

2007
Traffic Impact Mitigation Fee
Update Study

*Prepared for: Council of San Benito County
Governments*

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Transportation Consultants*

Adopted June 21, 2007



MEMORANDUM

To: San Benito County Council of Governments
From: Mike Waller
Subject: Executive Summary of the Traffic Impact Fee Update
Date: April 26, 2007

Introduction

The City of Hollister currently assesses a traffic impact mitigation fee of \$18,031 per new residential unit, and San Benito County currently assesses a fee of \$17,902 per new residential unit. These impact fees are based on a study completed in 2001 and the application of annual cost escalations based on the Construction Cost Index published in the Engineering News Record.

This update was undertaken to account for two significant issues. These issues include:

- New growth projections from the updated Hollister General Plan and the San Benito County Growth Management System Ordinance 733,
- A slightly revised recommended set of roadway improvements necessary to maintain the City and County Level of Service Standards, and
- Increases in construction costs due to higher prices for petroleum-based products.

New Growth Projections

City of Hollister

The City of Hollister adopted an updated General Plan on December 5, 2005. The updated plan provides for 5,845 new residential units through the year 2023. The plan specifies a number of specific development areas and prioritizes each of these areas to help in planning future infrastructure needs, including transportation facilities. There is a current moratorium on new residential growth within the City until a new sewer treatment is constructed.

San Benito County

San Benito County adopted the Growth Management System, Ordinance 733, Chapter 31 of the County Code in July of 2002. This ordinance established a one-percent cap on residential growth. The County Planning Department has determined that this ordinance limits the number of new residential units to about 68 per year. The County also approved an exception to permit approximately 30 affordable housing units. Therefore, through the year 2023, approximately 1,118 new residential units can be expected within the County.

Based on these projections, there will be approximately 6,963 new residential units built through the year 2023 within the City of Hollister and San Benito County.

Recommended Roadway Improvements

Hexagon Transportation Consultants worked with the members of the Technical Advisory Committee of the San Benito County Council of Governments to develop the roadway improvements recommended to maintain the adopted Level of Service within the City and County. The recommended improvements were selected from previously adopted roadway improvement plans, including the COG Regional Transportation Plan and the City of Hollister General Plan Circulation Element. Only those improvements found to be necessary to maintain Level of Service C (the adopted City and County LOS Standard) were recommended for funding using traffic impact fees. The City and the County may use other (non-impact fee) funding sources to make additional roadway improvements.

Estimated Improvement Costs

Hexagon reviewed roadway construction cost information from the Highway 25 Bypass Project Study Report, and more recent cost information from the California Department of Transportation. The cost data from the Highway 25 Bypass study were then used to compute cost factors that were applied to estimate the total cost for each of the roadway improvement projects being considered in the traffic impact fee update study. Table ES-1 shows the cost factors used in the previous update of the traffic impact fee study and those derived from the updated and most recent Highway 25 Bypass PSR and used in this update. The 2006 cost factors have been rounded to the nearest one thousand dollars.

**Table ES-1
 Cost Estimating Factors**

Cost Item	Application Basis	1998 Cost Factor	2006 Cost Factor
Earthwork	Per Lane Mile	\$82,300	\$314,000
Roadway	Per Lane Mile	\$554,600	\$966,000
Drainage	Per Linear Mile	\$705,000	\$705,000
Specialty Items	Per Linear Mile	\$857,200	\$857,000
Traffic Signals	Each	\$160,000	\$250,000
Lighting and Signage	Per Linear Mile	\$252,500	\$253,000
Right-of-Way	Per Lane Mile	\$500,000	\$1,250,000

Contingency Factor

It is also common practice to include a line item for unforeseen contingencies that may arise during the construction process. Contingency factors vary in direct proportion to the level of effort associated with the development of a project's cost estimate. For example, a complete engineering cost estimate based on a complete set of roadway design plans may include a contingency cost factor of around 10 percent of the estimated construction cost. The contingency factor is relatively low in this case because a considerable amount of information is known. However, during the advance planning stage of project development, no conceptual or final design plans have been prepared. Therefore, there are many unknowns concerning the precise roadway cross-section, materials, drainage requirements, and so on. Since planning level cost estimates are very

preliminary a higher contingency factor is appropriate. The contingency factor used to prepare these cost estimates is 60 percent of the estimated construction cost. This contingency factor also includes project design costs and agency administrative costs.

Funding Plan and Recommended Impact Fees

Table ES-2 summarizes the proposed list of projects, their cost estimates, and the preliminary funding allocations. A preliminary updated traffic impact fee has been calculated based on the various assumptions described in this report. These assumptions include the growth forecast, the cost estimates, and the availability of funds from other (non-traffic impact fee funding sources).

The preliminary calculation shows a need for traffic impact fees to pay approximately \$166 million for the listed roadway improvements. Because all the currently available traffic impact fees are committed towards the construction of the Highway 25 Bypass, there is no reduction for monies considered to be “in the bank.” Therefore, the calculation is \$166 million divided by 6,963 planned new dwelling units for an estimated fee of about \$23,853 per new residential unit.

The updated fee, if adopted, will be higher than the current fees. Several factors cause this result. The cost of oil products has increased significantly over the last few years. Right-of-way costs have also increased.

**Table ES-2
 Preliminary Cost Estimates**

Project	Segment Location	Improvement Description	Distance	Responsible Agency	Cost Estimate (thousands)	Cost Estimate Source	Impact Fee (\$1000)		Non TIF Funding Respons.
							Share	Cost	
1 Highway 156	San Juan Bautista to Union Rd.	Widen to 4-lane rural highway	5.6	Caltrans	48,197	Caltrans	20%	9,639	38,558
2 Highway 156	San Felipe Rd. to Santa Clara County line	Widen to 4-lane rural highway and 4 bridges	4.0	Caltrans	38,005	Hexagon	0%	-	38,005
3 Highway 25 Widening (Phase 1)	Santa Clara County line to San Felipe Rd.	Widen to 4-lane rural highway, including 1 bridge	8.6	SBtCOG	122,000	Caltrans	20%	24,400	97,600
4 Highway 25 Bypass (+7 Trf. Sigs.)	San Felipe Rd. to Sunnyslope Rd.	Construct 4-lane arterial, Park St. extension to	2.7	Measure A	-	PTG	55%	-	-
5 Memorial Drive	Meridian St. to Santa Ana Rd.	Construct 4-lane road	0.3	Hollister	4,830	Hexagon	90%	4,347	483
6 Sunnyslope Road	El Toro Dr. to Highland Dr.	Widen to 4-lane arterial	0.5	Hollister	4,751	Hexagon	90%	4,276	475
7 Union Road (Crestview Dr.)	Highway 25 to Fairview Rd.	Construct 4-lane arterial	0.6	Hollister	9,659	Hexagon	0%	-	9,659
8 Airline Highway (SR 25)	Sunset Rd. to Fairview Rd.	Widen to 4-lane arterial	1.9	Caltrans	18,052	Hexagon	20%	3,610	14,442
9 Sunnyslope Road	Highland Dr. to Fairview Rd.	Widen to 4-lane arterial	0.4	Hollister	3,800	Hexagon	100%	3,800	-
10 Highway 25	Sunnyslope Rd. to Sunset Dr.	Widen to 6-lane arterial	0.4	Hollister	1,521	Hexagon	100%	1,521	-
11 Westside Boulevard Extension	Nash Road to San Benito Street	Build 2-lane road	0.8	Hollister	7,601	Hexagon	100%	7,601	-
12 North Street (Buena Vista)	Westside Blvd. To McCray Street	Construct 2-Lane Road	0.9	Hollister	8,551	Hexagon	100%	8,551	-
13 Fairview Road	McCloskey Rd. to Highway 25	Widen to 4-lane arterial	3.6	Hollister	34,204	Hexagon	100%	34,204	-
14 Union Rd. @ SR 156 Intersection	Union Rd. @ SR 156 Intersection	Intersection Widening	N.A.	Caltrans	1,800	SBtCOG	100%	1,800	-
15 Union Road (East)	Airline Highway to San Benito Street	Widen to 4-lane arterial	0.9	SBtCOG	8,931	Hexagon	100%	8,931	-
16 Union Road (West)	San Benito Street to SR 156 + Bridge	Widen to 4-lane arterial	2.6	SBtCOG	49,406	Hexagon	100%	49,406	-
17 Traffic Signals	Various	Add signals		Various	4,000	Hexagon	100%	4,000	-
Totals			25.8		365,308			166,087	199,221

Note: The Highway 25 Bypass + 7 Traffic Signals is considered a committed project and will use all currently traffic impact fees.

Traffic Impact Fee Calculations		Estimated Impact Fee
TIF Funds "in the Bank" (\$000) =	0	
Residential Units (thru 2023 in HGP) =	6963	23,853
(Hollister = 5845)		
(San Benito County = 1118)		

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Introduction

This report is intended to provide a history of the traffic impact fee programs in San Benito County and the City of Hollister, and recommendations for further implementation of those programs. The goals of this study are to identify the projected transportation deficiencies within San Benito County, to propose reasonable roadway improvements that will address those deficiencies, to estimate the cost of designing and constructing those improvements, and ultimately to estimate the amount of the impact fee that will be required to pay for the improvements.

Historical Background

The San Benito County Board of Supervisors first established a benefit area and projects for traffic impact fees with Resolution 86-113, passed on December 15, 1986. That resolution established a residential development fee of \$2,529 per unit in the unincorporated area from Paicines in the south to the Santa Clara County line in the north, between the City of Hollister and the Diablo Mountain Range.

In an effort to close the imbalance between housing and employment in San Benito County, the local governments have attempted to minimize obstacles to business and employment growth in the region. As a result, the traffic impact fees have been formulated to derive the vast majority of their revenue from residential development, while keeping the assessment to businesses at a level low enough to attract more business to the region. The impact fee for commercial, industrial, and office development outlined in Resolution 86-113 was formulated to derive approximately five percent of the traffic impact fee from non-residential development.

The original traffic impact fee was specifically formulated to help finance four projects: widening and improving Fairview Road from Airline Road to Highway 156; constructing the Highway 25 bypass; constructing Westside Boulevard; and constructing the San Benito Street extension. Caltrans funding for these projects was based on provision of matching funds from the City of Hollister and the County of San Benito.

On September 11, 1989, the Board of Supervisors passed Ordinance No. 554, amending the original traffic impact fee ordinance. This ordinance amended Section 1 - Chapter 15 B of the San Benito County Code to codify the establishment and use of the traffic impact fee fund, changes to the fee structure and benefit areas, fee payments, reports and exemptions. This ordinance effectively put into place the

mechanism by which the county could implement and adjust the traffic impact fee structure. Though not mentioned in this ordinance, the fee structure was modified at this time to raise the residential development fee from \$2,696 per unit in 1989 to \$4,389 in 1990.

Barton-Aschman Associates, Inc. conducted a study of the traffic needs in San Benito County and presented the results of that study to the Board of Supervisors. Subsequently, on April 27, 1993, the Board passed Resolution 93-81, which modified the benefit areas, traffic improvement projects and fee structures under the domain of Ordinance 554. This resolution expanded the benefit area to include the entire county, since the entire county contributes to the traffic in the vicinity of the county seat, Hollister. However, the areas west of the City of Hollister and east of the Pinnacles National Monument were designated as lesser impact areas and subject to smaller fees (5% or 20% of the primary impact fee) than the primary benefit area around the City of Hollister, as displayed on Exhibit A. The list of traffic improvement projects was amended to include the projects identified in the Barton-Aschman study, and the traffic impact fee was increased from \$4,444 per residential dwelling unit in 1992 to \$5,600 in 1993. Although this resolution made no mention of non-residential fees, the residential fee structure was designed to account for 95 percent of the desired impact fee revenue.

By July 31, 1996, the traffic impact fee for residential development had been raised to \$6,550 per unit in the primary impact area, an increase of over 150 percent in the past ten years. In contrast, the impact fee for non-residential land uses increased by only 26 percent of the same ten-year period.

Table 1 displays the history of traffic impact fees for single-family dwelling units within the City of Hollister and in the county's primary fee area from 1984 through the year 2006. This table shows that the city began imposing an impact fee years before the county did, and those fees had significant jumps at three points, in 1988. This was the year after the county's original fee took effect (1993) coinciding with County Resolution No. 93-81, and in 2001-2002 after completion of a major traffic impact fee study update. Annual increases are considered based on the change in the construction cost index published by the Engineering News Record.

Methodology

The forecasts of future demand on the transportation infrastructure in the study area are prepared using the San Benito/Hollister travel demand model. Briefly stated, this computer model uses widely accepted transportation planning algorithms to convert forecasts of future land use into forecasts of the number and distribution of vehicle trips that will be made in the future. These vehicle trips are then assigned to paths along the highway system, which ultimately result in forecasts of the future traffic volumes on the highway network. These forecast volumes are compared to the roadway design capacities to identify transportation corridors, roadway segments or intersections where a prescribed level of service will likely be exceeded. Using this methodology, a list of recommended improvements to the highway system is prepared. This set of recommended roadway improvements should allow the proposed development to occur without creating unacceptable levels of traffic congestion on the local and regional highways.

Accomplishments

The traffic impact mitigation fees collected by the City of Hollister and San Benito County have been used to fund a number of major roadway improvement projects. Examples include:

- State Route 156 Bypass,
- San Benito Street Extension,
- Union Road, Westside Boulevard,
- Highway 25 Bypass (Design Project and Pending Construction),

- Traffic Signalization and Channelization at San Benito Street/Union Road,
- Traffic Signalization and Channelization at Southside Road/Union Road, and
- Traffic Signalization and Channelization at Sunnyslope Road/Fairview Road.

Table 1
San Benito County and Hollister Residential Traffic Impact Fees

Year	San Benito County	City of Hollister
1984	-	1,100
1985	-	1,100
1986	-	1,100
1987	2,529	1,210
1988	2,631	2,200
1989	2,696	2,430
1990	4,389	2,500
1991	4,409	2,550
1992	4,444	2,630
1993	5,600	5,600
1994	5,600	6,090
1995	6,360	6,120
1996	6,550	6,550
1997	6,600	9,330
1998	7,525	7,525
1999	7,525	7,525
2000	7,525	7,525
2001	15,464	7,650
2002	15,464	15,187
2003	15,464	16,261
2004	17,440	16,530
2005	17,893	17,240
2006	18,031	17,902

Projected Residential Growth

The City of Hollister and San Benito County have determined that traffic impact mitigation fees will be assessed against future residential growth. This decision was made because of the existing and projected imbalance between housing and job growth. For some time, there has been a stronger market for new housing in comparison to the market for new employment opportunities within the City and the County. This imbalance means most new residents of the City and County worked elsewhere, primarily in Santa Clara County. The result has been steadily increasing traffic volumes on the state highways leading between the Hollister area and US 101.

Traffic studies completed over the past 20 years have consistently shown that the most effective way to minimize traffic growth on Highways 25 and 156 would be to have more employment opportunities within the Hollister area. Therefore, it was decided to try and encourage employment growth by minimizing the traffic impact fees associated with non-residential development within the City and the County.

City of Hollister

The City of Hollister adopted an updated General Plan on December 5, 2005. The updated plan provides for 5,845 new residential units through the year 2023. The plan specifies a number of specific development areas and prioritizes each of these areas to help in planning future infrastructure needs, including transportation facilities. There is a current moratorium on new residential growth within the City until a new sewer treatment is constructed.

San Benito County

San Benito County adopted the Growth Management System, Ordinance 733, Chapter 31 of the County Code in July of 2002. This ordinance established a one-percent cap on residential growth. The County Planning Department has determined that this ordinance limits the number of new residential units to about 68 per year. The County also approved an exception to permit approximately 30 affordable housing units. Therefore, through the year 2023, approximately 1,118 new residential units can be expected within the County.

The total number of new residential units within the City and the County through the year 2023 is estimated at 6,963. Table 2 provides a summary of these estimates.

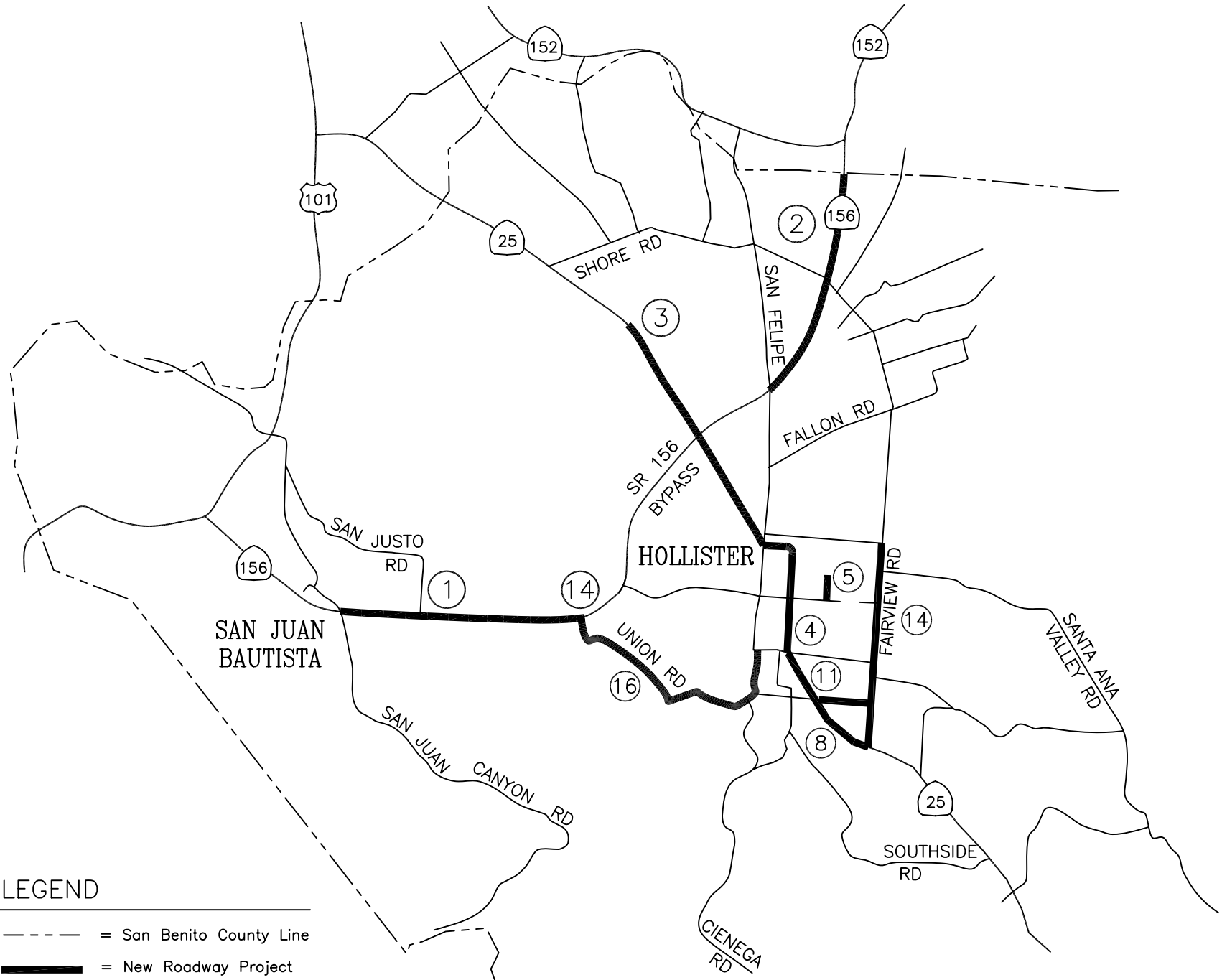
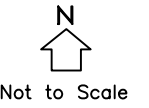
Table 2
Projected Residential Growth

Location	Project New Residential Units
City of Hollister	5,845
Unincorporated San Benito County	1,118
Totals	6,963



Recommended Roadway Improvement Projects

This chapter presents the roadway improvement projects recommended by the Technical Advisory Committee (TAC) to address the projected transportation deficiencies through the year 2023 within San Benito County, the City of Hollister, and the City of San Juan Bautista. The projects identified in this chapter, and shown on Figures 1 and 2, and in Table 3, conform to the goals, policies, objectives, and performance measures set forth in the Regional Transportation Plan, and are further justified with project-specific purpose and need statements. The recommended projects are also consistent with the Circulation Elements of the Hollister and San Benito County General Plans.

Note that not all transportation improvements shown on the adopted Circulation Elements are being proposed for funding through the traffic impact fee program at this time. The projects recommended for funding through the traffic impact fee program are those projects deemed necessary to maintain the Level of Service C Standard within the City and the County.



LEGEND

-  = San Benito County Line
-  = New Roadway Project

 Hexagon
 Transportation Consultants, Inc.

Figure 1
**NORTHERN SAN BENITO COUNTY
HIGHWAY IMPROVEMENT PROJECTS**

San Benito County

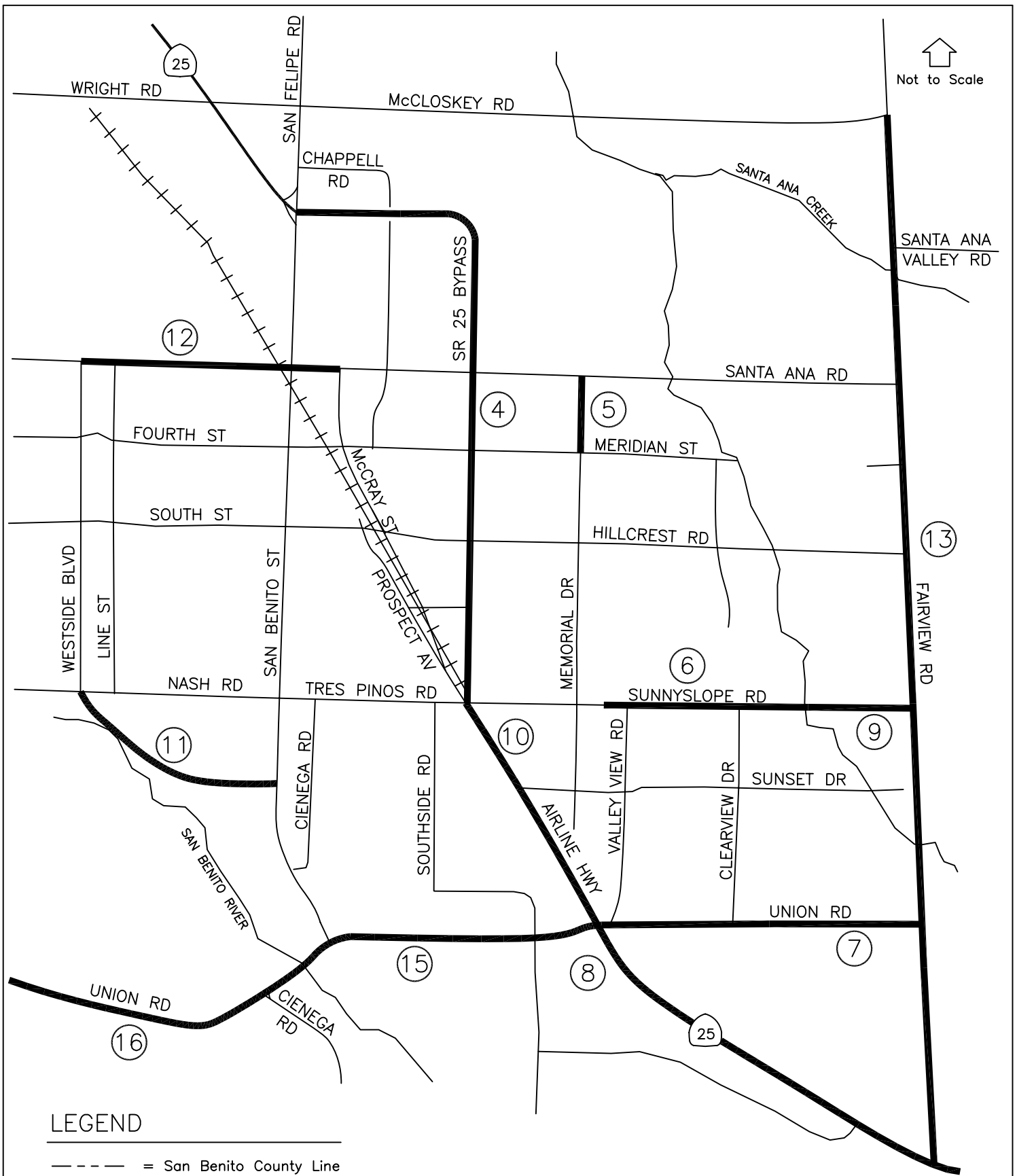


Figure 2

SAN BENITO COUNTY-CITY OF HOLLISTER AREA HIGHWAY IMPROVEMENT PROJECTS

Table 3
Recommended Improvement Projects

Roadway Name	Segment Location	Improvement Description
1 Highway 156	San Juan Bautista to Union Rd.	Widen to 4-lane rural highway
2 Highway 156	San Felipe Rd. to Santa Clara County line	Widen to 4-lane rural highway and 4 bridges
3 Highway 25 Widening	Santa Clara County line to San Felipe Rd.	Widen to 4-lane rural highway, including 1 bridge
4 Highway 25 Bypass + 7 Signals	San Felipe Rd. to Sunnyslope Rd.	Construct 4-lane arterial, Park St. extension to Prospect Ave.
5 Memorial Drive	Meridian St. to Santa Ana Rd.	Construct 4-lane road
6 Sunnyslope Road	El Toro Dr. to Highland Dr.	Widen to 4-lane arterial
7 Union Road (Crestview Dr.)	Calistoga to Fairview Rd.	Construct 4-lane arterial
8 Airline Highway (SR 25)	Sunset Rd. to Fairview Rd.	Widen to 4-lane arterial
9 Sunnyslope Road	Highland Dr. to Fairview Rd.	Widen to 4-lane arterial
10 Highway 25	Sunnyslope Rd. to Sunset Dr.	Widen to 6-lane arterial
11 Westside Boulevard Extension	Nash Road to San Benito Street	Construct 2-Lane Road
12 North Street (Buena Vista)	Westside Blvd. To McCray Street	Construct 2-Lane Road
13 Fairview Road	McCloskey Rd. to Highway 25	Widen to 4-lane arterial
14 Union Rd. @ SR 156 Intersection	Union Rd. @ SR 156 Intersection	Intersection Widening
15 Union Road (East)	Airline Highway to San Benito Street	Widen to 4-lane arterial
16 Union Road (West)+Bridge	San Benito Street to SR 156 + Bridge	Widen to 4-lane arterial
17 10 Intersections	Various	Add signals

Note: The Highway 25 Bypass + 7 Traffic Signals is considered a committed project and will use all currently traffic impact fees.

Highway 156, Gap Closure Project (Project #1)

Project Summary

ID No.	Cal-1
Roadway Name	Highway 156
Segment Location	San Juan Bautista to Union Road
Improvement Description	Widen to 4-lane rural Highway
Responsible Agency	Caltrans
Estimated Cost	\$48,197,000 (2007 Caltrans estimate)

Need and Purpose

This proposed project will widen SR 156 to four lanes between the Alameda and 0.8 miles east of Union Road. The objective of this project is to provide a safer route and more roadway capacity for commuters traveling between the Hollister area and Route 101. Union Road is a relatively new major arterial route that provides an excellent connection between the developing residential neighborhoods in south Hollister and Highway 156. Highway 156 is a designated inter-regional highway route; Caltrans has completed several major improvements to the portion of the route within San Benito County. These improvements include construction of a bypass route west of Hollister that allows through traffic to travel between Highway 152 and Route 101 without going through the City of Hollister. The proposed widening project will further improve the quality of service along approximately 5.6 miles of Highway 156 by improving both inter-regional connectivity and an important regional commuter route.



Looking east on Highway 156, towards Union Road.

Highway 156, Hollister Bypass Widening (Project #2)

Project Summary

ID No.	Cal-7
Roadway Name	State Route 156 (Bypass)
Segment Location	Union Road to San Felipe Road
Improvement Description	Widen to 4-Lane expressway/freeway
Responsible Agency	Caltrans
Estimated Cost	\$38,004,672 (Hexagon preliminary cost estimate)

Need and Purpose

Long-term growth in inter-regional traffic is projected to result in increasing traffic volumes on the Route 156 Hollister Bypass. The increasing traffic volumes include a high percentage of large truck traffic in addition to large numbers of passenger cars and light-duty trucks. The speed differential between the relatively slow moving trucks and the higher speed passenger vehicles tends to create safety problems along rural 2-lane highways. The purpose of widening the Hollister bypass is to avoid level of service and safety impacts similar to those that have been observed on other segments of State Routes 25 and 156.



Looking east on Highway 156, towards San Felipe Road.

Highway 25 Widening Phase 1 (#3)

Project Summary

ID No.	Cal-3
Roadway Name	Highway 25
Segment Location	San Felipe Road to approximately half-way to the Santa Clara Co. Line
Improvement Description	Widen to 4-lane rural highway and upgrade one bridge
Responsible Agency	Caltrans
Estimated Cost	\$122,000,000

Need and Purpose

Highway 25 is the major highway route between the Hollister area and Santa Clara County. Commuter traffic on this 2-lane rural highway has been increasing steadily over the last ten to fifteen years. The level of service has fallen to “E” and several head-on fatal accidents have occurred over the last few years. Residential growth in Hollister and San Benito County is expected to continue, and job growth in Santa Clara County is also expected to continue; therefore, traffic projections for Highway 25 strongly indicate the need for this route to be improved to provide additional roadway capacity.

The proposed project would widen approximately 4.5 miles of Highway 25, from San Felipe Road in Hollister northward towards the Santa Clara County line. This widening project needs to be conducted in conjunction with a similar project in Santa Clara County to widen the segment of Highway 25 from the San Benito County line north to Route 101, and another similar phase of widening within San Benito County. It would also be desirable to improve the interchange between Highway 25 and Route 101 and to upgrade the segment of Route 101 north of the junction with Highway 25 to a controlled access freeway. Implementation of this complete set of improvements will require a coordinated effort between counties, the City of Gilroy, and Caltrans Districts 4 and 5.



Highway 25, between Bolsa Road and Shore Road, looking south.



Highway 25, south of Highway 156, looking south.

Highway 25 Bypass (Project #4)

Project Summary

ID No.	Cal-4
Roadway Name	Highway 25
Segment Location	San Felipe Road to Sunnyslope Road
Improvement Description	Construct four-lane arterial
Responsible Agency	Measure A Authority
Estimated Cost	The total cost of this project is considered a committed expense.

Need and Purpose

This new roadway is needed to accommodate increased traffic volumes, to improve traffic operations, and to relieve congestion in downtown Hollister. The proposed project will provide a new 2.7-mile long roadway on a new alignment east of the Hollister central business district. The roadway will generally parallel San Benito Street; it will provide a direct connection between the intersection of Highway 25 and San Felipe Road in north Hollister, and the intersection between Highway 25 and Sunnyslope Road in south Hollister. The new roadway will have four and six lane segments, and six signalized intersections.

All currently available traffic impact funds have been committed towards implementation of this project. Therefore, no new funding for this project is proposed in this update. The project continues to be shown for informational purposes.



Looking south from Hillcrest Road. The Highway 25 Bypass will be constructed through this area.

Memorial Drive Construction: Meridian to Santa Ana (Project #5)

Project Summary

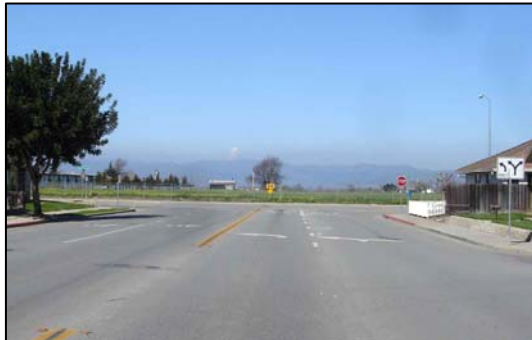
ID No.	Holl-2
Roadway Name	Memorial Drive
Segment Location	Meridian Street to Santa Ana Road
Improvement Description	Construct four-lane road
Responsible Agency	City of Hollister
Estimated Cost	\$4,829,645

Need and Purpose

Memorial Drive is being planned and constructed to serve as a major collector route for the neighborhoods west of the proposed Highway 25 Bypass. This project will construct a segment that is about 0.3 miles in length that runs between Meridian Street and Santa Ana Road. The objective is to provide a direct connection between the residential neighborhoods located adjacent to Memorial Road and Santa Ana Road. Santa Ana Road provides good connections east to Fairview Road, west to San Felipe Road and thence to Highway 25. Another phase of construction is planned for the future that will extend Memorial northward into the industrial area located east of the airport off of Fallon Road.



Looking south from Santa Ana Road. Memorial Road will be extended to this point.



Looking north from Memorial Road. Memorial Road will be extended to Santa Ana Road from this point.

Sunnyslope Road Construction (Project #6)

Project Summary

ID No.	Holl-4
Roadway Name	Sunnyslope Road
Segment Location	El Toro Drive to Highland Drive
Improvement Description	Construct four-lane arterial
Responsible Agency	City of Hollister
Estimated Cost	\$4,750,584

Need and Purpose

Sunnyslope Road is the major east-west arterial street in southeast Hollister. This roadway provides the primary connection between the residential neighborhoods in southeast Hollister, the commercial areas located near the intersection with Airline Highway, and those located downtown. Sunnyslope Road needs to be a 4-lane roadway. The proposed project would close part of the the gap between El Toro Drive and Fairview Road. This project may be implemented in two phases, El Toro to Highland and then (Project #9) Highland to Fairview.



Looking east on Sunnyslope Road, east of Memorial Dr.

Union Road (formerly Crestview Drive) Construction (Project #7)

Project Summary

ID No.	Holl-5
Roadway Name	Union Road
Segment Location	State Route 25 to Fairview Road
Improvement Description	Construct four-lane arterial
Responsible Agency	City of Hollister
Estimated Cost	\$9,659,290

Need and Purpose

Union Road has been planned and constructed to provide a continuous arterial connection through the southern portion of the Hollister area. Union Road currently runs from its intersection with Highway 156 eastward through an intersection with Airline Highway (Highway 25) and into the residential neighborhoods in southeast Hollister. A 0.6-mile extension is needed to complete the connection through to Fairview Road. Union Road has been planned to relieve congestion along Nash Road by providing a more direct path for commuters living in the south Hollister.



Looking east from Union Road. Union Road will be extended to Fairview Road from this point.



Looking west from Fairview Road. Union Road will be extended to this point.

Airline Highway (State Route 25) Widening (Project #8)

Project Summary

ID No.	Holl-6
Roadway Name	Airline Highway
Segment Location	Sunset Drive to Fairview Road
Improvement Description	Widen to four lanes
Responsible Agency	City of Hollister
Estimated Cost	\$18,052,219

Need and Purpose

The Airline Drive project is needed to relieve traffic congestion along this major north-south corridor caused in large degree by new residential development in south Hollister. The project widens Airline Highway from two to four lanes.



Looking south on Highway 25/Airline Highway, south of Union Rd.



Looking south on Highway 25/Airline Highway, north of Union Rd.

Sunnyslope Road Construction (Project #9)

Project Summary

ID No.	Holl-4
Roadway Name	Sunnyslope Road
Segment Location	Highland Drive to Fairview Road
Improvement Description	Construct four-lane arterial
Responsible Agency	City of Hollister
Estimated Cost	\$3,800,467

Need and Purpose

Sunnyslope Road is the major east-west arterial street in southeast Hollister. This roadway provides the primary connection between the residential neighborhoods in southeast Hollister, the commercial areas located near the intersection with Airline Highway, and those located downtown. Sunnyslope Road needs to be a 4-lane roadway. The proposed project would close part of the the gap between El Toro Drive and Fairview Road. This project may be implemented in two phases, El Toro to Highland (Project #6) and then (Project #9) Highland to Fairview.



Looking east on Sunnyslope Road, towards Fairview Rd.

Highway 25 Widening: Sunnyslope to Sunset (Project #10)

Project Summary

ID No.	Holl-7
Roadway Name	State Route 25
Segment Location	Sunnyslope Road to Sunset Drive
Improvement Description	Widen to six-lane arterial
Responsible Agency	City of Hollister
Estimated Cost	\$1,520,911

Need and Purpose

This proposed project will widen Highway 25 (Airline Highway) from Sunnyslope Road south to Sunset Road. This 0.4-mile stretch of Highway 25 serves a significant amount of commercial land uses located adjacent to the highway. Traffic projections indicate the roadway will need to provide 6 lanes of capacity through this commercial area. Existing volumes are too high to be adequately served by the existing 4-lane roadway.



Looking south on Highway 25/Airline Highway, towards Sunset Drive



Looking north on Highway 25/Airline Highway, between Sunnyslope Road and Sunset Drive.

Westside Boulevard Extension (Project #11)

Project Summary

ID No.	Holl-8
Roadway Name	Westside Boulevard
Segment Location	Nash Road to San Benito Street
Improvement Description	Construct new two-lane street
Responsible Agency	City of Hollister
Estimated Cost	\$7,600,934

Need and Purpose

Westside Boulevard is being planned to function as a major collector street for western Hollister. The roadway is initially being planned for an alignment immediately west of Line Street, running from Nash Road northward about 0.7 miles to Fourth Street. This street is needed because Line Street, which has been functioning as the Westside collector, has a somewhat discontinuous alignment and has extensive residential frontage. A safer and more continuous collector street is required to serve the new infill development occurring in west Hollister. Future plans include constructing an extension of Westside Boulevard south of Nash Road on an alignment that would loop around San Benito High School and intersect either San Benito Street or Union Road. Currently Nash Street runs through the middle of Hollister High School creating noise and safety problems. This new street pulls traffic off of Nash Street and completes a semi-bypass around Downtown Hollister. Eventually, Nash Street may be closed or restricted to limit disruption to the high school.



Looking south from the intersection of Westside Blvd and Nash Road.



Looking west from San Benito Street to the future Westside Blvd extension.

North Street (Formerly Buena Vista Road) Construction (Project #12)

Project Summary

ID No.	Holl-1
Roadway Name	North Street (Formerly Buena Vista Road)
Segment Location	Westside Boulevard to McCray Street
Improvement Description	Construct two-lane road
Responsible Agency	City of Hollister
Estimated Cost	\$8,551,051

Need and Purpose

Buena Vista Road currently exists along a discontinuous alignment in northeast Hollister. There is an opportunity to improve this roadway so that it can serve as a westward extension of Santa Ana Road. Improvement is needed from McCray Street westward to intersect with the planned Westside Boulevard. The objective is to provide a continuous 2-lane collector street across north Hollister. The improved roadway would significantly improve the accessibility of the neighborhoods in northeast Hollister.



Looking west from North Street to the future Buena Vista Road extension.



Looking east from Buena Vista Road to the future Buena Vista Road extension to North Street/McCray Street.

Fairview Road Widening (Project #13)

Project Summary

ID No.	SBC-1
Roadway Name	Fairview Road
Segment Location	State Route 25 to McCloskey Road
Improvement Description	Widen to four-lane arterial
Responsible Agency	San Benito County
Estimated Cost	\$34,204,205

Need and Purpose

Fairview Road is the major north-south arterial serving east Hollister. The segment of Fairview Road from McCloskey Road south to Highway 25 serves a rapidly developing residential area. This segment needs to be widened to 4-lanes in order to improve safety and to provide increased roadway capacity.



Fairview Road, south of Sunnyslope Road, looking south.



Fairview Road, between Hillcrest Road and Sunnyslope Road, looking south.

Union Road and Highway 156 Intersection Improvements (Project #14)

Project Summary

ID No.	Holl-6
Roadway Name	Airline Highway
Segment Location	Union Road at Highway 156 Intersection
Improvement Description	Widen intersection
Responsible Agency	San Benito County Council of Governments
Estimated Cost	\$1,800,000

Need and Purpose

The existing intersection operates at LOS D during both peak hours. The proposed improvement will bring the Level of Service at the intersection up to LOS C during the PM peak hour, but it would remain at LOS D during the AM peak hour. This improvement is recommended as a needed interim measure until Highway 156 can be widened.



Intersection of Union Road and Highway 156, looking northeast.

Union Road (East) Widening (Project #15)

Project Summary

ID No.	SBC-6
Roadway Name	Union Road
Segment Location	Airline Highway (SR 25) to San Benito Street
Improvement Description	Widen to four lanes
Responsible Agency	City of Hollister and San Benito County
Estimated Cost	\$8,931,098

Need and Purpose

Long-term growth east and south of existing Hollister city limits will create impacts on Union Road. Also, automobiles traveling through Hollister to reach regional destinations impact urban streets in Hollister. The purpose of the Union Road Widening Project is to alleviate through-traffic impacts in Hollister and accommodate growth in the Hollister area by expanding road capacity around Hollister. The phase of the project would widen the segment between Airline Highway (SR 25) and San Benito Street.



Looking east on Union Road, east of Southside Road.

Union Road (East) Widening (Project #16)

Project Summary

ID No.	SBC-6
Roadway Name	Union Road
Segment Location	San Benito Street to SR 156
Improvement Description	Widen to four lanes
Responsible Agency	City of Hollister and San Benito County
Estimated Cost	\$49,406,074

Need and Purpose

Long-term growth east and south of existing Hollister city limits will create impacts on Union Road. Also, automobiles traveling through Hollister to reach regional destinations impact urban streets in Hollister. The purpose of the Union Road Widening Project is to alleviate through-traffic impacts in Hollister and accommodate growth in the Hollister Area by expanding road capacity around Hollister. The phase of the project would widen the segment between San Benito Street and Highway 156, including widening the San Benito River bridge. The bridge widening comprises about \$25,000,000 of the estimated improvement cost.



Looking east on Union Road, east of Riverside Road.

New Traffic Signals (Project #17)

Project Summary

ID No.	Holl-9
Roadway Name	17 Intersections
Segment Location	Approximately 10 locations as and when warranted
Improvement Description	Add traffic signals
Responsible Agency	City of Hollister and San Benito County
Estimated Cost	\$4,000,000

Need and Purpose

Growth in and around Hollister will cause increased congestion on urban streets in Hollister. The purpose of this project is to increase capacity and improve safety at various intersections in Hollister.

Estimated Improvement Costs

Hexagon reviewed roadway construction cost information from the Highway 25 Bypass Project Study Report, and more recent cost information from the California Department of Transportation. The cost data from the Highway 25 Bypass study were then used to compute cost factors that were applied to estimate the total cost for each of the roadway improvement projects being considered in the traffic impact fee update study. Table 4 shows the cost factors used in the previous update of the traffic impact fee study and those derived from the updated and most recent Highway 25 Bypass PSR and used in this update. The 2006 cost factors have been rounded to the nearest one thousand dollars.

Table 4
Cost Estimating Factors

Cost Item	Application Basis	1998 Cost Factor	2006 Cost Factor
Earthwork	Per Lane Mile	\$82,300	\$314,000
Roadway	Per Lane Mile	\$554,600	\$966,000
Drainage	Per Linear Mile	\$705,000	\$705,000
Specialty Items	Per Linear Mile	\$857,200	\$857,000
Traffic Signals	Each	\$160,000	\$250,000
Lighting and Signage	Per Linear Mile	\$252,500	\$253,000
Right-of-Way	Per Lane Mile	\$500,000	\$1,250,000

Contingency Factor

It is also common practice to include a line item for unforeseen contingencies that may arise during the construction process. Contingency factors vary in direct proportion to the level of effort associated with the development of a project's cost estimate. For example, a complete engineering cost estimate based on a complete set of roadway design plans may include a contingency cost factor of around 10 percent of the estimated construction cost. The contingency factor is relatively low in this case because a considerable amount of information is known. However, during the advance planning stage of project development, no conceptual or final design plans have been prepared. Therefore, there are many unknowns concerning the precise roadway cross-section, materials, drainage requirements, and so on. Since planning level cost estimates are very preliminary a higher contingency factor is appropriate. The contingency factor used to prepare these cost estimates also includes project design costs and agency administrative costs.

Preliminary Cost Estimates

Table 5 shows the application of the various cost factors, and the resulting project costs. The grand total is approximately \$365 million.

**Table 5
Preliminary Cost Estimates**

Project	Planned New Lane Miles	Planned No. of Lanes	Approx. Improved Distance	Earthwork 314,134 Lane Mile	Roadway 966,381 Lane Mile	Drainage 705,000 Lin. Mile	Specialty 857,200 Lin. Mile	Traffic Sig. 250,000 Each	Light&Sign 252,500 Lin. Mile	Estimated Construction Cost w/o ROW	Contingency (1) 0.60 Constr. Cost	ROW 1,250,000 Lane Mile	Total Estimated Cost
1 Highway 156	11.2	2	5.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37,303,000	included	10,894,000	48,197,000
2 Highway 156	8	2	4.0	2,513,072	7,731,048	2,820,000	3,428,800	n.a.	1,010,000	17,502,920	10,501,752	10,000,000	38,004,672
3 Highway 25 Widening	9	2	4.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	104,000,000	Included	18,000,000	122,000,000
4 Highway 25 Bypass (+7 Trf. Sigs.)	0	4	0.0	-	-	-	-	-	-	-	-	-	-
5 Memorial Drive	1.2	4	0.3	376,961	1,159,657	211,500	257,160	-	75,750	2,081,028	1,248,617	1,500,000	4,829,645
6 Sunnyslope Road	1	2	0.5	314,134	966,381	352,500	428,600	-	126,250	2,187,865	1,312,719	1,250,000	4,750,584
7 Union Road (Crestview Dr.)	2.4	4	0.6	753,922	2,319,314	423,000	514,320	-	151,500	4,162,056	2,497,234	3,000,000	9,659,290
8 Airline Highway (SR 25)	3.8	2	1.9	1,193,709	3,672,248	1,339,500	1,628,680	-	479,750	8,313,887	4,988,332	4,750,000	18,052,219
9 Sunnyslope Road	0.8	2	0.4	251,307	773,105	282,000	342,880	-	101,000	1,750,292	1,050,175	1,000,000	3,800,467
10 Highway 25	0.2	0.5	0.4	31,413	193,276	282,000	342,880	-	101,000	950,570	570,342	-	1,520,911
11 Westside Boulevard Extension	1.6	2	0.8	502,614	1,546,210	564,000	685,760	-	202,000	3,500,584	2,100,350	2,000,000	7,600,934
12 North Street (Buena Vista)	1.8	2	0.9	565,441	1,739,486	634,500	771,480	-	227,250	3,938,157	2,362,894	2,250,000	8,551,051
13 Fairview Road	7.2	2	3.6	2,261,765	6,957,943	2,538,000	3,085,920	-	909,000	15,752,628	9,451,577	9,000,000	34,204,205
14 Union Rd. @ SR 156 Intersection	N.A.	N.A.	N.A.	-	-	-	-	-	-	-	-	-	1,800,000
15 Union Road (East)	1.88	2	0.9	590,572	1,816,796	662,700	805,768	-	237,350	4,113,186	2,467,912	2,350,000	8,931,098
16 Union Road (West)+Bridge	5.2	2	2.6	1,633,497	5,025,181	1,833,000	2,228,720	-	656,500	11,376,898	6,826,139	6,500,000	49,406,074
17 Traffic Signals (10 Locations)	-	-	10	-	-	-	-	2,500,000	-	2,500,000	1,500,000	-	4,000,000
Totals	39.2	26.5	19.0	5,937,133	18,361,239	6,274,500	7,629,080	2,500,000	2,247,250	181,752,202	24,269,521	52,394,000	365,308,150

Notes:

- (1) Contingency cost includes a construction cost contingency factor, design costs and agency administrative costs.
- (2) The Highway 25 Bypass + 7 Traffic Signals is considered a committed project and will use all currently traffic impact fees.

Average Cost per Lane Mile =	9,319,085
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Funding Plan and Recommended Impact Fees

Table 6 summarizes the proposed list of projects, their cost estimates, and the preliminary funding allocations. A preliminary updated traffic impact fee has been calculated based on the various assumptions described in this report. These assumptions include the growth forecast, the cost estimates, and the availability of funds from other (non-traffic impact fee funding sources).

The preliminary calculation shows a need for traffic impact fees to pay approximately \$166 million for the listed roadway improvements. Because all the currently available traffic impact fees are committed towards the construction of the Highway 25 Bypass, there is no reduction for monies considered to be “in the bank.” Therefore, the calculation is \$166 million divided by 6,693 planned new dwelling units for an estimated fee of about \$23,851 per new residential unit.

The updated fee, if adopted, will be higher than the current fees. Several factors cause this result. The cost of oil products has increased significantly over the last few years. Right-of-way costs have also increased.

Other Funding Sources

In addition to the traffic impact fees described in the above paragraphs, the City of Hollister, San Benito County, and the City of San Juan Bautista can expect roadway improvement funding from several state funding programs administered by the Caltrans. These include, but are not necessarily limited to:

State Transportation Improvement Program funds (STIP),
Congestion Management and Air Quality Program funds (CMAQ),
State Interregional Improvement Program funds, and
Fuel Tax Subvention Funds.

Table 6
Traffic Impact Fee Funding Plan

Project	Segment Location	Improvement Description	Distance	Responsible Agency	Cost Estimate (thousands)	Cost Estimate Source	Impact Fee (\$1000)		Non TIF Funding Respons.
							Share	Cost	
1 Highway 156	San Juan Bautista to Union Rd.	Widen to 4-lane rural highway	5.6	Caltrans	48,197	Caltrans	20%	9,639	38,558
2 Highway 156	San Felipe Rd. to Santa Clara County line	Widen to 4-lane rural highway and 4 bridges	4.0	Caltrans	38,005	Hexagon	0%	-	38,005
3 Highway 25 Widening (Phase 1)	Santa Clara County line to San Felipe Rd.	Widen to 4-lane rural highway, including 1 bridge	8.6	SBtCOG	122,000	Caltrans	20%	24,400	97,600
4 Highway 25 Bypass (+7 Trf. Sigs.)	San Felipe Rd. to Sunnyslope Rd.	Construct 4-lane arterial, Park St. extension to	2.7	Measure A	-	PTG	55%	-	-
5 Memorial Drive	Meridian St. to Santa Ana Rd.	Construct 4-lane road	0.3	Hollister	4,830	Hexagon	90%	4,347	483
6 Sunnyslope Road	El Toro Dr. to Highland Dr.	Widen to 4-lane arterial	0.5	Hollister	4,751	Hexagon	90%	4,276	475
7 Union Road (Crestview Dr.)	Highway 25 to Fairview Rd.	Construct 4-lane arterial	0.6	Hollister	9,659	Hexagon	0%	-	9,659
8 Airline Highway (SR 25)	Sunset Rd. to Fairview Rd.	Widen to 4-lane arterial	1.9	Caltrans	18,052	Hexagon	20%	3,610	14,442
9 Sunnyslope Road	Highland Dr. to Fairview Rd.	Widen to 4-lane arterial	0.4	Hollister	3,800	Hexagon	100%	3,800	-
10 Highway 25	Sunnyslope Rd. to Sunset Dr.	Widen to 6-lane arterial	0.4	Hollister	1,521	Hexagon	100%	1,521	-
11 Westside Boulevard Extension	Nash Road to San Benito Street	Build 2-lane road	0.8	Hollister	7,601	Hexagon	100%	7,601	-
12 North Street (Buena Vista)	Westside Blvd. To McCray Street	Construct 2-Lane Road	0.9	Hollister	8,551	Hexagon	100%	8,551	-
13 Fairview Road	McCloskey Rd. to Highway 25	Widen to 4-lane arterial	3.6	Hollister	34,204	Hexagon	100%	34,204	-
14 Union Rd. @ SR 156 Intersection	Union Rd. @ SR 156 Intersection	Intersection Widening	N.A.	Caltrans	1,800	SBCOG	100%	1,800	-
15 Union Road (East)	Airline Highway to San Benito Street	Widen to 4-lane arterial	0.9	SBtCOG	8,931	Hexagon	100%	8,931	-
16 Union Road (West)	San Benito Street to SR 156 + Bridge	Widen to 4-lane arterial	2.6	SBtCOG	49,406	Hexagon	100%	49,406	-
17 Traffic Signals	Various	Add signals		Various	4,000	Hexagon	100%	4,000	-
Totals			25.8		365,308			166,087	199,221

Note: The Highway 25 Bypass + 7 Traffic Signals is considered a committed project and will use all currently traffic impact fees.

Traffic Impact Fee Calculations	Estimated Impact Fee
TIF Funds "in the Bank" (\$000) =	0
Residential Units (thru 2023 in HGP) = (Hollister = 5845) (San Benito County = 1118)	6963 23,853