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Development Program Report for the Pacheco Area of Benefit

March 2021

Prepared Pursuant to Section 913 of the County Ordinance Code

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Chapter

1

Introduction and Purpose

The Pacheco Area of Benefit (“Pacheco AOB”) was created as a means to collect funds to maintain and improve roadway, bicycle, and pedestrian facilities needed to accommodate travel demand generated by new land development within the Pacheco area of Contra Costa County (“County”). This Development Program Report (“DPR”) contains information and data in support of assessing development projects within the Pacheco AOB as a means for development to pay its fair share towards future infrastructure. The DPR is required by Chapter 913-6 of the County Ordinance Code and is required by the Board of Supervisors’ Policy on Bridge Crossing and Major Thoroughfare Fees (adopted July 17, 1979), which implements Division 913 of the County Ordinance Code and section 66484 of the State Subdivision Map Act.

One of the objectives of the County General Plan is to relate new development directly to the provision of community facilities necessary to serve that development. In other words, development cannot be allowed to occur unless a mechanism is in place to provide the funding for the infrastructure necessary to serve that development. The Pacheco AOB Fee is a means of raising revenue to construct road improvements to serve new developments. Requiring that all new development pay a road improvement fee will help ensure that they participate in the cost of improving the road system.

Each new development or expansion of an existing development will generate additional traffic. Where the existing road system is inadequate to meet future needs based on new development, improvements are required to meet the new demand. The proposed infrastructure improvements within the road right-of-way should integrate best management practices for roadway design that facilitate a reduction in vehicle emissions, especially emissions from truck traffic. Roadway design that is sensitive to air quality is consistent with the County’s General Plan policies on air quality as well as sustainable community strategies. The purpose of a development program is to determine improvements ultimately required by future development and to require developers to pay a fee to fund these improvements. Because the Pacheco AOB Fee is based on the relative impact on the road system and the costs of the necessary improvements to mitigate this impact, the fee amount is roughly proportional to the development impact. This report discusses the basis of that fee amount.

Chapter

2**Background**

The Board of Supervisors adopted the DPR for the Pacheco Area of Benefit in 1986. On June 17, 1986, the Board of Supervisors passed a resolution forming the Pacheco-West Concord Area of Benefit (then known as the West Concord (Pacheco) Area of Benefit). At that time, there were many vacant parcels in the AOB with potential for residential development, and the existing transportation system was inadequate to handle the additional traffic generated from the projected development. Over the past 35 years, Area of Benefit fees have helped pay for ongoing improvements to Concord Avenue, Pacheco Boulevard, Center Avenue, and Marsh Drive. The Pacheco AOB fee program was created before the Countywide Area of Benefit ("Countywide AOB"). The DPR for the Countywide AOB excluded the area within the Pacheco AOB boundary.

The Pacheco area has experienced gradual changes in the area's circulation needs and development potential. The Nexus Study provides the technical basis for a comprehensive update of the Pacheco AOB Program. The focus of the updated program is to support an overall transportation system in the Pacheco AOB that serves the expected future demand based on changes in regional and local land use projections, planned and approved development projects, and associated changes to capital improvements and updated cost estimates.

The Nexus Study documents the analytical approach for determining the nexus between the fees, the local impact created by anticipated development in the Pacheco AOB, and the transportation improvements to be funded with fee revenues. A traffic and fair-share cost analysis was conducted to equitably distribute the cost of the necessary improvements to developments that cause the impacts, per the provisions of the Mitigation Fee Act. The most up-to-date analytical tools and techniques, available at the time this study commenced, were used to ensure the highest level of consistency with current standards.

Chapter

3**Location and Boundary**

The Pacheco AOB boundary location is described in Exhibit A and generally shown in Exhibit B.

Chapter

4

General Plan Relationship

One of the objectives of the County General Plan is to relate new development directly to the provision of community facilities necessary to serve that new development. Accordingly, development cannot be allowed to occur unless a mechanism is in place to provide the funding for the infrastructure necessary to serve that development. The Pacheco AOB Program is a fee mechanism providing funds to construct transportation improvements to serve new residential, commercial and industrial development. Requiring that all new development pay a transportation improvement fee will help ensure that it participates fairly in the cost of improving the transportation system. This Program applies only to new development within the unincorporated portions of the Pacheco AOB.

The Pacheco AOB is consistent with the features of the County General Plan and its amendments, and subscribes to the policies of the General Plan elements. The General Plan policies include, but are not limited to, improving the County roadway network to meet existing and future traffic demands. The Pacheco AOB Fee will assist in funding the necessary roadway improvements required for future growth as shown in the General Plan.

Chapter

5

Project List

The project list for the Pacheco AOB is set forth in Table 1. This list contains eight improvement projects, with several related to pedestrian and bicycle safety improvements. The improvements not related to pedestrian and bicyclist safety are focused on capacity and safety improvements.

The improvements included on the Pacheco AOB project list have been identified through a Transportation Needs Analyses conducted by DKS Associates, in which existing deficiencies were identified, including traffic congestion and roadway deficiencies, as well as travel demand forecast for 2040 conditions.

The improvements proposed on the Pacheco AOB project list were refined through a cooperative effort between the Public Works Department and community stakeholders through Pacheco Municipal Advisory Council (MAC).

The proposed improvements will be reviewed periodically to assess the impacts of changing travel patterns, the rate of development, and the accuracy of the estimated project costs. The periodic review of the program will also allow staff to evaluate project priority and the need to increase fees should project costs increase or exceed the rate of inflation.

Table 1: Proposed Project List for Pacheco AOB Program

Pacheco AOB Recommended Projects	Description
Pacheco Boulevard and Muir Road Intersection Improvements	Improve intersection operations to include a second eastbound right turn lane
Pacheco Boulevard and Center Avenue Intersection Improvements	Improve intersection operations to include a second eastbound right turn lane
Pacheco Boulevard Complete Street Improvements	Provide continuous multi-modal infrastructure from Arnold Drive to Muir Road
Pacheco Boulevard and Carolos Drive/North Buchanan Circle Intersection Improvements	Safety improvements at the Carolos Drive/North Buchanan Intersection to include signalization
Center Avenue Complete Street Improvements	Provide continuous multi-modal infrastructure improvements from Pacheco Boulevard to Marsh Drive
Marsh Drive Complete Street Improvements	Provide continuous multi-modal infrastructure improvements from Center Avenue to the Walnut Creek Bridge
Concord Avenue Complete Street Improvements	Provide continuous multi-modal infrastructure improvements from I-680 to the Iron Horse Trail

Chapter

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Development Potential

The “Nexus Study: West Concord (Pacheco) Area of Benefit” (“Nexus Study”), dated March, 2021, was prepared by DKS in association with Urban Economics for the Public Works Department and is attached as Exhibit D and incorporated herein by reference. The Nexus Study provides the technical basis for establishing the required nexus between the anticipated future development within the Pacheco AOB boundary and the need for certain facilities.

The projected growth in households, employment, and vehicle-miles traveled within the Pacheco AOB is discussed and shown in the Nexus Study.

A summary of the potential new residential dwelling units, office, industrial, and commercial/ retail developments (net growth from 2010 to 2040) for the unincorporated portion of AOB is shown in Table 2.

Table 2: Development Potential Summary

Land Use Category	Units
Single-Family Residential	241 dwelling units
Multi-Family Residential	28 dwelling units
Commercial/Retail	57,000 sq ft
Office	45,100 sq ft
Industrial	24,600 sq ft

Chapter

7

**Estimated Cost of Roadway
Improvements**

The estimated costs of the road improvements planned for the Pacheco AOB are shown in Exhibit C. The Pacheco AOB will only finance the proportional share of the improvements necessitated by the impact on the road system from new development.

Detailed cost estimates for the projects included in the road improvement plan are provided in Appendix C of the Nexus Study.

The County will assess an administrative fee equal to 2% of the applicable fee. This additional fee will be used to cover staff time for fee collection, accounting, and technical support to the community groups and traffic advisory committees.

Chapter

8

Method for Fee Apportionment

The total estimated cost of the projects included in the Pacheco AOB project list is \$23,218,000. Of this, approximately \$6,808,789 is attributable to growth within the Pacheco AOB. There is an existing account balance of \$446,000 (as of December 2020).

An adjusted project cost to be covered by the Pacheco AOB fees was determined by subtracting the existing fund balance from the attributable project cost.

$$\begin{array}{r} \$6,808,789 \\ \text{(Attributable Project Cost)} \end{array} \quad - \quad \begin{array}{r} \$446,000 \\ \text{(Balance)} \end{array} = \begin{array}{r} \$6,362,789 \\ \text{(Adjusted Project Cost)} \end{array}$$

This adjusted project cost represents the amount of revenue needed from the Pacheco AOB Account to fund new development's share of the projects shown in Exhibit C.

The expected growth in the Pacheco AOB to the year 2040 is 241 single-family units, 28 multi-family units, 57,000 square feet of retail space, 45,100 square feet of office space, and 24,600 square feet of industrial space. To determine a fee rate per unit, first each development type is assigned a dwelling unit equivalent or "DUE" rate. DUEs compare the trip making characteristics of a land use in relation to a typical single-family residential unit, which is assigned a DUE of 1. Land uses with lower overall traffic impacts than a single family home are assigned values less than 1, and vice versa. The following Table 3 shows the DUE rates for the various land use categories.

Table 3: Dwelling Unit Equivalent (DUE) Rates

Land Use Category	PM Peak Hour Trip Rate per Unit ¹	Unit	Trip Length (miles) ²	Percent New trips ²	VMT per Unit	DUE per Unit
Singe Family	1.01	Dwelling Unit	5.0	100	5.050	1.00
Multi-Family	0.62		5.0	100	3.100	0.61
Retail	4.10	Square Feet	2.3	76	7.167	0.00142
Office	1.40		4.5	92	5.796	0.00115
Industrial	0.98		5.1	92	4.598	0.00091

¹ ITE Trip Generation 7th Edition
² ITE Journal, May 1992
Source: DKS Associates, 2016

The growth in DUEs for each land use and the total growth in DUEs are shown in Table 4. Because the DUE rates are based on estimates of the average vehicle-miles of travel generated during the PM peak hours for each general land use type, the developments are charged fees in proportion to the amount of traffic impact they are projected to generate. In this way, the fees attributed to each new parcel will be proportional to the estimated benefits they receive through use of the new improvements.

Table 4: Growth in DUEs

Land Use Category	Unit	Growth in Units ¹	DUE per Unit	Growth in DUEs
Singe Family	Dwelling Unit	241	1.00	241
Multi-Family		28	0.61	17
Retail	Square Feet	57,000	0.00142	81
Office		45,100	0.00115	52
Industrial		24,600	0.00091	22
Total				413
¹ See Table 2: “Summary of Estimated Development 2010 to 2040 Growth” Source: DKS Associates, 2016				

Finally, the Cost per DUE is found by dividing the total Cost of Improvements Allocated to AOB Growth by the total Growth in Dwelling Unit Equivalents (DUE's):

$$\frac{\$6,362,789}{413} = \$15,406 \text{ per DUE per the Nexus Study}$$

Chapter
9 **Fee Rates**

The fee calculation is set forth in detail in the Nexus Study.

To determine a maximum fee rate for the various land use categories, the Cost per DUE is multiplied by the DUE per unit. In the residential categories, this results in a fee per dwelling unit. In the non-residential categories, the fee is charged per square foot. These calculations are summarized in the following Table 5.

Table 5: Fee Calculations

Cost of Improvements Allocated to AOB Growth		\$6,808,789
AOB Fund Balance (as of December 2020)		\$446,000
Unfunded Costs of Improvements Allocated to AOB Growth		\$6,362,789
Growth in Dwelling Unit Equivalents (DUEs)		413
Cost per DUE		\$15,406
Land Use	Units	Fee per Unit ¹
Single-Family	Dwelling Unit	\$15,406
Multi-Family	Dwelling Unit	\$9,398
Retail	Square Foot	\$21.88
Office	Square Foot	\$17.72
Industrial	Square Foot	\$14.02
¹ Fee per Unit = (Cost per DUE) x (DUE per Unit) Source: DKS Associates, 2021		

To determine the DUE for a development considered "Other," the vehicle miles traveled (VMT) are first estimated using a combination of trip generation data, the default rate for trip length, and percent new trips.

Recommended Fees

The potential maximum fee rates calculated in the Nexus Study and presented in Table 5 above are not the recommended fee rates as this sizeable increase in fee rates could stagnate future growth. To address the housing shortage and to promote job growth, the fee rates to be implemented will be roughly 40% of the maximum fee calculated. This will also result in a fee assessment that is in-line with the rates assessed in neighboring jurisdictions. Thus, the proposed fee rate to implement, as identified in the shaded column in Table 6, is a reduction from the rates calculated in the Nexus Study.

Table 6: Fee Schedule to Implement

Land Use Category	Calculated Nexus Fee Rate	Proposed Fee Rate to Implement
Single-Family	\$15,406 / du	\$6,162.40 / du
Multi-Family	\$9,398 / du	\$3,759.20 / du
Commercial/Retail	\$21.88 / sf	\$8.75 / sf
Office	\$17.72 / sf	\$7.09 / sf
Industrial	\$14.02 / sf	\$5.61 / sf
Other	\$15,406 / due	\$6,162.40 / due

Note: du = dwelling unit; sf = square foot; due = dwelling unit equivalent



Other Funding Sources

The improvements planned for the Pacheco AOB will be only partially funded by Pacheco AOB fee revenues. Other sources of funding, such as State or Federal aid, or local sources such as sales tax, gas tax, etc., will be pursued.

These other funding sources include, but are not limited to, Regional Measure J Funds, State Transportation Improvement Program (STIP) Funds, and Federal Program Funds.

The rate at which revenue is generated by the Pacheco AOB Fee depends on the rate of new development. This rate of revenue generation affects the timing of construction of the improvement projects because it is dependent upon the total amount of fees collected, less expenditures. Alternate sources of funding would permit construction of AOB projects sooner.

Review of Fees

Project cost estimates will be reviewed periodically while the Pacheco AOB is in effect. On January 1 of each year thereafter, the amount of the fees will be increased or decreased based on the percentage change in the Engineering News Record Construction Cost Index for the San Francisco Bay Area for the 12-month period ending with the October index of the previous calendar year, without further action of the Board of Supervisors.

Collection of Fees

Fees will be collected when a building permit is issued, in accordance with Section 913-4.204 of Title 9 (Subdivisions) of the Contra Costa County Ordinance Code. Fees collected will be deposited into an interest-bearing trust fund established pursuant to Section 913-8.002 of the Contra Costa County Ordinance Code.

Interest on Fees

The interest accrued on the fees collected shall continue to accumulate in the trust account and shall be expended for construction of the improvements, or to reimburse the County for the cost of constructing the improvements, pursuant to Section 913-8.006 of the County Ordinance Code.

Dedication in Lieu of Fee

A development may be required to construct, or dedicate right-of-way for a portion of the improvements as a condition of approval. In such an event, the developer may be eligible to receive credit for the fee or reimbursement. The eligible credit and/or reimbursement shall be determined in accordance with the County's "Traffic Fee Credit and Reimbursement Policy."

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Exhibit

A**Area of Benefit Boundary Legal
Description****PACHECO AREA OF BENEFIT
Boundary Description**

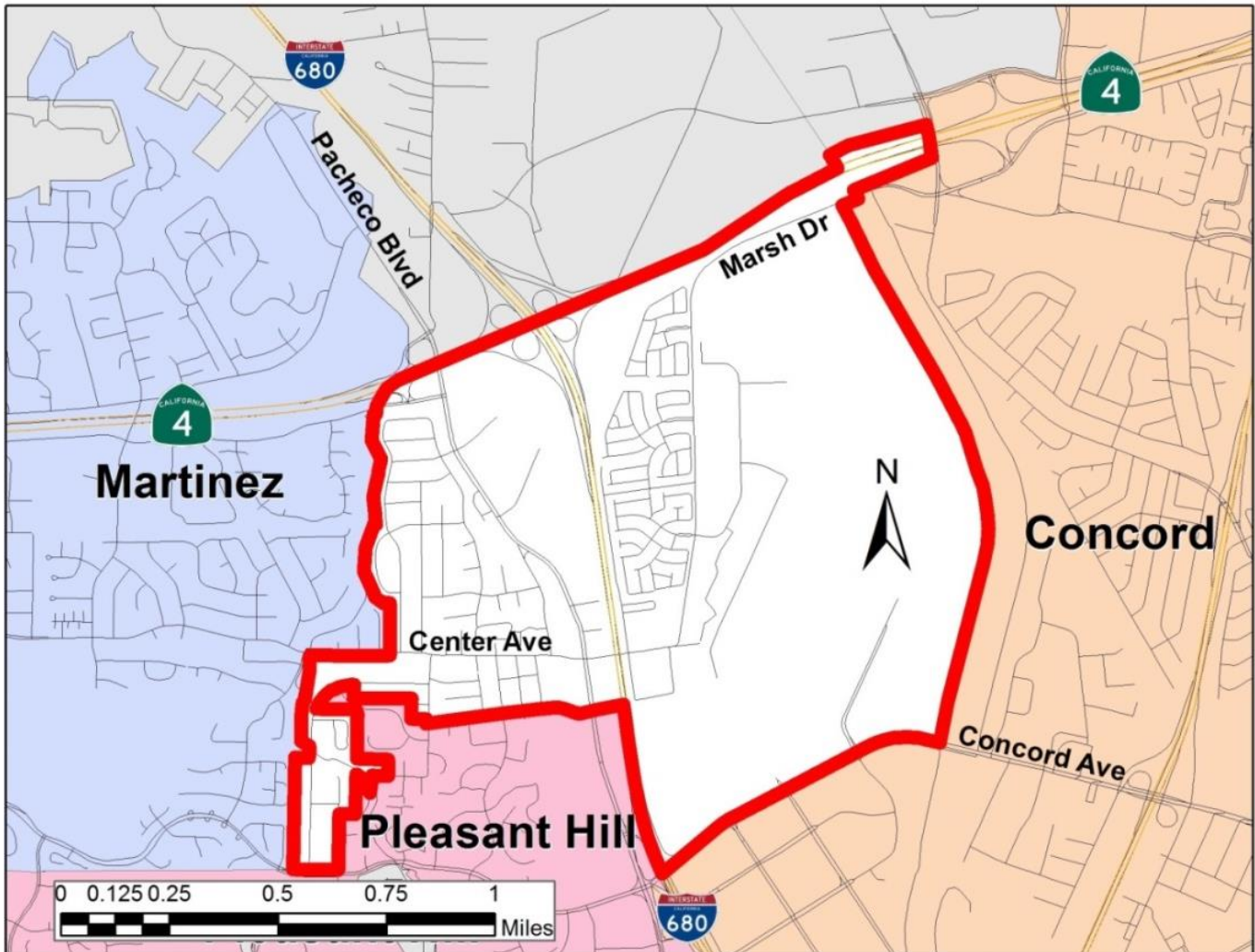
The unincorporated lands lying within the County of Contra Costa, State of California, described as follows:

Beginning at the northwest corner of Lot 114 as shown on the map of Beckett Acres Unit No. 2 filed April 22, 1954 in book 53 of Maps at page 37, records of said County; thence in a general southerly direction along the City of Martinez boundary as described in the February 1971 Eyring Investment Company Annexation No. 11, 1416 feet more or less; thence continuing southerly along the City of Martinez boundary as described in the March 1966 Nettles - Norback Annexation 589 feet more or less; thence southerly and westerly along the June 1969 Oceana Marin annexation to Martinez 2151 feet more or less; thence continuing southerly along said Nettles - Norback Annexation 2862 feet more or less to the southeast corner of said annexation; thence easterly along the westerly prolongation of the southerly line of South Fifth street, and along said southerly line 525 feet more or less to the west line of Ironwood Drive being on the City of Pleasant Hill boundary; thence northeasterly along said boundary as described in the January 1988 Oak Creek – Greenwood Boundary reorganization 2252 feet more or less to the south line of subdivision 5316 filed July 8, 1980 in book 241 of Maps at page 19; thence continuing in a general westerly, northerly and easterly direction along said Pleasant Hill boundary as described in the May 1982 Flaming Oak Boundary reorganization 3437 feet more or less to the east line of Flame Drive at the south line of Second Avenue South, being a point on the original incorporation line of the City of Pleasant Hill; thence in a general easterly direction along said incorporation line 2358 feet more or less; thence in a general southerly direction along said line 2187 feet more or less to the City of Concord boundary line; thence in a general easterly direction along said City line as described in the May 1965 Meridian Park Annexation No. 2 and the June 1959 Barnett Annexation, 3828 feet more or less to the west right of way line of the Walnut Creek channel as described in the December 1973 Duffel Annexation No. 2 to the City of Concord; thence in a general northerly direction along said boundary 7123 feet, more or less to the south line of Marsh drive; thence in a general easterly direction along said boundary line 1369 feet more or less to the west line of Solano Drive; thence northerly along said west line 219 feet more or less to the centerline of State Highway Route 4; thence in a general westerly direction along said centerline 7225 feet more or less to a point in the City of Martinez boundary (Eyring Investment Company annexation); thence in a general southwesterly direction along said City boundary line 511 feet more or less to the point of beginning.

Exhibit

B

Area of Benefit Boundary Map



Note: The Pacheco AOB is the area enclosed with the red boundary.



Exhibit

C

Road Improvement Plan – Project List

Allocation of Project Cost to the Pacheco AOB Program

Pacheco AOB Recommended Projects	Estimated Total Cost	AOB Allocation
Pacheco Boulevard and Muir Road Intersection Improvements	\$851,000	\$280,830
Pacheco Boulevard and Center Avenue Intersection Improvements	\$7,911,000	\$4,291,249
Pacheco Boulevard Complete Street Improvements	\$1,770,000	\$287,987
Pacheco Boulevard & Carolos Drive/North Buchanan Circle Intersection Improvements	\$1,094,000	\$62,654
Center Avenue Complete Street Improvements	\$1,367,000	\$222,417
Marsh Drive Complete Street Improvements	\$4,879,000	\$793,835
Concord Avenue Complete Street Improvements	\$5,346,000	\$869,817
Total:	\$23,218,000	\$6,808,789
Source: DKS Associates 2021		



Exhibit

D

Nexus Study

Pacheco Area of Benefit

[Exhibit D is attached as separate document]