs.

Background:

On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act, or "FAST Act." It is the first law enacted in over ten years that provides long-term funding certainty for surface transportation, meaning States and local governments can move forward with critical transportation projects, like new highways and transit lines, with the confidence that they will have a Federal partner over the long term.

Staff Analysis:

The FAST Act largely maintains current program structures and funding shares between highways and transit. It is a down-payment for building a 21st century transportation system, increasing funding by 11 percent over five years. FAST Act is still under the amount needed to reduce congestion on roads and meet the increasing demands on the transportation systems.

The law also makes changes and reforms to many Federal transportation programs, including streamlining the approval processes for new transportation projects, providing new safety tools, and

establishing new programs to advance critical freight projects. Below is a more detailed summary of some FAST Act provisions[1].

PROJECT DELIVERY: The FAST Act adopted a number of Administration proposals to further speed the permitting processes while still protecting environmental and historic treasures and also codifying the online system to track projects and interagency coordination processes.

FREIGHT: The FAST Act would establish both formula and discretionary grant programs to fund critical transportation projects that would benefit freight movements. These programs are similar to what the Administration proposed and will for the first time provide a dedicated source of Federal funding for freight projects, including multimodal projects. The Act emphasizes the importance of Federal coordination to focus local governments on the needs of freight transportation providers.

INNOVATIVE FINANCE BUREAU: The FAST Act establishes a new National Surface Transportation and Innovative Finance Bureau within the Department of Transportation to serve as a one-stop shop for state and local governments to receive federal funding, financing or technical assistance. This builds on the work of the Department's Build America Transportation Investment Center and provides additional tools to improve coordination across the Department to promote innovative finance mechanisms. The Bureau is also tasked with responsibility to drive efficiency in the permitting process, consistent with our request to establish a dedicated permitting office.

TIFIA: The Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan program provides important financing options for large projects and public-private partnerships. The FAST Act includes organizational changes that will provide an opportunity for important structural improvements with the potential to accelerate the delivery of innovative finance projects. However, FAST's cut to the TIFIA program could constrain growth in this area over the course of the bill.

SAFETY: The FAST Act includes authority sought by the Administration to prohibit rental car companies from knowingly renting vehicles that are subject to safety recalls. It also increased maximum fines against non-compliant auto manufactures from $35 million to $105 million. The law also will help bolster the Department's safety oversight of transit agencies and also streamlines the Federal truck and bus safety grant programs, giving more flexibility to States to improve safety in these areas. However, we know the bill also took a number of steps backwards in terms of the Department's ability to share data with the public and on the Department's ability to exercise aggressive oversight over our regulated industries.

[1] US DOT, Office of the Secretary of Transportation

TRANSIT: The FAST Act includes a number of positive provisions, including reinstating the popular bus discretionary grant program and strengthening the Buy America requirements that promote domestic manufacturing through vehicle and track purchases.

LADDERS OF OPPORTUNITY: The Act includes a number of items that strengthen workforce training and improve regional planning. These include allocating slightly more formula funds to local decision makers and providing planners with additional design flexibilities. Notably, FAST makes Transit Oriented Development (TOD) expenses eligible for funding under highway and rail credit programs. TOD promotes dense commercial and residential development near transit hubs in an effort to shore up transit ridership and promote walkable, sustainable land use.

Executive Director Review:_____ Counsel Review:__N/A___

Agenda Item_____

Staff Report

To:	Council of Governments	
From:	Veronica Lezama, Transportation Planner	**Telephone:** (831) 637-7665 Ext. 204
Date:	January 21, 2016	
Subject:	**Donation for the Purchase of Bicycle Helmets**	

Recommendation:

ACCEPT Donation in the Amount of $1,000 to Purchase Bicycle Helmets.

Summary:

The Council of San Benito County Governments was contacted in December 2015 by a member of the public interested in making a private donation to the Rideshare Program for the purchase of bicycle helmets.

Financial Considerations:

If approved, COG would receive a donation in the amount of $1,000, which would be accounted for in the FY 2015/2016 Rideshare Program budget.

Background:

In December 2015, the Council of Governments was contacted by the Hollister Police Department about a member of the public interested in making a donation in the amount of $1,000 for the purchase of bicycle helmets. Since the Hollister Police Department does not currently have a specific helmet fitting program, the member of the public was directed to COG.

Staff Analysis:

The community donor, who wishes to remain anonymous, requested that the donated funds be used to provide kids using the Hollister Skate Park with helmets. If approved, COG staff would partner with the Safe Kids California San Benito Partners to conduct a safety event at the Skate Park. The goal of the Safe Kids California San Benito Partners is to prevent unintentional childhood injuries through the collaborative efforts of community agencies to provide education and public awareness of the leading causes of injuries.

As a member agency of the California Safe Kids San Benito Partners, COG has taken an active role in conducting several community events that promote bicycle and pedestrian safety (Attachment 1). For example, in April 2015, the Safe Kids Partners conducted helmet fittings at 10 local elementary

and middle schools. Over 400 students received a free helmet fitting and/or a helmet, which were sponsored by COG.

As a result of the Program's success, helmet fittings were conducted at the 2015 Kids at the Park and Hollister National Night-Out events, where over 150 kids received a free helmet fitting and/or helmet. The helmet fitting program is part of an effort to reduce unintentional childhood injuries and promote active transportation in the San Benito County region.

Currently, COG owns less than 20 helmets of which are primarily large sizes. If the donation is approved, staff will purchase smaller size helmets and organize a bicycle safety event at the Hollister Skate Park.

Executive Director Review:_____ Counsel Review:__N/A___

Agenda Item:_____

Staff Report

To:	Council of San Benito County Governments	
From:	Mary Gilbert, Executive Director	Phone Number: (831) 637-7665 x207
Date:	January 21, 2016	
Subject:	**Highway 25**	

Recommendation:

RECEIVE Update on the Highway 25 Widening Design Alternatives Analysis

Summary:

Staff will provide an update on the Highway 25 Widening Design Alternatives Analysis that kicked off in November.

Financial Impact:

The engineering study contract is for an amount not to exceed $135,982. There is currently a balance of approximately $433,000 in funding in the Highway 25 Safety Project account budget that will be used for this project.

Staff Analysis:

The scope of work for the study includes the following tasks:

- Project Kickoff
- Background Analysis
- Alternatives Development, including roadway improvements and alternative transportation modes
- Project Coordination
- Financial Analysis

The schedule for the work is accelerated with the majority of work being completed by February 2016.

Staff is coordinating with partner agencies, including Caltrans, throughout the development of the study. A project development team met on January 13 to review initial work and proposed improvement concepts. Staff will update the Board on January 21. In addition, staff is proposing a special meeting on February 3 to receive a presentation of the proposed concepts for approval.

Executive Director Review:_____ Counsel Review:__N/A_____

Agenda Item:_____

Staff Report

To:	Council of San Benito County Governments
From:	Mary Gilbert, Executive Director Telephone: (831) 637-7665
Date:	January 21, 2016
Subject:	Traffic Impact Fee Program Nexus Study

Recommendation:

RECEIVE 2016 Traffic Impact Mitigation Fee Nexus Study and FORWARD to City of Hollister, City of San Juan Bautista, and San Benito County for Consideration and Adoption.

Summary:

The Council of Governments has prepared the Traffic Impact Fee Program for the City of Hollister and San Benito County since the mid-1990s. The last update was completed in 2011. COG contracted with Michael Baker International to prepare a new study (Attachment).

Financial Impact:

The Traffic Impact Fee Program will generate approximately $239 million over the next 20 years. The Nexus Study recommends fees to be assessed proportionally by geographic zone. In Zone 2, where 100% of the fee will be assessed, the study recommends a maximum residential fee for a single family dwelling unit and multifamily dwelling unit of $13,816 and $8,588, respectively.

The Nexus Study also recommends a maximum fee per 1,000 square feet of commercial, office, and industrial space. In Zone 2, the rates are $10,835, $22,305, and $2,941, respectively. The assessment of the fees, specifically for commercial, office, and industrial space, is at the discretion of the City and County policy makers.

Discussion:

COG has been working on the update since December 2014. A project team made up of COG, City, and County staff has met regularly with the consultants to monitor the progress of the fee update.

The study identifies 14 roadway projects to be partially or fully funded with Traffic Impact Fees. The project list was generated based on results of traffic modeling completed by subconsultant Stantec, using the Association of Monterey Bay Area Governments Regional Travel Demand Model. Projects included are those which are needed to ensure that roadways meet the level of service standard “C” which is set by the City, County, and Caltrans. The project team provided

cost estimates for the projects identified by the model results, which were used as the basis for fee calculation. The nexus study identifies three separate geographic zones where fees will be assessed, based on the proportion of travel that is projected in the zone. The nexus study includes fees for residential, commercial, and office use, which are calculated using the number of vehicle trips that are generated by the different uses. The study outlines the methodology that established these rates.

COG received presentations on the draft study in November and December 2015. Comments from the Board have been generally incorporated into the final Draft provided with this report. Staff recommends that the Board accept the report and forward it to the City of Hollister, City of San Juan Bautista, and San Benito County for Adoption.

The Cities and County may adopt the 2016 Traffic Impact Mitigation Fee Nexus study and the fees, allowing the collection of the traffic impact fees.

Executive Director Review:_____ Counsel Review: Yes

Attachment: 2016 Traffic Impact Mitigation Fee Nexus Study

REGIONAL TRANSPORTATION IMPACT MITIGATION FEE NEXUS STUDY

Prepared for the

Final Draft Report

January 2016

Prepared by

Michael Baker
INTERNATIONAL

with Project Subconsultants

Stantec

Urban
ECONOMICS

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EXECUTIVE SUMMARY

This nexus study report presents the results of an update of the San Benito County Regional Transportation Impact Mitigation Fee (TIMF) program for the construction of transportation improvements intended to meet the needs generated by growth in the county, including the following:

- Arterial and collector road widening and extensions
- Bicycle lanes and pedestrian facilities
- Bridge replacements and widening
- Intersection upgrades

This report fully documents the findings necessary for compliance with the state of California's Mitigation Fee Act (Government Code 66000 et seq.), which prescribes the means by which public agencies may impose development impact fees, in order to adopt the proposed impact fees.

BACKGROUND AND STUDY OBJECTIVES

The Council of San Benito County Governments (Council of Governments) Board of Directors adopted its current TIMF program in 2011, establishing impact fees for regional road improvements intending to serve growth throughout the county.

San Benito County and the City of Hollister currently impose the TIMF in their jurisdictions under authority granted by the California State Constitution and the Mitigation Fee Act, contained in California Government Code Sections 66000 et seq. This report provides the necessary findings required by the act for adoption of the fee schedule presented in this report.

San Benito County is forecast to experience significant growth in both its incorporated cities and unincorporated areas through this study's planning horizon of 2035. This growth will create an increase in demand for transportation improvements. Given the revenue challenges that are common to most cities and counties in California, the County and the City of Hollister have, since 1992, implemented a development impact fee program to ensure that new development funds the share of transportation improvement costs associated with growth. This report uses the most current available growth forecasts, including the recently adopted San Benito County General Plan, the transportation improvements identified in the Council of Governments' Regional Transportation Plan (RTP), and traffic modeling, to ensure that the TIMF program is representative of the transportation facility needs resulting from the new development anticipated to occur in the county.

This report documents the relationship between new development in San Benito County and the related cost of transportation improvements to serve growth in the county. It also provides updated estimates of the cost of the improvements and calculates the updated impact fees by land use that would generate the fee revenues necessary to recover these costs. The improvements that would be required to serve growth assume that new development will provide facilities that ensure the Cities of Hollister and San Juan Bautista and the County can maintain an acceptable level of service on TIMF program roads.

The County and the Cities of Hollister and San Juan Bautista will rely on their authority to levy impact mitigation fees under the police powers granted by the California Constitution, which

provides that cities and counties may make and enforce ordinances which are not in conflict with state law.[1]

TRANSPORTATION PROJECTS INCLUDED IN THE TIMF PROGRAM

The following projects will be funded entirely or in part by the TIMF program:

Project No.	Project and Limits
1	State Route (SR) 156 Widening: San Juan Bautista to Union Road
2	SR 156/Fairview Road Intersection Improvements
3	Memorial Drive South Extension: Meridian Street to Santa Ana Road
4	Airline Highway/SR 25 Widening: Sunset Drive to Fairview Road
5	Westside Boulevard Extension: Nash Road to Southside Road/San Benito Street Intersection
6	North Street (Buena Vista), between College Street and San Benito Street
7	Fairview Road Widening: McCloskey to SR 25
8	Union Road Widening (East): San Benito Street to SR 25
9	Union Road Widening (West): San Benito Street to SR 156
10	Meridian Street Extension to Fairview Road: 185 feet east of Clearview to Fairview
11	SR 25 Four-Lane Widening: Phases I and II (San Felipe Road to Santa Clara County Line)*
12	Memorial Drive North Extension: Santa Ana Road to Flynn Road/Shelton Road Intersection*
13	Flynn Road Extension: San Felipe Road to Memorial Drive north extension*
14	Pacific Way Extension (new road east-west collector): San Felipe Road to Memorial Drive*

*Project added to the 2010 TIMF project list. Project 11 was considered in the 2010 study, but the interim operational enhancements to SR 25 (formerly TIMF Project 3) were included instead; the operational enhancements have, therefore, been deleted from this study.

Project locations are shown on **Exhibit 1**. See **Table 3.1** in Section 3 of this report for the project cost estimates.

[1] The City of San Juan Bautista has not been a participant in the TIMF program in the past. The City has indicated its interest in participating with this update.

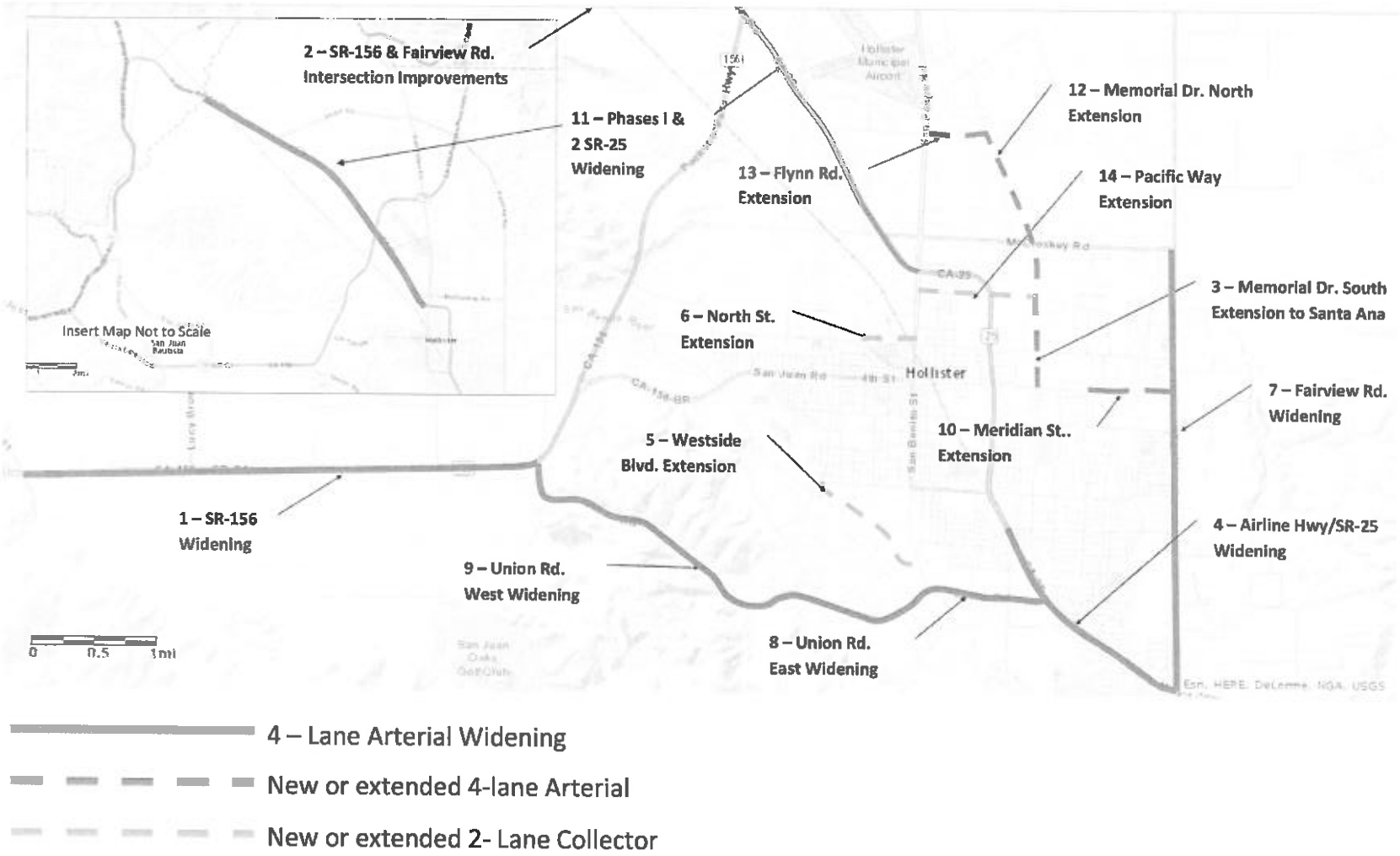

Exhibit 1 – TIMF Road Improvements

In addition to the above projects, 18 intersection upgrades, including signalization and turning lanes, are identified in this study (see Appendix A for intersection cost estimates):

Intersection Number	Location
1	McCloskey Road & Fairview Road
2	Memorial Drive & Hillcrest Road
3	Fairview Road & Fallon Road
4	Fairview Road & Airline Highway/SR 25
5	Fairview Road & Hillcrest Road
6	Union Road & Fairview Road
7	Enterprise Road & Airline Highway/SR 25
8	South Street & Westside Boulevard
9	Rancho Drive & East Nash Road (Tres Pinos Road) Roundabout
10	Fourth Street (San Juan Road) & West Street or Monterey Street
11	Flynn Road & San Felipe Road (Project 13)
12	Meridian Street & Fairview Road Meridian Street Extension (Projects 7 & 10)
13	Memorial Drive & Santa Ana Road Memorial Drive South Extension (Project 3)
14	Memorial Drive & Meridian Street Memorial Drive South Extension (Project 3)
15	Westside Boulevard & Nash Road Westside Boulevard Extension (Project 5)
16	Westside Boulevard & San Benito Street Westside Boulevard Extension (Project 5)
17	SR 156 & Buena Vista Road
18	Gateway Drive & San Felipe Road

NONMOTORIZED IMPROVEMENTS

In addition to the roadways and intersection improvements listed above, it is proposed that a portion of the funding needed to construct countywide bicycle and pedestrian improvements also be included in the TIMF program. Nonmotorized improvements are an essential component of the County General Plan Circulation Element and the Council of Governments' Regional Transportation Plan. Funding of improvements that may reduce the impact of new development on the region's roads is a valid mitigation measure and an eligible use of impact fee revenues. The nonmotorized improvements included in this study were identified in the San Benito Bicycle and Pedestrian Master Plan (Master Plan) completed in May 2009 for the Council of Governments by ALTA Planning & Design. The Master Plan improvements are located throughout the county in both unincorporated and unincorporated areas.

Nonmotorized improvements were not part of the 2010 TIMF program.

Four major projects in the Master Plan are not included in the TIMF: San Benito River Trail, San Benito River Bike and Pedestrian Bridge, Union Pacific Rail Trail, and San Juan Bautista Historical Park. These four projects are recreational in purpose and would not reduce motorized vehicle traffic on the TIMF roadways. Also, there is a small amount of overlap between the TIMF roadway projects and the Master Plan. The cost estimates for all TIMF roadways include Class II bicycle lanes (separately striped 6-foot lane with 3-foot buffer). Wherever the Master Plan indicates bicycle lanes or Class III routes on TIMF roadways, the cost for these lanes and routes was backed out of the total.

Table 1 summarizes the total estimated cost of all proposed transportation improvements and the share of the cost to be funded by the TIMF program. The difference between these two costs (shown in "Other Funding") is discussed in the section below.

The TIMF share is the cost to meet the demand attributed to growth in San Benito County.

The total estimated cost of the improvements included in the 2010 TIMF Study and the TIMF share were $159,030,500 and $93,006,889, respectively. The added program cost includes the added Projects 11, 12, 13, and 14 listed above, bridge replacement/widening not included in the 2010 estimate, the bicycle and pedestrian facilities, and general increases due to inflation.

Table 1: Summary of TIMF Improvement Costs

Improvements Category	Total Estimated Cost	TIMF Share	Other Funding
1. Road segment improvements	$401,658,797	$190,008,000	$211,650,797
2. Intersections (signals and turning lanes)	$15,274,660	$15,274,660	$0.00
3. Bike lanes on TIMF road segments (not included in #4 below)	$46,703,043	$42,549,814	$4,153,229
Current TIMF Balances		($10,700,000)	$10,700,000
Subtotal	$463,636,500	$237,132,474	$229,504,026
4. Bicycle and Pedestrian Master Plan (Bicycle paths, lanes, routes, and multiuse trails—does not include bike lanes in #3 above)[1]	$33,067,561	$1,912,324	$31,155,237
Total, all improvement costs	**$496,704,061**	**$239,044,798**	**$257,659,263**

[1] The TIMF share of bicycle and pedestrian improvements is 40 percent of the cost of the Master Plan less the recreational trails. The percentage is based on the ratio of trip growth from new development to total trips in 2035.

OTHER FUNDING

The TIMF share indicated in **Table 1** is the amount that new development in the county is allocated based on the impact to TIMF roadways. The amount shown in the table for "Other Funding" is the impact due to the following factors:

- The cost deducted for externally generated traffic, which are trips that both begin and end outside of the county; approximately $48.1 million is identified for this share. The impact of these trips cannot be recovered (this applies to Projects 1, 2, 4, 8, 9 and 11).
- The local share of the cost of SR 156 (Project 1), approximately $34.3 million, which is the amount above the $9.6 million TIMF share cap that was designated in the 2010 Regional Transportation Improvement Plan.
- The cost deducted for improvements to correct existing deficiencies (current levels of service on given road segments that are below standard) caused by current traffic, approximately $133.3 million (this applies to the SR 25 Widening Project 11).

- About 85 percent of the cost of the Bicycle and Pedestrian Master Plan improvements, which are the recreation trails discussed above.
- About 60 percent of the remainder of the cost of the Master Plan improvements (after deducting the recreational improvements), which would benefit existing development.

The other funding must come from sources other than the impact mitigation fee revenues. The Mitigation Fee Act requires that other funding sources necessary for the completion of projects shall be identified at the time of the required five-year annual impact fee report (Government Code Section 66006). This code section also requires that the program administrator designate the approximate dates on which the funding necessary to complete financing of these improvements will be deposited into the appropriate fund account. Potential sources of funding to complete projects are:

- Sales tax measure revenue
- State and federal funding
- City and county general funds

METHODOLOGY OF THE STUDY

The impact fees calculated in this study are based on maintaining the specified roadway level of service (LOS) standards of the Cities of Hollister and San Juan Bautista, the County of San Benito, and the California Department of Transportation (Caltrans). The Cities and San Benito County have established a standard of LOS C. Caltrans also strives to maintain LOS C on state highway projects.

This study is an update of the previous TIMF report prepared in 2010–2011. Much of the prior study's methodology was used in this study. Also, most of the transportation system improvement projects included in this study were included in the prior study, with some new ones as discussed above. All currently existing facilities included in this study either (a) met the County's and the Cities' roadway LOS standards at the time they were originally added to the TIMF program (no deficiency), or (b) have an identified existing deficiency share of costs that will not be funded with impact fee revenue. Impact fees are calculated to help fund the cost of facilities required to accommodate growth. The Mitigation Fee Act requires that any agency adopting impact fees establish a reasonable nexus between the projected amount of new development, the public improvements (in this case transportation improvements) needed to serve that development, and the amount of the fees. The six steps followed in this TIMF update study and described in detail in the following chapters are:

1. Prepare projections of travel demand.
2. Identify facility standards.
3. Identify candidate transportation improvement projects.
4. Determine new development's fair share cost.
5. Calculate the TIMF by allocating new development's cost share per unit of development.
6. Identify alternative funding, if available.

The TIMF update study relies on the accepted LOS standards to establish a nexus between projected new development in the county and the need for improvements to roadways of regional importance. This report also relies on the results of a select link analysis, which identifies

where the traffic that will be using each roadway improvement is coming from and where it is going.

The most recent Association of Monterey Bay Area Governments (AMBAG) traffic model was used in this study for the LOS and select link analysis. The AMBAG model was adjusted to conform to the San Benito County adopted General Plan growth forecast. The growth increment in each of the traffic model's traffic analysis zones (TAZs) was increased proportionately so that the sum of all TAZs would match the 2035 household and employment forecasts in the adopted General Plan.

FEE ZONES

The 2010 TIMF Study introduced fee zones into the program. The use of fee zones is appropriate when it is apparent that different areas of the county would generate significantly differing impacts on the roadways and therefore should have fees that correspond with the impact. As in the 2010 TIMF Study, this update study examines the travel demand in three zones, although the zones have been modified. Zone 1 from the 2010 TIMF Study was expanded to include San Juan Bautista and its surrounding area; this surrounding area was removed from Zone 2.

As in the 2010 TIMF Study, the zones have been drawn to conform to the TAZ boundaries to facilitate the modeling analysis.

- **Zone 1**: the northwest corner of the county, generally surrounding Highway 101 and San Juan Bautista
- **Zone 2**: the urbanizing area of the county, including Hollister and its sphere of influence
- **Zone 3**: the area to the southeast of the urbanizing area

The fee zones are shown in **Exhibits 2 and 3**.

TIMF STUDY PROCESS

This study is the result of the efforts of staff from the Council of Governments, the Cities of Hollister and San Juan Bautista, San Benito County, Caltrans, Michael Baker International, Stantec, and Urban Economics. Throughout the study, the working group met monthly to review the study's progress and give direction to the consultant team.

Exhibit 2 – TIMF Zones

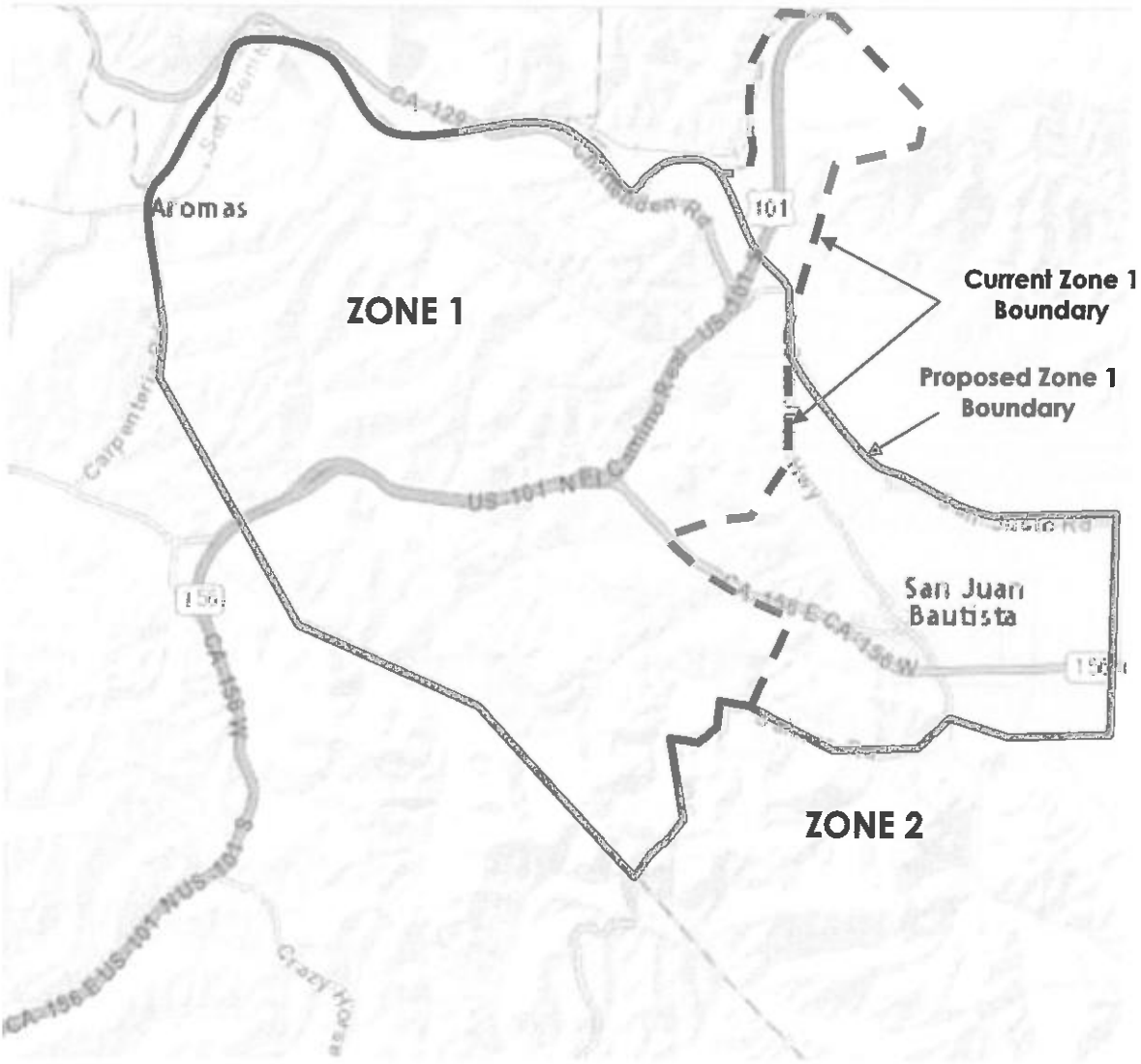

Exhibit 3 – Revised TIMF Zones 1 and 2

POPULATION, HOUSING, AND EMPLOYMENT PROJECTIONS

The county's overall population, number of housing units, and employment projections to the year 2035 are summarized in **Table 2.**

Table 2: Current and Projected Countywide Population, Housing and Employment

	2015	2035	Net Growth 2015–2035	Average Annual Projected Growth Rate
Population[1]	58,344	94,731	36,387	2.45%
Housing Units[2]	17,176	31,401	14,225	3.06%
Employment[3]	17,357	25,407	8,050	1.92%

[1] California Department of Finance (Jan. 1, 2015, estimate, Table E-1), population projection from the adopted San Benito County General Plan.

[2] California Department of Finance (Jan. 1, 2015, estimate, Table E-5), current occupied housing units.

[3] Current employment estimates from final AMBAG adopted 2014 forecast; employment growth projection from adopted San Benito County General Plan.

The cost of the transportation improvements attributed to growth is distributed among the three fee zones in proportion to the number of peak-hour trips that each zone contributes to the overall trips on the program roadways. The fee schedule for each zone is determined by dividing the cost of the improvements allocated to the zone by the trips generated in the zone. **Table 3** shows the current and forecast households and employment in each zone corresponding to the adopted County General Plan.

Table 3: Current and Projected Population, Housing and Employment

	2015	2035	Growth
Population			
Zone 1	5,021	8,044	3,023
Zone 2	52,580	85,943	33,363
Zone 3	744	744	0
Total	**58,345**	**94,731**	**36,386**
Households			
Zone 1	1,731	3,201	1,470
Zone 2	15,226	27,981	12,755
Zone 3	219	219	0
Total	**17,176**	**31,401**	**14,225**
Employment			
Zone 1	1,600	2,298	698
Zone 2	15,582	22,911	7,329
Zone 3	175	198	23
Total	**17,357**	**25,407**	**8,050**

The zero housing growth shown for Zone 3 doesn't necessarily mean there will be no homes constructed in this area in the next 20 years, but that residential growth will be negligible

compared to the urbanized area of the county and in terms of the impact on the TIMF project roadways. Note that there is some growth in employment expected to occur in Zone 3, which translates to a small increase in nonresidential development, probably less than 5,000 square feet.

The increase in peak-period vehicle trips generated by the projected growth over the study period for each fee zone is shown on **Table 2.5** in Section 2 of this report.

COMMERCIAL TRIP SHIFT

The 2010 TIMF Study introduced a procedure to reduce the fee on commercial and retail development by shifting a percentage of the cost of each trip (the cost in terms of demand on TIMF roadways) from commercial and retail to residential development. The justification for the fee reduction is that commercial and retail trips are, in part, generated by demand from the local population. The commercial cost shift to residential is explained further in Section 2.

FEE SCHEDULE

Table 4 presents the proposed TIMF for the three fee zones; the current fees are shown for comparison. The current fees have not been adjusted for inflation since they were adopted in 2011.

Table 4: Proposed Transportation Impact Mitigation Fee Schedule

	Cost per Trip, Road Improvements and Intersections	Cost per Trip, Bike Lanes	Cost per Trip, Bicycle and Pedestrian Master Plan	Sub-Total Cost per Trip	Trip Demand Factor	Subtotal	2% Admin. Fee	Proposed Fee	Current Fee
Zone 1									
Residential, Fee per unit									
Single Family	$1,097.58	$805.81	$88.28	$1,991.67	1.11	$2,210.75	$44.21	$2,254.96	$1,717
Multi-Family	$1,097.60	$805.81	$88.28	$1,991.69	0.69	$1,374.27	$27.49	$1,401.75	$1,058
Nonresidential, fee per 1,000 sq. ft.							$0.00		
Office	$1,060.18	$805.81	$88.28	$1,954.27	1.82	$3,556.77	$71.14	$3,627.90	$2,456
Commercial/Retail	$518.43	$805.81	$88.28	$1,412.52	1.52	$2,147.03	$42.94	$2,189.97	$1,018
Industrial/Other	$1,060.18	$805.81	$88.28	$1,954.27	0.24	$469.02	$9.38	$478.40	$324
Zone 2									
Residential, Fee per unit									
Single Family	$10,025.39	$2,089.84	$88.28	$12,203.51	1.11	$13,545.90	$270.92	$13,816.81	$5,233
Multi-Family	$10,025.39	$2,089.84	$88.28	$12,203.51	0.69	$8,420.42	$168.41	$8,588.83	$3,223
Nonresidential, fee per 1,000 sq. ft.									
Office	$9,837.54	$2,089.84	$88.28	$12,015.66	1.82	$21,868.50	$437.37	$22,305.87	$8,245
Commercial/Retail	$4,810.55	$2,089.84	$88.28	$6,988.68	1.52	$10,622.79	$212.46	$10,835.24	$3,395
Industrial/Other	$9,837.54	$2,089.84	$88.28	$12,015.66	0.24	$2,883.76	$57.68	$2,941.43	$1,087
Zone 3									
Residential, Fee per unit									
Single Family	$1,916.66	$438.08	$88.28	$2,443.02	1.11	$2,711.76	$54.24	$2,765.99	$1,799
Multi-Family	$1,916.66	$438.08	$88.28	$2,443.02	0.69	$1,685.69	$33.71	$1,719.40	$1,109
Nonresidential, fee per 1,000 sq. ft.									
Office	$1,916.66	$438.08	$88.28	$2,443.02	1.82	$4,446.30	$88.93	$4,535.23	$2,924
Commercial/Retail*	$958.33	$438.08	$88.28	$1,484.69	1.52	$2,256.73	$45.13	$2,301.87	$2,458
Industrial/Other	$1,916.66	$438.08	$88.28	$2,443.02	0.24	$586.33	$11.73	$598.05	$386

The calculations for the costs per trip are shown in Appendix C.

*Since there is no commercial/retail cost shift to residential in Zone 3 (no residential development is projected in Zone 3), the commercial/retail cost per trip is reduced by 50 percent to put it on a similar basis with the commercial/retail in the other zones. This is a very small loss of revenue that depends on the actual amount of commercial/retail development, but will probably be less than $10,000.

Table 5: Proposed Fees Compared to Current Fees

		Current Fees	
	Proposed Fees	City of Hollister[1]	San Benito County[2]
Zone 1			
Residential, Fee per unit			
Single Family	$2,254.96	NA	$1,717
Multi-Family	$1,401.75	NA	$1,058
Nonresidential, fee per 1,000 sq. ft.			
Office	$3,627.90	NA	$2,456
Commercial/Retail	$2,189.97	NA	$1,018
Industrial/Other	$478.40	NA	$324
Zone 2			
Residential, Fee per unit			
Single Family	$13,816.81	$5,803	$5,233
Multi-Family	$8,588.83	$3,574	$3,223
Nonresidential, fee per 1,000 sq. ft.			
Office	$22,305.87	$9,143	$8,245
Commercial/Retail	$10,835.24	$3,765	$3,395
Industrial/Other	$2,941.43	$1,205	$1,087
Zone 3			
Residential, Fee per unit			
Single Family	$2,765.99	NA	$1,799
Multi-Family	$1,719.40	NA	$1,109
Nonresidential, fee per 1,000 sq. ft.			
Office	$4,535.23	NA	$2,924
Commercial/Retail*	$2,301.87	NA	$2,458
Industrial/Other	$598.05	NA	$386

[1] Effective July 1, 2015. The original fees in the City of Hollister have been escalated by the ENR once since 2011

[2] Effective May 25, 2014. The fees shown are the original fees adopted in 2011

OTHER POTENTIAL MITIGATION PROGRAMS

This study does not address the full impact of every possible development project in San Benito County. Any given project due to its size, density, intensity of activity, and location may impose additional burdens on the county's or the cities' roads. Based on the findings of a project-specific impact analysis, an applicant for such a development project may be required to construct other improvements, develop or participate in other fee, assessment, and/or special tax programs, or otherwise provide or fund mitigation(s) for those additional impacts. These additional mitigations are independent of the fees set forth in this study and designed to address different project-specific impacts. Consequently, payment of the fees set forth in this study may not reduce or eliminate these additional mitigations; conversely, fulfillment of these additional mitigations may not reduce or eliminate the fees set forth herein.

AUTHORITY TO IMPOSE OTHER MITIGATION MEASURES

Impact Fees and Other Development Project Mitigation and Funding Measures

The adoption of an impact fee program does not preclude the ability of San Benito County or of the Cities of Hollister and San Juan Bautista to levy other additional fees, taxes, or special assessments or to impose project-specific mitigation measures or exactions, including those measures found to be necessary to mitigate ongoing fiscal impacts or impacts to public facilities, if the project-specific mitigation measures provide and/or fund facility improvements or ongoing public services that are not or will not be funded by the TIMF program.

Fee Updates

This impact fee study and the recommended fees assume a given level of development activity over the study period. The development that actually occurs will result in different impacts and fee revenues from those projected in this study. For that reason, regular updates are recommended to adjust the growth impact fees to match the needs created by the rate of actual development.

SECTION 1 INTRODUCTION

This impact fee nexus report presents an overview of the analysis process for updating the Council of San Benito County Governments' (Council of Governments) Transportation Impact Mitigation Fee (TIMF). The report is intended to explain the methods used to determine the need for and cost of public transportation improvements to accommodate new development in the county's incorporated and unincorporated areas. This introduction provides the general background and purpose of impact fees and explains how the updated fees are established for the Council of Governments. The following topics are included in this section:

- Public Facilities Financing in California
- Authority to Impose Impact Fees
- Mitigation Fee Act and Required Findings
- Transportation Standards, Levels of Service, and Deficiencies

BACKGROUND

The Council of Governments adopted the current TIMF program in 2011. This study is undertaken to update the program through the following:

- A modified Association of Monterey Bay Area Governments (AMBAG) Travel Demand Model (Traffic Model) was utilized to determine the level of service (LOS) for roadways in the region based on anticipated growth and general plan land use.
- Roadways not meeting accepted LOS standards were identified and improvements to roadways and intersections were developed to mitigate these deficiencies.
- The road improvement projects included in the current TIMF program were reviewed to determine continued need for the projects based on current and future traffic demand.
- Project cost estimates were prepared for new projects or updated for the current program projects to reflect the general increase in construction costs over the last 10 years.
- The anticipated growth in the amount, location, and nature of land development has changed substantially since the original adoption of the traffic fee.

PUBLIC FACILITIES FINANCING IN CALIFORNIA

The changing fiscal landscape in California during the past three decades has steadily undercut the financial capacity of local governments to fund infrastructure needed for growth. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through Proposition 218 in 1996.
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses, and related public support for the development community to mitigate impacts of their development projects on community infrastructure.
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have shifted the burden of funding infrastructure expansion from existing rate- and taxpayers to new development. This funding shift has been partly accomplished by the imposition of development impact fees, also known as public facility, capital facility, or mitigation fees. A majority vote of the jurisdiction's city council and/or board of supervisors is required for adoption of new fees or fee increases.

In most local agencies that have implemented impact fee programs, new development pays close to the full cost required to maintain the existing level of service standards as growth occurs. When local agencies do not collect the full amount, the effect is often a decline in facility standards, though some communities are able to increase other revenue sources such as grants and utility rates to compensate. In another typical situation, a city or county general plan may state that, as a policy, a specified level of service is to be maintained for a particular facility. However, the case may be that the current level of service for that facility is less than the stated general plan policy. In that case, the local agency will have, in effect, a "deficiency" that cannot be remedied exclusively through development impact fees. It is a fundamental principle of impact fee analyses that any deficiencies be remedied using funds other than impact fee revenues.

AUTHORITY TO IMPOSE IMPACT FEES

The authority for the County of San Benito and the Cities of Hollister and San Juan Bautista to impose fees for mitigation of impacts to public facilities generated by land development is rooted in their fundamental police powers under Article XI, Section 7, of the California Constitution, which provides that cities and counties may make and enforce ordinances that are not in conflict with state law. The Cities and the County, under their broad authority to protect the public health and safety, may regulate land development, which includes the right to impose conditions on development which may require direct provision of public improvements, land dedications, and in-lieu fees. California's Mitigation Fee Act, discussed below, established the procedures and findings necessary to impose generally applicable development impact fees.

MITIGATION FEE ACT AND REQUIRED FINDINGS

As a result of the growing use of impact fees after passage of Proposition 13 and concern over inconsistencies in their application, the state legislature passed the Mitigation Fee Act, starting with Assembly Bill 1600 in 1988. The act, contained in California Government Code Section 66000 et seq., establishes ground rules for the imposition and ongoing administration of impact fee programs. The act became law in April 1989 and requires local governments to document the following when adopting an impact fee. Together, these items constitute a "nexus study" when documented and presented in a report to the city council or board of supervisors.

- Identify the purpose of the fee.
- Identify the use of fee revenues.
- Determine a reasonable relationship between the fee's use and the type of development paying the fee.
- Determine a reasonable relationship between the need for the fee and the type of development paying the fee.
- Determine a reasonable relationship between the amount of the fee and the cost of the facility attributable to development paying the fee.

The impact fee nexus study conducted for the Council of Government's Regional TIMF and this report comply with California Government Code Section 66000 et seq. by providing the required documentation for the above findings and the determinations that establish the basis for the recommended fees. It is important to note that the Cities and the County are not required to establish the fee levels documented in the nexus study and may choose to adopt a lower (but not a higher) fee.

Another fundamental premise of impact fees is that the fees cannot total more than the actual cost of the public facility needed to serve the development paying the fee, including costs associated with administering the fee program. Also, fee revenues can only be used for their intended purposes. In addition, the act has specific accounting and reporting requirements both annually and after every five-year period for the use of fee revenues. These requirements are documented in Section 4 of this report.

Impact fee revenues may not be used for staffing, operations, and maintenance of either existing or new facilities. The cost of the public facilities analyzed does not consider the operational costs of any of these facilities, which, over their life cycle, will be quite substantial.

TRANSPORTATION STANDARDS, LEVEL OF SERVICE, AND DEFICIENCIES

Throughout this report, the words "standard" and "level of service" are used (at times interchangeably) to describe the level of investment in transportation improvements needed to serve the community. A standard is defined as the adopted policy, or benchmark, that the Cities or the County would like to achieve for any particular facility.

New development alone cannot be asked to improve the level of service provided by those facilities that serve both new and existing development. State law limits impact fees to the cost of maintaining services for new development at the same level as existing development.

Traffic Level of Service – To determine the applicable level of service standard for the traffic impact fees, the existing roadways listed in the 2010 TIMF Study and additional road segments identified in the 2014 Regional Transportation Plan were analyzed to establish the current and forecast level of service in terms of volume to capacity ratio (V/C). San Benito County and Hollister have established a LOS C standard. California Department of Transportation (Caltrans) has an objective of achieving a level of service at the transition between LOS C and LOS D. The analysis identifies two categories of roadways relative to level of service:

- Roadways that are currently acceptable (those that operate at or above LOS C) and will fall below the acceptable LOS with new development (by 2035);
- Roadways that currently operate below LOS C and will fall farther below the acceptable LOS with new development.

Use of the existing level of service in the nexus study does not establish these levels as a City or County policy, which may only occur through the general plan process. Indeed, many jurisdictions consider their existing levels of service to be deficient compared to the policies stated in their general plans.

SECTION 2 LAND USE GROWTH AND TRAFFIC PROJECTIONS

INTRODUCTION

The need to expand the region's transportation network is largely driven by increased residential construction and commercial activity. Therefore, it is necessary to estimate current population and employment levels, which in turn are used to estimate residential and nonresidential construction, respectively, through the use of occupancy rates and employment density factors.

Table 2.1 presents the current 2015 estimates and projections for 2035 by the fee zones used in this study. The region's current residential population is taken from the California Department of Finance County/City estimate dated January 2015. Current employment (jobs within the region as opposed to employed residents who live in the region but may work elsewhere) is based on the AMBAG Traffic Model. The estimates of future employment and housing were derived from the adopted 2035 County General Plan. The General Plan Revised Draft EIR documents[1] provide the 2035 projection for total countywide population and households in the unincorporated area (20,269). The estimate for 2035 employment growth is the mid-point of the General Plan's estimate of between 7,500 and 8,600 new jobs countywide.[2]

Table 2.1: Population, Housing and Employment Growth by Zone

	2015	2035	Growth
Population			
Zone 1	5,021	8,044	3,023
Zone 2	52,580	85,943	33,363
Zone 3	744	744	0
Total	**58,345**	**94,731**	**36,386**
Households			
Zone 1	1,731	3,201	1,470
Zone 2	15,226	27,981	12,755
Zone 3	219	219	0
Total	**17,176**	**31,401**	**14,225**
Employment			
Zone 1	1,600	2,298	698
Zone 2	15,582	22,911	7,329
Zone 3	175	198	23
Total	**17,357**	**25,407**	**8,050**

OCCUPANCY AND EMPLOYMENT DENSITY RATES

Occupancy rates measure the number of persons in a typical dwelling unit. The employment density rates measure the average number of employees that occupy a unit of floor area. In this study, the unit of floor area is 1,000 square feet. The use of occupancy and employment density rates ensures a reasonable relationship between the increase in service population and amount of the fee. For residential development, it is commonly considered that single-family units impose

[1] The 2035 estimates for countywide population and unincorporated households may be found in "Revised DEIR Population and Housing Analysis" and the "Introduction to Environmental Analysis," respectively.
[2] Please see "Revised DEIR Population and Housing Analysis."

a greater impact on public facilities than multi-family units, especially if census data is available that documents a higher rate of persons per household in single-family homes.

The various types of residential and nonresidential development all have different household occupancy and employment density rates; therefore, they generate different numbers of trips per unit of development. Developers typically pay the fee based on the number of housing units or building square feet in their project, so the fee analysis must convert service population estimates to these measures of project size to derive a fee per unit of development. This conversion is done with factors, shown in **Table 2.2,** given for each land use category. This table shows only the four major categories of residential and nonresidential types; under these major categories there many subcategories which are not listed.

Table 2.2: Household Occupancy and Employment Density Rates

Land Use	Occupancy/Density Rate, estimated		Employees per 1,000 sq. ft.
Residential			
Single Family	3.60	persons per dwelling unit	–
Multi-family	2.60	persons per dwelling unit	–
Mobile Home	2.20	persons per dwelling unit	
Nonresidential			
Office	430	building square feet per worker	2.33
Retail/Commercial	340	building square feet per worker	2.94
Industrial/Construction	1,330	building square feet per worker	0.75
Other		Not Applicable	

USE OF CURRENT AND FUTURE ESTIMATES

Estimates of future growth are used to provide an estimate of the new roadways required to accommodate growth over the study period.

The increase in vehicle trips is the basic measure of the extent to which new development impacts transportation facilities. Hourly or daily trip volumes define the need for improvements to selected road segments or intersections. A travel demand model is used to identify trip volumes from existing and projected land uses that will travel on the existing and proposed road segments of the overall transportation system.

A number of factors are related to the calculation of traffic impact fees. These include peak versus average daily traffic volumes, trip diversion, trip substitution, trip length, vehicle miles traveled, and the sources of trip generation data. Most land uses generate traffic throughout the day, but traffic generated during peak hours is especially critical to determining the demand for additional roadway or intersection capacity. It is during the peak periods when adjacent roads are least able to accommodate additional trips created by new development. With the exception of safety improvements, new trips generated during off-peak hours when capacity is ample will have little impact and will create no need for additional capital improvements.

This study uses PM peak hour trip level of service (LOS) output from the AMBAG Traffic Model to identify improvements and allocate costs by land use category. The share of roadway

improvement costs allocated to each unit of new development is based on the relative amount of new trips generated by that development.

As new development generates increased vehicle trips on the county's transportation network, additional system capacity will be needed in the form of the improvements described in this report. Allocation of cost by land use incorporates rates of trip generation, relative shares of pass-by and diverted trips, and relative trip length, by major land use category. Trip generation rates are applied to development projections to allocate improvement costs by land use type. The trip generation rates used for this analysis are based on the trip rates for major land use categories provided by the Institute of Transportation Engineers.

The following two adjustments are made to vehicle trip generation rates to better estimate travel demand by type of land use:

- Net "new" trips are calculated for each land use category. Net new trips are determined by taking the trip ends determined by the Traffic Model and applying a factor that accounts for the percentage of primary trips to the land use as opposed to those that stop as they are passing by ("pass-by" trips) a use on the way to a final destination. Because the vast majority of trips that end at the home are primary trips, all residential uses are given a primary trip factor of 1.00. Pass-by trips are deducted from the trip generation rate.
- Trip generation rates are weighted by the relative length of trips for a specific land use category compared to the average length of all trips. Each land use is associated with an average trip length, or the distance from the trip generator, typically the home and the given land use type that is a final destination. These trip length factors have been adjusted to mirror the rates used in the traffic model, in order to reflect localized conditions. For this study, trip lengths for each trip purpose were calculated for the travel model TAZ within San Benito County only, rather than using averages applicable on a countywide basis.

LAND USE CATEGORIES

Measuring the impact of growth requires an identification of land use categories for summarizing the many different types of new development. The general land use categories used in this analysis are defined below.

- **Single-family:** Detached one-family dwelling units.
- **Multi-family:** Attached dwelling units such as condominiums, duplexes, and apartments.
- **Commercial:** Includes but is not limited to service commercial, retail, retail-warehouse, educational, and hotel/motel development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing, fabrication, food processing, warehousing, truck yards, terminals, and distribution centers. This category may also encompass business parks, and research and development space.
- **Other:** Undifferentiated land uses such as public uses, schools, recreational, and agricultural. A trip per employee factor is used for "Other" since floor area may not be an appropriate unit for charging the fee.

Trip generation rates and the other travel demand factors used in this study vary by land use category. To estimate the total demand for new traffic facilities across all land use types, a

dwelling unit equivalent (DUE) factor is calculated that sets the demand from a single-family dwelling unit at 1.00 DUE. DUE factors for all other land uses are calculated relative to the demand of a single-family unit by dividing the average vehicle miles traveled for each land use by the vehicle miles traveled by a single-family unit. **Table 2.3** shows trip generation rates, adjustments, and a final trip demand factor by the major land use categories used in this study. The trip demand factors incorporate the afternoon peak-period trip generation rates, relative shares of pass-by and diverted trips, and relative trip length by land use. Note that trip demand factor data from the San Diego Association of Governments (SANDAG) is used because it identifies pass-by and diverted trip factors, as well as average trip length. This demand factor data is not specifically available for San Benito County at this time. The SANDAG data is cited in traffic fee studies throughout California.

2035 POPULATION AND EMPLOYMENT

The planning horizon for this study is 2035. The 2035 land use data in the AMBAG Traffic Model was adjusted for the growth projections contained in the adopted 2035 County of San Benito General Plan update (2035 General Plan) to estimate new development's demand for transportation improvements. The increment of growth projected to occur between 2015 and 2035 is calculated as the difference between the 2015 (existing) land use and the General Plan's Growth Scenario 2 as described in the Revised Draft EIR for the 2035 General Plan.

San Benito Council of Governments specifically requested the use of the AMBAG model that was updated as part of the County's previous General Plan update. For this study, the model was modified to represent the latest projection of future land uses and travel demand in the 2035 General Plan.

The demographic assumptions are shown for the county as a whole and for each of the three fee zones as identified in Exhibits 2 and 3. Fees are calculated independently for each zone, based on the trip demand generated by each zone for each specific improvement project. Zones 1 and 3 are projected to have significantly less trip demand relative to Zone 2. Consequently, fees in Zones 1 and 3 will be lower than those for Zone 2. **Table 2.4** shows the detailed assumptions used in this study for housing, population, employment, and nonresidential floor area for each zone for 2015 and 2035.

Note that this study does not require that all projected growth will have occurred within the study's 2035 planning horizon. Whether this amount of new development occurs prior to 2035 or sometime after 2035, the need for transportation improvements included in the TIMF Program and the impact fee revenues that flow with new development are mutually supportive. No funding threshold or transportation improvement is tied to any particular calendar year.

Table 2.3: Trip Rates and Adjustment Factors

	Primary Trips[1]	Diverted Trips[1]	Total Excluding Pass-by[1]	Average Trip Length[2]	Adjustment Factor[3]	ITE Category	Average PM Trips [4]	Trip Demand Factor [5]
Residential	A	B	C= A + B	D	E = C x D		F	G = E x F
Single Family	86%	11%	97%	7.9	1.11	Single Family Housing (210)	1.00	1.11
Multi-family	86%	11%	97%	7.9	1.11	Apartment (220)	0.62	0.69
Nonresidential								
Commercial	47%	31%	78%	3.6	0.41	Shopping Center (820)	3.71	1.52
Office	77%	19%	96%	8.8	1.22	General Office Building (710)	1.49	1.82
Industrial	79%	19%	98%	9	1.28	General Heavy Industrial (120)	0.19	0.24
Other	100%	0%	100%	8.8	1.28	1 trip per employee	1.00	1.28

[1] The percentage of total trips is given. Primary trips are trips with no midway stops, or "links." Diverted trips are linked trips whose distance adds at least 1 mile to the primary trip. Pass-by trips are links that do not add more than 1 mile to the total trip.

[2] Average trip length in miles. Residential rate is based on "Total personal travel," Commercial is based on "Home-Based Shop/Other" and Office is based on "Home-Based Work, Income Quartile 1" trip lengths from Metropolitan Transportation Commission (2005).

[3] The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the system-wide average trip length of 6.9 miles.

[4] Trips per dwelling unit or trips per 1,000 square feet of indoor floor area, from *Trip Generation*, 9th Edition, Institute of Traffic Engineers.

[5] The trip demand factor is the product of the trip adjustment factor and the average PM trips.

Sources: Travel Forecasts for the San Francisco Bay Area 1990–2030, Metropolitan Transportation Commission, 2005; San Diego Association of Governments, *Brief Guide of Vehicular Traffic Generation Rates for the San Diego Regions*, 1998; *Trip Generation*, 9th Edition, Institute of Traffic Engineers; Stantec.

Table 2.4: Growth in Households, Employment, and Floor Area

	Zone 1 (San Juan Bautista and vicinity)			Zone 2 (Greater Hollister)			Zone 3 (South San Benito County)			Total		
	2015	2035	Growth 2015-2035	2015	2035	Growth 2015-2035	2015	2035	Growth 2015-2035	2015	2035	Growth 2015-2035
Residential												
Single Family Residential	1,419	2,625	1,205	12,485	22,944	10,459	180	180	0	14,084	25,748	11,665
Multi-family	312	576	265	2,741	5,037	2,296	39	39	0	3,092	5,652	2,561
Total	1,731	3,201	1,470	15,226	27,981	12,755	219	219	0	17,176	31,401	14,225
Population	**5,021**	**8,044**	**3,023**	**52,580**	**85,943**	**33,363**	**744**	**744**	**0**	**58,345**	**94,731**	**36,387**
Employees												
Commercial	464	689	225	2,026	2,978	952	16	18	2	2,506	3,685	1,179
Office	480	666	186	5,298	7,790	2,492	56	63	7	5,834	8,519	2,685
Industrial	160	230	70	2,337	3,437	1,100	3	3	0	2,500	3,670	1,170
Others	496	712	216	5,921	8,706	2,785	100	113	13	6,517	9,531	3,014
Total	**1,600**	**2,298**	**698**	**15,582**	**22,911**	**7,329**	**175**	**198**	**23**	**17,357**	**25,407**	**8,050**
Building Square Feet (1,000) [1]												
Commercial	158	227	69	689	1,013	324	5	6	1	852	1,246	394
Office	206	296	90	2,274	3,343	1,069	24	27	3	2,504	3,666	1,162
Industrial	213	306	93	3,116	4,582	1,466	4	4	0	3,333	4,892	1,559
Total	**577**	**829**	**252**	**6,079**	**8,939**	**2,859**	**33**	**37**	**4**	**6,689**	**9,804**	**3,115**

Due to rounding, some columns may not add to the exact total shown.

Table 2.5: Growth in Trips by Land Use and Zone

Land Use[1]		Current 2015 Dwelling Units or 1,000 sq. ft.		Total 2035 Units or 1,000 sq. ft.	Growth 2015–2035 Units or 1,000 sq. ft., or Employees	Trip Demand Factor	Current 2015 Peak Period Trips	2035 Peak Period Trips	Trip Growth
Zone 1									
Residential (in units)									
Single Family		1,419		2,625	1,205	1.11	1,576	2,914	1,338
Multi-family		312		576	265	0.69	215	398	183
		1,731		3,201	1,470		1,791	3,312	1,521
Nonresidential (in thousand square foot units, or as noted)									
	Employees-2015		*Employees-2035*						
Office	480	206	689.4	296	90	1.82	375	539	164
Commercial/Retail	464	158	666.42	227	69	1.52	240	345	105
Industrial	160	213	229.8	306	93	0.24	51	73	22
Other	496	N/A	712.38	N/A	216	1.28	635	912	277
	1,600	577	2,298	829	252		1,301	1,869	568
						Total	**3,092**	**5,181**	**2,089**
Zone 2									
Single Family		12,485		22,944	10,459	1.11	13,859	25,468	11,609
Multi-family		2,741		5,037	2,296	0.69	1,891	3,475	1,584
		15,226		27,981	12,756		15,750	28,943	13,193
Nonresidential (in thousand square foot units, or as noted)									
	Employees-2015		*Employees-2035*						
Office	5298	2,274	7,790	3,343	1,069	1.82	4,138	6,085	1,946
Commercial/Retail	2026	689	2,978	1,013	324	1.52	1,047	1,540	493
Industrial	2337	3,116	3,437	4,582	1,466	0.24	748	1,100	352
Other	5921	N/A	8,706	N/A	2,785	1.28	7,579	11,144	3,565
	15,582	6,079	22,911	8,939			13,513	19,868	6,356
			7,329				**29,263**	**48,811**	**19,549**

Table 2.5: Growth in Trips by Land Use and Zone (continued)

Land Use[1]	Current 2015 Dwelling Units or 1,000 sq. ft.		Total 2035 Units or 1,000 sq. ft.		Growth 2015–2035 Units or 1,000 sq. ft., or Employees	Trip Demand Factor	Current 2015 Peak Period Trips	2035 Peak Period Trips	Trip Growth
Zone 3									
Single Family		180		180	-	1.11	197	197	-
Multi-family		39		39	-	0.69	29	29	-
		219		219	-		226	226	-
Nonresidential (in thousand square foot units, or as noted)									
	Employees-2015		*Employees-2035*						
Office	56	24.0	63	27	3	1.82	44	49	5
Commercial/Retail	16	5.4	18	6	1	1.52	8	9	1
Industrial	2.7	3.5	3	4	0	0.24	1	1	-
Other	100	N/A	113	N/A	13	1.28	128	145	17
	175	33	198	**37**			181	204	23
							407	**430**	**23**
					Total All Zones		**32,761**	**54,422**	**21,661**

[1] See above for land use type definitions. Growth measured in dwelling units for residential uses and 1,000 square feet for nonresidential uses.

COMMERCIAL TRIP SHIFT

Applying the travel demand factors shown in **Table 2.3** above directly to development by land use category implicitly assumes that the cause of each vehicle trip on the transportation network is shared equally by the land use at each trip end (origin and destination). But depending on the regional economic forces affecting development in a particular area, the cause of a trip may be related more to the type of land use at the origin or at the destination. For example, in some areas residential development may be caused by job growth, while in other areas the opposite may occur (jobs follow housing). These cause-and-effect relationships may change over time in the same area. Given the complexity of these regional economic and land use relationships, most transportation impact fee nexus studies make the simplifying but reasonable assumption to weight the origin and destination of a trip equally when identifying the cause of travel demand on a transportation system.

In 2010 the Council of Governments decided to implement an adjustment to the TIMF to recognize the fact that, in San Benito County, commercial development generally follows residential development or anticipates new residential development occurring in the near term. This development pattern can be observed in all metropolitan regions and is reflected in the site location process followed by retailers. When seeking new locations, the most common measure of a potential market used by site location analysts is the number of households within a reasonable driving distance for shopping trips and the median income of those households.

The current TIMF schedule includes the land use category "Commercial," which is assumed to include retail stores and restaurants in this analysis.[1] Commercial development (including but not limited to retail stores and restaurants) is to a large extent caused by the spending patterns of local residents.

Given this economic and land use cause-and-effect relationship, it was determined reasonable to allocate at least some of the burden of commercial trip demand to residential development. This approach is used in impact fee nexus studies to more accurately allocate the burden of transportation improvements needed to accommodate growth. Not all retail spending is related to local residential development, or residents (or local businesses) located within the area subject to the impact fee. There are three major sources of retail spending:

1. Local households
2. Local businesses
3. Visitors that travel to the area to shop

To determine the amount of commercial development associated with residential development, an analysis was conducted of taxable retail sales data for 2009; it is expected that retail sales data has not changed significantly since then. The analysis calculated the total spending potential of San Benito County households and estimated what portion of that spending occurred within the county. The result was that 51.1 percent of total taxable retail sales was estimated to be associated with local household spending. The remainder was associated with local business and visitor spending. Based on this analysis, it was estimated that residential development directly causes 51.1 percent of commercial development. The other 48.9 percent is composed of local business and visitor taxable spending and is not therefore attributable to local residential spending. Consequently, the travel demand associated with the local residential share of commercial development is shifted to residential development. This "commercial trip demand shift" was originally applied to only Zones 1 and 2, since there was no

[1] The San Benito County fee schedule includes a "Commercial" and an "Office" category. Some other local agencies use a "Retail" land use category instead of "Commercial" as "Commercial" is sometimes used to imply a combined category including retail and office land uses.

commercial development projected in Zone 3. A very small amount of commercial development in Zone 3 is projected in this study; therefore, a similar reduction in the commercial cost per trip is applied to Zone 3 commercial. **Table 2.6** presents a summary of how the commercial shift is applied to the taxable retail and commercial floor area.

A detailed summary of the commercial shift calculations is presented in Appendix C.

Table 2.6: Allocation of Taxable Spending to Retail and Commercial Floor Area

	Percentage of Taxable Sales	2015 Floor Area	2035 Floor Area	Floor Area Growth	Trip Growth and Shifted Trips
Zone 1					
Total Estimated and Projected Retail and Commercial Floor Area (1,000 square feet)		158	227	69	105
Floor area associated with local residential taxable spending	51.1%	81	116	35	54
Floor area associated with local business and visitor taxable spending	48.9%	77	111	34	
Zone 2					
Total Estimated and Projected Retail and Commercial Floor Area (1,000 square feet)		689	1,013	324	493
Floor area associated with local residential taxable spending	51.1%	352	518	166	252
Floor area associated with local business and visitor taxable spending	48.9%	337	495	158	

The share of the improvements costs allocated to each land use in Zones 1 and 2 are calculated after the shift of the commercial trips to the residential land uses. In other words, the cost share attributed to the residential land uses is increased relative to other uses while the commercial share of the cost is reduced. The fee for each land use is calculated by dividing the post-shift cost by the pre-shift number of new trips generated by the land uses (see Appendix C).

SECTION 3 REGIONAL TRANSPORTATION IMPROVEMENTS

This section describes roadway and intersection improvements included in the TIMF program and the cost estimates for these improvements. These improvements are needed to accommodate new development in the County of San Benito and the Cities of Hollister and San Juan Bautista.

TRAFFIC LEVEL OF SERVICE

The traffic improvements needed to accommodate new development are based on a Level of Service (LOS) analysis that involves the modeling of traffic operations on existing roadways and intersections throughout the county. As stated in the introduction, a fee nexus study must show a reasonable relationship between impact fees on new development and the demand for new or upgraded facilities generated by the development paying the fee. For traffic facilities, this relationship is typically shown by comparing the current LOS of specific roadways with the LOS that would result by adding the growth in vehicle trips associated with the projected new land development.

This "before and after" comparison indicates where improvements are needed to mitigate the impacts of the projected development. In the traffic modeling process, impact mitigation measures in the form of road widening, intersection improvements, or new road segments added to the existing road network to achieve the adopted LOS standard for vehicular traffic. This procedure ensures that the measures result in the adopted LOS standard, or in the maintenance of the LOS, that the region generally experiences today. By identifying these specific mitigation measures, and basing the impact fee on the cost of these measures, this procedure also maintains the relationship between the impact fee and the purpose of the fee revenues.

TRAFFIC FACILITIES NEEDED BY NEW DEVELOPMENT

Transportation improvements needed for new development were identified in the 2010 TIMF study. These road improvements were directly related to the increase in peak-period vehicle-miles generated by projected growth through 2035. The travel demand model indicates the traffic volume on road segments in the existing and future San Benito County's road network.

EXISTING DEFICIENCIES

Existing roadways and intersections that currently do not meet City or County LOS standards are considered existing deficiencies. All projects included in this study either a) met the City's and the County's roadway LOS standards at the time they were initially added to the TIMF program, or b) have an identified existing deficiency share of costs that will not be funded with TIMF revenue. The cost share identified as an existing deficiency is typically equal to the trip demand of existing (2015) development (number of peak period trips by existing development), relative to total trip demand in 2035. The trips generated by existing development are estimated to comprise approximately 60 percent of the total trips in 2035; therefore, the deficiency share to be funded outside of the TIMF program is 60 percent of the local (non-external) share of the cost.

Three projects are identified as being currently deficient and therefore a share of the cost of these projects is assigned to current development:

- Project 1: Highway 156 Widening–San Juan Bautista to Union Road. The cost of the TIMF share for this project has been capped at $9.6 million. Therefore the deficiency share of

this project's cost is approximately $34.3 million, which at 78 percent is higher than the 60 percent determined by the general proportion of existing versus future trip.

- Project 11: Highway 25 Four-lane Widening–Phase I and 2: The deficiency share for this project is 60 percent of the internal share or $133.3 million.
- Project 4: Airline Highway/Sunset Drive to Fairview Road. Although this segment is currently deficient, the proposed improvements to Airline Highway are not expected to improve the LOS above the current level; therefore no share of the $28.1 million internal cost was allocated to existing development in either the 2010 TIMF Study or in this study. In other words, the improvements will simply keep pace with new traffic demand but will not improve the operations along the segment.

Except for projects listed above, the existing road segments included in the TIMF program all meet LOS standards and therefore have no existing deficiencies; their improvement costs are allocated 100 percent to new development. Without the proposed TIMF improvement projects, these segments would also ultimately degrade below the acceptable LOS standards.

The existing roadways associated with Projects 2, 7, 8 and 9 do not have current deficiencies. Therefore the costs for these projects are allocated 100 percent to new development.

The costs of all new or extended roadways are also allocated 100 percent to new development. These new or extended roadways are as follows:

- Project 3: Memorial Drive South Extension, Meridian Street to Santa Ana Road
- Project 5: Westside Boulevard Extension
- Project 6: North Street (Buena Vista)
- Project 10: Meridian St. Extension, 185 feet east of Clearview Road to Fairview Road
- Project 12: Memorial Drive North Extension, Santa Ana Road to Flynn Road
- Project 13: Flynn Road Extension, San Felipe Road to Memorial Drive North
- Project 14: Pacific Way Extension, San Felipe Road to Memorial Drive

Projects 12, 13 and 14 are new to the TIMF program. Project 12 will continue Memorial Drive northward through undeveloped property and, with Project 13, will serve to connect Memorial Drive to San Felipe Road; these projects are shown in the 2014 Regional Transportation Plan. Project 14 also will connect undeveloped areas west of San Felipe Road to San Felipe Road. The City of Hollister General Plan update will show a connection between San Felipe Road and Fairview Road between and parallel to McCloskey Road and Santa Ana Road, along the current alignment of Pacific Way. A feature of Project 14 is a grade separation with the SR-25 Bypass.

ROAD IMPROVEMENT PROJECTS COST

Updated improvement cost estimates for these roadways are shown in **Table 3.1.** Where applicable, frontage improvement costs have been backed out of the estimates where a road segment passes through undeveloped or partially developed areas. Adjacent development must construct the outer travel lanes, curb, gutter, sidewalk and landscaping as project exactions. The developer will not be eligible to receive reimbursement or TIMF credit for the frontage improvements. However, developers who construct bike lanes, inner travel lanes and center-turn lanes on the TIMF program roads will be eligible to obtain fee credits.

Table 3.1 shows the total estimated cost of each project and the "internal" cost of the project, which is based on the percentage of trips on the roads that begin or end in San Benito County. The percentages of external versus internal shares are shown in Appendix A.

Table 3.1: TIMF Program Road Improvement Cost Estimates

Project No.	Project	Description	Total Project Estimate	Internal Cost
1	SR 156 Widening–San Juan Bautista to Union Road	Widen to 4-lane expressway: 635 feet east of The Alameda (in San Juan Bautista) to Union Road	$62,900,000	$43,973,604
2	SR 156/Fairview Road Intersection Improvements	Construct new turn lanes at intersection	$6,824,000	$5,004,494
3	Memorial Drive South Extension: Meridian Street to Santa Ana Road	Construct 4-lane road extension	$3,355,000	$3,355,000
4	Airline Highway/SR 25 Widening: Sunset Drive to Fairview Road	Widen to 4-lane expressway	$28,214,000	$28,073,190
5	Westside Boulevard Extension: Nash Road to Southside Road/San Benito St. intersection	Construct 2-lane road	$13,360,200	$13,360,200
6	North Street (Buena Vista), between College St. and San Benito St.	Complete 2-lane road	$4,207,000	$4,207,000
7	Fairview Road Widening: McCloskey to SR 25	Widen to 4-lane arterial; construct new bridge south of Santa Ana Valley Rd.	$20,790,531	$20,790,531
8	Union Road Widening (East): San Benito Street to SR 25	Widen to 4-lane arterial	$5,463,000	$5,403,856
9	Union Road Widening (West): San Benito Street to SR 156	Widen to 4-lane arterial	$15,448,000	$15,357,734
10	Meridian Street Extension: 185 feet east of Clearview Road to Fairview Road	Construct 4-lane road	$9,445,000	$9,445,000
11a	SR 25 4-lane Widening–Phase I	4-lane expressway: 580 feet northwest of San Felipe to Hudner Lane	$67,591,000	$60,223,581
11b	SR 25 4-lane Widening–Phase 2	4-lane expressway: Hudner Lane to County Line	$181,000,000	$161,271,000
12	Memorial Drive North Extension: Santa Ana Road to Flynn Road/Shelton Road intersection	Construct new 4-lane road and extension	$13,842,000	$13,842,000
13	Flynn Road Extension: San Felipe Road to Memorial Drive north extension	Construct new 4-lane arterial	$8,509,679	$8,509,679
14	Pacific Way (new road): San Felipe Road to Memorial Drive	New 2-lane road from San Felipe Road to future Memorial Drive north extension	$7,412,431	$7,412,431
15	Intersection Improvements–Lump Sum	Add Signals or Other Intersection Improvements	$15,274,660	$15,274,660
		Total Estimated Cost	**$463,636,501**	**$415,503,960**

SELECT LINK ANALYSIS

The next step in the TIMF nexus process is to allocate the cost of improvements to the three fee zones. This is done with what is called a select link analysis. This procedure assigns the trips between two TAZs to a selected set of road segments that link the two TAZs. Where the road segments include one or more TIMF roadways, the trips on each TIMF roadway are tallied. This is done for every pair of TAZs in the region. There are 229 TAZs in the region; therefore, 52,441 pairs need to be analyzed. For each TIMF project, a percentage of the total trips on the roadway will be calculated for each of the County's Zones 1, 2 and 3 and an "external" zone where both the origin and destination TAZs are outside the county. The select link analysis uses the 2035 land use as the traffic generators for the TAZs. The zone share allocations are shown on **Table 3.2.**

The share percentages in **Table 3.1** are applied to the internal cost for each project shown in **Table 3.1** to find the cost share for each zone. This calculation is shown in Appendix A. The cost per trip in a zone is calculated by dividing the zone cost share by the number of new trips. This calculation with the commercial cost shift is shown in Appendix C.

BIKEWAY AND PEDESTRIAN AND MASTER PLAN

In addition to bike lanes on all TIMF roadways, this update of the TIMF program is proposed to include fee funding for pedestrian and bicycle facilities throughout the county. These facilities serving nonmotorized travel demands are seen as a way to reduce overall vehicular traffic, help mitigate impacts from new development, and achieve the mobility goals of region.

The nonmotorized facilities proposed for funding by the TIMF are included in the Bikeway and Pedestrian Master Plan adopted by the San Benito Council of Governments Board in 2009. The Master Plan is included on the Transportation Plan Project List of the 2014 Regional Transportation Plan.

Of the approximately $33.7 million total cost (2015 dollars) of all proposed Master Plan bike and pedestrian projects, this study proposes that the TIMF program fund approximately $1.9 million, or about 5.6 percent. About $28.3 million of the Master Plan facilities are recreational trails such as the San Benito River Trail and bridge and the Union Pacific Rail Trail. These projects are not considered to reduce traffic on the TIMF roadways. Also deducted from the total Master Plan cost are bike lanes that are part of the TIMF roadways; the cost of the bike lanes is about $670,000. The TIMF share is calculated as 40 percent of the net remaining cost, which is the percentage of new trips on the roadways in 2035.

A summary of all Master Plan projects and costs are shown in Appendix B.

Table 3.2 Zone Share Allocations

Project No.		External Trip Share	Post External Trip Shares		
			Zone 1	Zone 2	Zone 3
1	SR 156 Widening: San Juan Bautista to Union Road	30.1%	14.11%	85.87%	0.018%
2	SR 156/Fairview Road Intersection Improvements	26.7%	3.50%	96.48%	0.018%
3	Memorial Drive South Extension: Meridian Street to Santa Ana Road	0.0%	0.00%	100.00%	0.000%
4	Airline Highway (SR 25) Widening: Sunset Drive to Fairview Road	0.5%	1.08%	98.80%	0.119%
5	Westside Boulevard Extension	0.0%	0.00%	100.00%	0.000%
6	North Street (Buena Vista)	0.0%	0.00%	100.00%	0.000%
7	Fairview Road Widening: McCloskey to SR 25	0.0%	1.25%	98.73%	0.018%
8	Union Road Widening (East): San Benito Street to SR 25	1.1%	3.08%	96.89%	0.027%
9	Union Road Widening (West): San Benito Street to SR 156	0.6%	4.46%	95.51%	0.027%
10	Meridian Street Extension to Fairview Road	0.0%	0.00%	100.00%	0.000%
11	SR 25 4-lane Widening: Phases 1 and 2 (Santa Clara County to San Felipe Rd.)	0.0%	1.02%	98.98%	0.009%
12	Memorial Drive North Extension: Santa Ana Road to Flynn Road	0.0%	0.00%	100.00%	0.000%
13	Flynn Road Extension: San Felipe to Memorial Drive North	0.0%	0.00%	100.00%	0.000%
14	Pacific Way: San Felipe Road to Memorial Drive	0.0%	0.00%	100.00%	0.000%

SECTION 4 IMPLEMENTATION

This section identifies tasks that, pursuant to California Government Code Section 66000 et seq., the Council of Governments, the County, and the Cities (local agencies, agencies) should complete when implementing and/or updating any impact fee program.

IMPACT FEE PROGRAM ADOPTION PROCESS

Impact fee program adoption procedures are found in the California Government Code Section 66000 et seq. Adoption of an impact fee program requires the City Council to follow certain procedures, including holding a public hearing (California Government Code Section 6062a). A mailed notice 14 days prior to the public hearing is required only for those individuals who request such notification. Data, such as this impact fee report, and referenced material must be made available at least 10 days prior to the public hearing.

The local agencies' legal counsel should inform the agencies of any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption, there is a mandatory 60-day waiting period before the fees go into effect, unless an Urgency Ordinance, valid for 30 days, is adopted making certain findings regarding the urgency being claimed. The ordinance must be readopted at the end of the first period (and possibly at the end of the second period depending on local agencies' meeting dates) to cover the next 30 days and therefore the entire 60-day waiting period. Fees adopted by urgency go into effect immediately. This procedure must also be followed for fee increases and updates.

PROGRAMMING REVENUES AND CAPITAL IMPROVEMENT PROJECTS

The agencies should update their Capital Improvement Plans (or Regional Transportation Plan in the case of the Council of Governments) to identify specific projects and program fee revenues that will be applied to those projects. Use of the Capital Improvement Plan in this manner documents a reasonable relationship between new development and the use of fee revenues.

For the planning period of the Capital Improvement Plan or Regional Transportation Plan, the agencies should allocate all existing fund balances and projected fee revenue to facilities projects. The agencies should plan their Capital Improvement Plan expenditures at least five years in advance and show where all collected development impact fee revenues will be spent. The agencies can hold funds in a project account for longer than five years if necessary to collect sufficient funds to complete a given project.

FUNDS NEEDED TO COMPLEMENT IMPACT FEE PROGRAM

In adopting the fees as presented in this report, additional funds should be identified to fund the share of costs not related to new development.

INFLATION ADJUSTMENT

The costs in this report are shown in 2015 dollars. To ensure that the fee program stays current with the prevailing cost of construction, the agencies should periodically adjust the costs by an inflation index, or by a factor based on experience with actual local construction projects. The Engineering News Record Construction Cost Index 20-City average or other suitable index may be used to adjust impact fees in general. However, for specific cost categories, the agencies may apply a factor that is more appropriate to the type of facility.

COMPLIANCE REQUIREMENTS

The California Mitigation Fee Act (Government Code Section 66000 et seq.) mandates procedures for administration of impact fee programs, including collection, accounting, refunds, updates, and reporting. The agencies should comply with the annual and five-year reporting requirements. For facilities to be funded with a combination of impact fees and other revenues, the agencies must identify the source and amount of the other revenues. The agencies must also identify when the other revenues are anticipated to be available to fund the project. The agencies' compliance obligations vis-à-vis the act include but are not limited to the following specific requirements:

Collection of Fees – Section 66007 provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever comes first. In a residential development of more than one dwelling unit, the local agency may choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit when it is completed. The local agency may require the payment of those fees or charges at an earlier time if: (A) the local agency determines that the fees or charges will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy, or (B) the fees or charges are to reimburse the local agency for expenditures previously made. "Appropriated," as used in this subdivision, means authorization by the governing body of the local agency for which the fee is collected to make expenditures and incur obligations for specific purposes.

Fee Exemptions, Reductions, and Waivers – In the event that a development project is found to have no impact on facilities for which fees are charged, such project must be exempted from the fees. If a project has characteristics that indicate its impacts on a particular public facility or infrastructure system will be significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly.

In some cases, the local agency may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project to promote goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, and are allowable only if the agency offsets the lost revenue from other fund sources.

Earmarking of Fee Revenues – Government Code Section 66006 mandates that the local agency shall "deposit .... fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments." Fees must be expended solely for the purpose for which they were collected. Interest earned on the fee revenues must also be placed in the capital account and used for the same purpose. The act is not clear as to whether depositing fees "for the improvements" refers to a specific capital improvement or a class of improvements (e.g., fire protection, traffic or park facilities). Recommended practice is for the local agency to maintain separate funds or accounts for impact fee revenues by facility category, but not necessarily for individual projects.

Reporting – Government Code Section 66006 requires that once each year, within 180 days of the close of the fiscal year, the agencies must make available to the public the following information for each account established to receive impact fee revenues:

1. The amount of the fee.
2. The beginning and ending balance of the account or fund.
3. The amount of the fees collected and interest earned.
4. Identification of each public improvement on which fee revenues were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fee revenues.
5. Identification of the approximate date by which the construction of a public improvement will commence, if the local agency determines sufficient funds have been collected for the financing of an incomplete public improvement.
6. A description of each interfund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvements on which the transfer or loan will be expended.
7. The amount of any refunds or allocations made pursuant to Government Code Section 66001, paragraphs (e) and (f).

The above information must be reviewed by the Board of Supervisors, and the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public.

Findings and Refunds – Government Code Section 66001 requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Government Code Section 66006, and every five years thereafter, the local agency shall make all of the following findings for any fee revenues that remain unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put.
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged.
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which the impact fees are to be used.
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account of fund.

Annual Update of Capital Improvement Program – Government Code Section 66002 provides that if a local agency adopts a Capital Improvement Plan to identify the use of impact fees, that program must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative is to identify improvements in other public documents.

LOCAL IMPLEMENTATION

Local administrative procedures will be necessary to ensure that the ongoing application and collection of the impact fees on a project-specific basis meet the direction and intent of Government Code Section 66000 et seq. The agencies' local administrative procedures will address topics such as a change in use or the demolition of a building, calculation of fees for specific types of uses, the transfers of credits from one property to another, the calculation of fees for mixed-use projects, and similar issues. The full range of these topics is beyond the scope of this nexus study; however, a few commonly occurring issues are addressed here:

1. Applying the Impact Fees to Development Projects Involving More Than One Land Use: Land development projects frequently include more than one land use category, such as mixed-use development with both residential and commercial uses. In these cases,

the impact fee would be calculated following the City's adopted fee methodology for mixed-use development.

The amount of impact fees are evaluated prior to the issuance of a building permit and are based on the information provided in the permit application, including number and type of units, intended occupancy, and floor areas per occupancy. In a single-use structure, the total of the fees would be the sum of each impact fee that applies to the project times the number of units, or the floor area (1,000 square foot increments), in the structure. For a mixed-use project, where more than one use will occupy a single permitted structure, an impact fee calculation should apply the appropriate fee rate to each portion of the structure containing an identified use. For a commercial-residential structure, the applicable residential fee rates shall be applied to each residential unit (the unit may be defined as either a single- or multi-family unit depending on the type of construction) and the applicable nonresidential rates will be applied to each unit of nonresidential floor area.

2. Pipeline Projects: Projects that have been submitted for review, but have not yet been approved when the proposed fees are adopted and become effective, are not entitled to pay the previous fee in lieu of the adopted fees. As indicated above, Government Code Section 66007 provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever comes first. The local agency may require earlier payment under certain circumstances and may allow, but is under no obligation to do so, prepayment of fees at the rate in effect. Allowing such prepayment will result in loss of fee revenue and the agency should have a compelling reason for doing so.

3. Phasing of Fee Increases: Phasing in the fee increases over two or more years may be considered as a means to allow the real estate market time to adjust to and plan for the increases. However, the net loss of revenue during the phase-in period may not be passed on to future development.

4. Deferral of Fees to a Later Date: In certain circumstances the local agency may elect to grant a deferral of payment until units are sold or leased, when occupancy permits for tenant improvements are issued, or with any nonresidential construction that may remain vacant for an extended period. If the agency chooses to defer impact fees to a point in time after issuance of an occupancy permit, suitable security should be obtained to assure future payment of the fee, through a surety bond, letter of credit, provisions in the escrow agreements, or a lien-hold as appropriate.

5. Development Projects Not in Fee Schedule: The fees presented in **Table 4** represent the major land use classifications of the County's General Plan. The land use development projection analysis, from which the estimate of development is derived, considers land use classifications only to the level of detail represented in **Table 4**. The costs of roadway improvements required for growth are distributed among these classifications on the basis of peak-hour trip factors embodied in the DUE factors. In reality, there are many more land uses that are characterized by type of use, both residential and nonresidential, upon which the TIMF will be levied than are represented in the fee schedule. The peak-hour trip rates per unit of these various types of development vary considerably and the resultant fee for these different uses will also vary. A supplemental fee schedule representing typical land use/development types such as one based on the Institute of Transportation Engineers (ITE) peak-trip rates (adjusted for diverted trips and trip length) may be considered. Using the ITE rates in conjunction with the zone cost per trip will result in a fee that might be more appropriate for the proposed land use and still meet the nexus requirements. Even if the ITE rates do not seem appropriate for a

given project, the agency might allow a process where the developer may submit a traffic study for approval by the agency that documents the daily peak period trips to be used in the fee calculation.

6. Credit for Improvements by Developers: There are several TIMF projects where reimbursements or fee credits may apply. If a developer is required, as a condition of approval, to construct facilities or improvements for which impact fees have been or will be charged, the impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for the cost of facilities or improvements constructed or otherwise provided by the developer. If the reimbursement would exceed the amount of the fee to be paid by the development for that type of facility, the agency may seek to negotiate a reimbursement agreement with the developer. As noted in Section 3, fee credits or reimbursements do not apply to required frontage improvements or dedication of land for right-of-way; the frontage costs have been backed out of the cost estimates where the adjacent property is undeveloped. If the developer were to build only the frontage improvement and dedicate the necessary land, no credit would be allowed.

PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this report and the opinions and recommendations included herein, Michael Baker, Urban Economics, and Stantec have relied on a number of principal assumptions and considerations with regard to financial matters, conditions, and events that may occur in the future. These assumptions and considerations, including the planning information, and technical advice from agencies' staff, were provided by sources we believe to be reliable.

While we believe Michael Baker's, Urban Economics', and Stantec's use of the provided information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDICES

APPENDIX A: TIMF IMPROVEMENT PROJECT COSTS AND COST ALLOCATIONS

Project No.	Description	Cost including bike lanes	External Trip Share	External Trip Share Cost	Internal Trip Share Cost	Percentage of Existing vs. Future Trips Allocation: Share City/County/ Regional/Other	Percentage of Existing vs. Future Trips Allocation: TIMF (new development) Share	Cost Allocation: City/County/ Regional/Other	Cost Allocation: TIMF Cost net of Ext. Share & Deficiencies
1	Highway 156 Widening–San Juan Bautista to Union Road[1]	$62,900,000	30.1%	$18,926,396	$43,973,604	78%	22%	$34,334,590	$9,639,014
2	Highway 156/Fairview Road Intersection Improvements	$6,824,000	26.7%	$1,819,506	$5,004,494	0%	100%	$0	$5,004,494
3	Memorial Drive South Extension: Meridian Street to Santa Ana Road	$3,355,000	0.0%	$0	$3,355,000	0%	100%	$0	$3,355,000
4	Airline Highway (SR 25) Widening: Sunset Drive to Fairview Road[2]	$28,214,000	0.5%	$140,810	$28,073,190	0%	100%	$0	$28,073,190
5	Westside Boulevard Extension	$13,360,200	0.0%	$0	$13,360,200	0%	100%	$0	$13,360,200
6	North Street (Buena Vista)	$4,207,000	0.0%	$0	$4,207,000		100%	$0	$4,207,000
7	Fairview Road Widening: McCloskey to SR-25	$20,790,531	0.0%	$0	$20,790,531	0%	100%	$0	$20,790,531
8	Union Road Widening (East): San Benito Street to Highway 25	$5,463,000	1.1%	$59,144	$5,403,856	0%	100%	$0	$5,403,856
9	Union Road Widening (West): San Benito Street to Highway 156	$15,448,000	0.6%	$90,266	$15,357,734	0%	100%	$0	$15,357,734
10	Meridian St. Extension to Fairview Rd.: 185' east of Clearview to Fairview	$9,445,000	0.0%	$0	$9,445,000	0%	100%	$0	$9,445,000
11	Highway 25 4-lane Widening–Phase I & 2[3]	$248,591,000	10.9%	$27,096,419	$221,494,581	60.2%	39.8%	$133,336,896	$88,157,685
12	Memorial Drive North Extension: Santa Ana Road to Flynn Road	$13,842,000	0.0%	$0	$13,842,000	0%	100%	$0	$13,842,000
13	Flynn Road extension: San Felipe Road to Memorial Drive North Extension	$8,509,679	0.0%	$0	$8,509,679	0%	100%	$0	$8,509,679
14	Pacific Way extension: San Felipe Rd. to Memorial Dr.	$7,412,431	0.0%	$0	$7,412,431	0%	100%	$0	$7,412,431
	Intersections	$15,274,660	0.0%	$0	$15,274,660	0%	100%	$0	$15,274,660
	Total	**$463,636,501**		**$48,132,541**	**$415,503,960**			**$167,671,486**	**$247,832,474**
	2010 Costs & Allocation	$159,030,500		$33,878,514	$125,151,986			$22,911,455	$93,006,889

[1] TIMF Share for HWY 156 was limited to $9,639,000 in the 2010 Regional Transportation Improvement Plan, with the provision that the balance of funds will come from other sources.

[2] Airline Highway is currently deficient. However, the improvement project will not improve the level of service, so no share of the cost was allocated to existing development in either the 2010 Study or in this update.

[3] External trip shares and deficiency for Highway 25 is from 2010 TIMF study: Hwy 25 Santa Clara County Line to San Felipe

TIMF Improvements—Zone Cost Allocations

		Project Costs			Zone Allocations, Internal Trip Share			Zone Costs, Road Improvements			Zone Costs, Bike Lanes		
	Description	TIMF Net of Bike Lanes	Bike Lane Costs	TIMF Share Bike Lane	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
1	Highway 156 Widening–San Juan Bautista to Union Road[1]	$1,622,614	$8,016,400	$8,016,400	14.1%	85.9%	0.018%	$228,996	$1,393,322	$296	$1,131,335	$6,883,602	$1,463
2	Highway 156/Fairview Road Intersection Improvements	$5,004,494	NA	NA	3.5%	96.5%	0.018%	$175,254	$4,828,326	$914	$0	$0	$0
3	Memorial Drive South Extension: Meridian Street to Santa Ana Road	$2,786,600	$568,400	$568,400	0.0%	100.0%	0.000%	$0	$2,786,600	$0	$0	$568,400	$0
4	Airline Highway (SR 25) Widening: Sunset Drive to Fairview Road[2]	$24,290,390	$3,782,800	$3,782,800	1.1%	98.8%	0.119%	$261,680	$23,999,889	$28,821	$40,752	$3,737,560	$4,488
5	Westside Boulevard Extension	$11,008,200	$2,352,000	$2,352,000	0.0%	100.0%	0.000%	$0	$11,008,200	$0	$0	$2,352,000	$0
6	North Street (Buena Vista)	$3,442,600	$764,400	$764,400	0.0%	100.0%	0.000%	$0	$3,442,600	$0	$0	$764,400	$0
7	Fairview Road Widening: McCloskey to SR-25	$13,773,731	$7,016,800	$7,016,800	1.3%	98.7%	0.018%	$172,765	$13,598,452	$2,514	$88,012	$6,927,507	$1,281
8	Union Road Widening (East): San Benito Street to Highway 25	$3,443,856	$1,960,000	$1,960,000	3.1%	96.9%	0.027%	$106,151	$3,336,762	$943	$60,414	$1,899,050	$537
9	Union Road Widening (West): San Benito Street to Highway 156	$7,850,934	$7,506,800	$7,506,800	4.5%	95.5%	0.027%	$350,300	$7,498,484	$2,150	$334,946	$7,169,799	$2,055
10	Meridian St. Extension to Fairview Rd.: 185' east of Clearview to Fairview	$7,994,600	$1,450,400	$1,450,400	0.0%	100.0%	0.000%	$0	$7,994,600	$0	$0	$1,450,400	$0
11	Highway 25 4-lane Widening–Phase I & 2[3]	$85,411,715	$6,899,200	$2,745,970	1.0%	99.0%	0.009%	$867,215	$84,536,685	$7,815	$27,881	$2,717,838	$251
12	Memorial Drive North Extension: Santa Ana Road to Flynn Road	$10,431,600	$3,410,400	$3,410,400	0.0%	100.0%	0.000%	$0	$10,431,600	$0	$0	$3,410,400	$0
13	Flynn Road extension: San Felipe Road to Memorial Drive North Extension	$7,572,414	$937,265	$937,265	0.0%	100.0%	0.000%	$0	$7,572,414	$0	$0	$937,265	$0
14	Pacific Way extension: San Felipe Rd. to Memorial Dr.	$5,374,252	$2,038,179	$2,038,179	0.0%	100.0%	0.000%	$0	$5,374,252	$0	$0	$2,038,179	$0
	Intersections	$15,274,660	NA	NA	1.14%	98.8%	0.020%	$174,131	$15,097,474	$3,055			
	Total	Current TIMF Balance (total City and County):				($10,700,000)		$2,336,493	$202,899,660	$46,507			
			Weighted average allocation:		1.14%	98.84%	0.02%	($121,786)	($10,575,790)	($2,424)			
						Net of TIMF Balances:		**$2,214,707**	**$192,323,870**	**$44,083**	**$1,683,339**	**$40,856,398**	**$10,076**

INTERSECTION COSTS

1	McCloskey Rd. & Fairview Rd.	New signalization of 4-lane arterial with 2-lane local, 3 approaches. LTO on lanes 3 approaches, RTO on 2 approaches.	$525,000	$209,250	$734,250
2	Memorial Dr. & Hillcrest Rd.	New signalization of 4-lane arterial with 4-lane arterial, 4 approaches. Existing lane configuration to remain.	$700,000	$0	$700,000
3	Fairview Rd. & Fallon Rd.	New signalization of 4-lane arterial with 2-lane collector, 4 approaches. LTO & RTO on all approaches.	$650,000	$293,500	$943,500
4	Fairview Rd. & Airline Hwy/Sr-25	New signalization of 4-lane arterial (east & west legs) with 4-lane arterial (north leg) & 2-lane (south leg). LTO & RTO existing on all approaches, EB & WB through lanes constructed with Airline Hwy Project No. 5	$725,000	$125,000	$850,000
5	Fairview Rd. & Hillcrest Rd.	New signalization of future widening to 4-lane arterial (north & south legs) with future non-TIMF widening to 4-lane arterial (west leg only); 3 approaches. Turning lanes existing on all approaches, SB & NB through lanes will be constructed with Fairview Rd. widening Project No. 8	$600,000	$0	$600,000
6	Union Rd. & Fairview Rd.	New signalization of future widening to 4-lane arterial (north & south legs) with future new 4-lane arterial (west leg only); 3 approaches. Turning lanes on Fairview Rd. added with Project No. 8; turning lanes on Union Rd. included as regional component of developer-constructed improvements	$600,000	$55,250	$655,250
7	Enterprise Rd. & Airline Hwy (SR-25)	New signalization of future widening to 4-lane arterial (north & south legs) with 2-lane arterial; 4 approaches. LTO & RTO exist on all approaches, EB & WB through lanes will be constructed with Airline Hwy Project 5.	$700,000	$0	$700,000
8	South Street & Westside Blvd.	New signalization of 4-lane collector with 2-lane collector; 4 approaches, retain current lane configuration	$550,000	$0	$550,000
9	Rancho Drive & East Nash (Tres Pinos Rd.)	New Roundabout	$700,000	$0	$700,000
10	Fourth St. (San Juan Rd.) & West St. or Monterey St.	New signalization of 2-lane collector with 2-lane local; 4 approaches, retain current lane configuration	$400,000	$0	$400,000

Assuming 10-foot lanes, each lane is 75 feet long (arterial LTO = 250 feet), ROW at $5 per square foot and $20 per square foot for grading, excavation, pavement section, striping, and loops. Add another $2,750 for pedestrian ramps at right-turn lanes. LTO: $26,250 (except on arterial legs where center lane or median is provided); RTO lane: $29,000.

Signalization Costs:

$200,000 per 4-lane approach with LTO lane; $175,000 4-lane approach without LTO lane
$125,000 per 2-lane approach with LTO lane; $100,000 per 2 lane without LTO lane

INTERSECTION COSTS (CONTINUED)

11	Flynn Rd. & San Felipe Rd. (Project 14)	New signalization of 4-lane arterial with 4-lane arterial	$800,000 included in Project 14 road improvements		
12	Meridian St. & Fairview Rd. Meridian Street Extension (Project 11)	New signalization of 4-lane arterial with 4-lane arterial; 3 approaches, turning lanes exist, through lane on Fairview will be constructed with Project No. 8	$600,000	$0	$600,000
13	Memorial Dr. & Santa Ana Rd. Memorial Drive South Extension (Project 4)	New signalization of future 4-lane arterial (Memorial) with non-TIMF widening to 4-lane arterial; 4 approaches, turning lanes will be constructed with Project No. 4	$800,000	$0	$800,000
14	Memorial Dr. & Meridian St. Memorial Drive South Extension (Project 4)	New signalization of future 4-lane arterial (Memorial) with 4-lane arterial; 4 approaches, turning lanes will be constructed with Project No. 4	$800,000	$0	$800,000
15	Westside Boulevard & Nash Rd. Westside Boulevard Extension (Project 6)	New signalization of 2-lane collector south leg (Westside Extension), existing 4-lane north leg with existing 2-lane local; 4 approaches, turning lanes will be added with Project No. 4	$575,000	$0	$575,000
16	Westside Boulevard & San Benito St. Westside Boulevard Extension (Project 6)	New signalization of new 2-lane collector (Westside Extension) with 2-lane arterial; 4 approaches, turning lanes will be constructed with Project No. 4	$500,000	$0	$500,000
17	SR-156 & Buena Vista	New signalization of new 2-lane collector with 4-lane arterial; LTO on 4 approaches.	$650,000	$116,000	$766,000
18	Gateway Dr. & San Felipe Rd.	New signalization of new 2-lane collector with 4-lane arterial; 3 approaches, LTO's exist	$525,000	$0	$525,000
	Subtotal Construction		**$10,600,000**	**$799,000**	**$11,399,000**
	Soft Costs	**34%**	**$3,604,000**	**$271,660**	**$3,875,660**
	Total		**$14,204,000**	**$1,070,660**	**$15,274,660**

Assuming 10-foot lanes, each lane is 75 feet long (arterial LTO = 250 feet), ROW at $5 per square foot and $20 per square foot for grading, excavation, pavement section, striping, and loops. Add another $2,750 for pedestrian ramps at right-turn lanes. LTO: $26,250 (except on arterial legs where center lane or median is provided); RTO lane: $29,000.

Signalization Costs:

$200,000 per 4-lane approach with LTO lane; $175,000 4-lane approach without LTO lane
$125,000 per 2-lane approach with LTO lane; $100,000 per 2 lane without LTO lane

APPENDIX B: BICYCLE AND PEDESTRIAN MASTER PLAN IMPROVEMENTS

Rank	Facility Name	Project ID	From	To	Class	Length (miles) (highlighted where TIMF backout is applied)	Estimated Total Construction Cost (2015)
			Tier 1 Improvements				
1	Sunnyslope Rd	H-24	Memorial Dr	Cerra Vista Dr	II	0.70	$24,908
2	Nash Rd./Tres Pinos Rd.	U-13, U-14, H-14, H-25	East of San Benito River	Airline Highway	II	1.43	$50,883
3	Airline Highway	U-3, U-4, H-3	Sunset Dr.	Quien Sabe Dr.	II	2.98	$106,037
4	Central Avenue-3rd St.	H-6	Bridgevale Rd.	East St.	II	1.66	$59,067
5	South St./ Hillcrest Rd.	H-35, H-41	Westside Blvd.	Hillcrest Rd. east of McCray St.	III	1.04	$16,516
6	Ladd Ln.	H-9	Tres Pinos Rd.	Hillock Dr.	II	0.16	$5,693
7	San Benito River Trail	U-1, H-1	San Juan Bautista Park	Airline Hwy.	I	16.09	$16,908,747
8	Sally St.	H-17	3rd St.	Nash Rd.	III	0.96	$15,246
9	Memorial Dr.	H-12, H-47	Sunset Dr.	Fallon Rd.	II	2.19	$77,926
10	4th St.	H-30	Westside Blvd.	McCray St.	III	0.83	$13,181
11	San Felipe Rd.	U-16, H-18	Santa Ana Rd.	Pacheco Pass Hwy.	II	6.61	$235,202
12	Meridian St.	H-13	Memorial Dr	McCray St.	II	0.85	$30,245
13	Hillcrest Rd.	U-10, H-8	Prospect Ave.	Fairview Rd.	II	1.77	$62,981
14	Sunset Dr.	H-42	Cerra Vista Dr.	Airline Hwy.	III	0.84	$13,340
15	Westside Blvd.	H-28, H-29	Apricot Ln.	Jan Ave.	II	0.28	$9,963
16	Monterey St.	H-38	4th St.	Nash Rd.	III	0.88	$13,975
17	McCray St.	H-11	Hillcrest Rd.	Santa Ana Rd.	II	0.61	$21,705
18	Bicycle and Pedestrian Bridge	H-50	San Benito River Bridge		I	0.06	$1,791,078
						Total Tier 1	**$19,456,695**

Recreational trails highlighted in green

BICYCLE AND PEDESTRIAN MASTER PLAN IMPROVEMENTS (CONTINUED)

Rank	Facility Name	Project ID	From	To	Class	Length (miles) (highlighted where TIMF backout is applied)	Estimated Total Construction Cost (2015)
			Tier 2 Improvements				
19	Westside Blvd. Extension	H-43	Nash Rd.	Ladd Ln.	II	0.42	$14,945
20	Line St	H-10	Nash Rd.	Buena Vista Rd.	II	1.16	$41,276
21	Southside	H-23	Sunset Dr.	Union Rd.	II	0.16	$5,693
22	Cerra Vista	H-31	Sunnyslope Rd	Union Rd.	III	0.73	$11,593
23	San Juan Rd.	U-18, H-20	Hwy 156	Westside Blvd.	II	2.28	$81,129
24	Hawkins St.	H-34	Monterey St.	Prospect Ave.	III	0.45	$7,146
25	Santa Ana Rd.	U-7, U-19, H-5, H-22	Railroad Tracks	Fairview Rd.	II	2.15	$76,503
26	Highway 156	U-11, S-3	The Alameda	Buena Vista Rd.	II	0	$0
27	Clearview Dr.	U-24, H-32	Meridian St.	Sunset Dr.	III	1.15	$18,263
28	Union Pacific RR	U-2, H-2	3rd St.	County Line	I	8.81	$9,258,301
29	Buena Vista Rd./North St.	H-21	Hollister City Limit east of Millard Rd.	Railroad Tracks	II	1.83	$65,116
30	Fairview Rd.	U-8, U-9, H-7	Airline Hwy	Spring Grove Elem. School	II	3.05	$108,527
31	Union Rd.	U-21, U-22, H-26	Cienega Rd.	Fairview Rd.	II	1.54	$54,797
32	Valley View Dr.	U-23, H-27	Sunset Dr.	Union Rd.	II	0.52	$18,503
33	Bolsa Rd.	U-5, H-44	San Felipe Rd.	County Line	III	7.63	$121,171
34	Franklin St.	S-6	4th St.	End of 4th St./San Juan Bautista Historical Park	III	0.17	$2,700
						Total Tier 2	**$9,885,664**

Recreational trails highlighted in green

BICYCLE AND PEDESTRIAN MASTER PLAN IMPROVEMENTS (CONTINUED)

Rank	Facility Name	Project ID	From	To	Class	Length (miles) (highlighted where TIMF backout is applied)	Estimated Total Construction Cost (2015)
			Tier 3 Improvements				
35	The Alameda-Salinas Rd.	U-34, S-10	San Juan School	Old StagecoachRd.	III	0.65	$10,323
36	4th St.- The Alameda	S-8	The Alameda	Monterey St	III	0.54	$8,576
37	San Juan Bautista Historical Park	S-1	1st St.	Franklin St.	I	0.29	$304,757
38	4th St. - San Jose St.	S-5	4th St.	1st St.	III	0.16	$2,541
39	2nd St.	S-9	San Jose St.	Monterey St	III	0.14	$2,223
40	Union Rd.	U-35	Hwy 156	Cienega Rd.	III	0.00	$0
41	Planned Road 2	H-48	McCloskey Rd.	Flynn Rd.	II	5.61	$199,619
42	Southside Rd.	U-38	Bend in Southside Rd.	Pinnacles Community School	I	0.90	$945,797
43	Steinbeck Dr.	H-45	Westside Blvd.	Line St.	III	0.10	$1,588
44	Meridian St.	U-27	Memorial Dr	End of Meridian St.	III	0.47	$7,464
45	Monterey St.	S-7	4th St.	1st St.	III	0.16	$2,541
46	1st St.	S-2	North St.	Monterey St	II	0.10	$3,558
47	San Juan Hwy	U-17, S-4	Old San Juan Hwy	Ahwahnee St.	II	2.35	$83,619
48	Bridgevale Rd.	U-6, H-4	San Juan Rd.	Central Ave.	II	0.26	$9,252
49	Fallon Rd.	U-25, H-33	Frontage Rd.	Fairview Rd.	III	2.29	$36,367
50	Beverly Dr.	H-51	Hillcrest Rd.	Sunnyslope Rd.	III	0.53	$8,417
51	Santa Ana Rd./Buena Vista Rd.	U-32	Hwy 156	Bend in Buena Vista Rd.	III	0.74	$11,752
52	Planned Road 1	H-46	Fairview Rd.	San Felipe Frontage Rd.	II	2.04	$72,589
53	San Felipe Class I	H-49	Wright Rd.	Flynn Rd.	I	0.84	$882,744
54	Highway 25	U-36	Quien Sabe Rd.	Pinnacles Monument	III	24.50	$389,082
55	Southside School Connection	U-37	San Benito River Trail	Southside School	I	0.68	$714,602
56	Santa Ana Valley Rd.	U-31	John Smith Rd.	Quien Sabe Rd.	III	1.75	$27,792
						Total Tier 3	**$3,725,202**
						Grand Total	**$33,067,561**
						Cost of Recreational Trails	**$28,262,882**
						Sub-total	**$4,804,679**
						New trip percentage of 2035 total trips	**40%**
						Net TIMF share	**$1,912,324**

Source: San Benito County Bicycle and Pedestrian Master Plan, May 2009 for SBCOG by ALTA Planning + Design

Recreational trails highlighted in green

APPENDIX C: CALCULATIONS OF COST PER TRIP WITH COMMERCIAL SHIFT

	Shifted Trip Share a = d/total trips in Zone	Cost Share b = a x total cost in Zone	Trips from Trip Zone Tables c	Trip Shift d	Cost per Trip = b/c
Zone 1					
Residential					
Single Family	66.31%	$ 1,468,555	1,338	1385	$ 1,097.58
Multi-Family	9.07%	$ 200,861	183	189	$ 1,097.60
			1,521	1575	
Non-residential					
Office	7.85%	$ 173,869	164	164	$ 1,060.18
Commercial/Retail	2.46%	$ 54,435	105	51	$ 518.43
Industrial	1.05%	$ 23,324	22	22	$ 1,060.18
Other	13.26%	$ 293,669	277	277	$ 1,060.18
	Total Cost Zone 1	**$ 2,214,707**	568	514	
		Total	**2089**		
	51.1% of Commercial Trips Shifted to Residential:		53.66		
Zone 2					
Residential					
Single Family	60.51%	$ 116,384,726	11,609	11831	$ 10,025.39
Multi-Family	8.26%	$ 15,880,217	1,584	1614	$ 10,025.39
			13,193	13445	
Non-residential					
Office	9.96%	$ 19,153,686	1,947	1947	$ 9,837.54
Commercial/Retail	1.23%	$ 2,371,603	493	241	$ 4,810.55
Industrial	1.80%	$ 3,462,814	352	352	$ 9,837.54
Other	18.23%	$ 35,069,108	3,565	3565	$ 9,837.54
	Total Cost Zone 2	**$ 192,323,870**	6,357	6105	
		Total	**19,550**		
	51.1% of Commercial Trips Shifted to Residential:		251.92		
Zone 3					
Residential					
Single Family	0.00%	$ -	-		-
Multi-Family	0.00%	$ -	-		-
					-
Non-residential					
Office	21.74%	$ 9,583	5	5	$ 1,916.66
Commercial/Retail*	4.35%	$ 1,917	1	1	$ 958.33
Industrial	0.00%	$ -	-	-	$ -
Other	73.91%	$ 32,583	17	17	$ 1,916.66
	Total Cost Zone 3	**$ 44,083**	23	23	
		Total	**23**		
Overall Total Cost, Roadways (includes intersections, but not bike lanes)		**$ 194,582,660**			
		Bike Lane Costs	Trips in Zone	Cost per trip	
	Zone1	$ 1,683,339	2089	$ 805.81	
	Zone 2	$ 40,856,398	19550	$ 2,089.84	
	Zone 3	$ 10,076	23	$ 438.08	
Bicycle and Ped Master Plan TIMF Share:		$ 1,912,324			
	Total trips	21,662			
	Cost per trip	$ 88.28			

*Since there is no commercial/retail cost shift to residential in Zone 3 (no residential development is projected in Zone 3), the commercial/retail cost per trip is reduced by 50 percent to put it on an equal basis with the commercial/retail in the other zones. The loss in revenue is expected to be very small.

Agenda Item_____

Staff Report

To:	Council of San Benito County Governments
From:	Mary Gilbert, Executive Director Phone Number: (831) 637-7665 x.207
Date:	January 21, 2016
Subject:	**Transportation Sales Tax Measure**

Recommendation:

a) **RECEIVE** Update on Work Plan, Including Stakeholder and other Public Outreach

b) **REVIEW** Funding Priorities for Inclusion in Draft Expenditure Plan

Summary:

COG Staff has been coordinating efforts for a transportation sales tax in San Benito County for the 2016 election cycle. This effort has been coordinated with the City of Hollister, City of San Juan Bautista, and the San Benito County Board of Supervisors. At a special meeting in November, there was consensus among the Board to move forward with planning for a 1/2 cent sales tax for transportation on the June 2016 ballot.

Financial Impact:

Anticipated expenses to COG for a sales tax initiative include the cost of additional voter polling and charges from the elections office for placing an item on the ballot. Those charges may be repaid using sales tax revenues if the measure passes. If the measure does not pass, COG would be fully responsible for the costs.

A ½ cent sales tax could raise as much as $240 million over thirty years, based on projections of taxable sales in the County. In addition, sales tax revenues may be used for leverage to obtain additional state funding for projects or may be bonded against for additional revenue.

Background:

The Council of Governments previously administered the Measure A Sales Tax, which was passed with an 82% majority in 1988. Measure A funds were used for several projects, including the San Benito Street Extension, Westside Boulevard Extension, Highway 156 Bypass, and Highway 25 Bypass. In June 2015 the Board discussed a new transportation sales tax and unanimously approved a work plan for the effort.

Staff Analysis:

COG's work plan for a sales tax measure began as a part of the Highway 25 work plan and concern for placing the Highway 25 4-Lane Widening project on the constrained list of project in COG's 2014 Regional Transportation Plan. It was determined that a new revenue source in addition to traditional state and local funding would be needed to finance a project the size of Highway 25. In addition, sales tax funding could fund local street and road repair needs and other projects across the County.

Polling completed by COG in March of 2015 indicated that voters generally supported the concept of a tax for a mix of highway and local street and road projects. The polling also showed that voters would be supportive in either the June 2016 or the November 2016 election. As discussed at previous Board meetings, staff is proposing additional polling to better determine current voter support for the tax as well as to test potential elements of the expenditure plan.

A work plan for a sales tax effort was reviewed by the Board in October. Staff is implementing the work plan as directed and is currently concentrating efforts on stakeholder involvement, community outreach, and planning for the expenditure plan projects. The deadline for placing an item on the ballot will be March 11, 2016.

The key item of work to be completed between now and March will be expenditure plan development and approval. At its December 2015 meeting, the Board generally supported the following breakdown of tax funding:

- 50 % to Highway 25 Improvements
- 20% to Local Projects (to be defined)
- 30% to Local Street and Roadway Maintenance

Results of the polling being conducted now will help further shape the priorities for the "Local Projects" category. At this time staff is proposing the potential for a mix of projects to include such categories as local connectivity, 'complete streets', bicycle and pedestrian improvements/safe routes to schools, and other local operational improvements on the roadway system.

Staff is proposing a special COG Board meeting on February 3 to provide a presentation of the poll results which will help finalize the expenditure plan language.

Public hearings will be conducted in February and a final expenditure plan would be adopted prior to the March 11, 2016 elections deadline.

Executive Director Review: _____ Counsel Review: N/A