

ADOPTED BY BOARD OF SUPERVISORS

ON _____

Five-Year Program Report for the Bethel Island Area of Benefit

September 2021

Prepared Pursuant to Government Code Section 66001(d)(1)

Prepared by and for:

Contra Costa County Public Works Department, Transportation Engineering Division and
Department of Conservation and Development, Community Development Division

I. INTRODUCTION

The Bethel Island Area of Benefit (Bethel Island AOB) is a traffic mitigation fee program established for developers to contribute their fair share of the cost for transportation improvements necessary to serve growth. On September 27, 2016, the Contra Costa County Board of Supervisors adopted Ordinance No. 2016-12, as well as Resolution No. 2016/543, to update the Area of Benefit Program for the Bethel Island AOB.

Government Code section 66001(d)(1), and Contra Costa Ordinance No. 2016-12, require that in the fifth fiscal year following the first deposit into the fund established for receipt of deposits of the collected transportation mitigation fees, and every five years thereafter, the Board of Supervisors shall make all of the following findings with respect to that portion of the Bethel Island AOB fund remaining unexpended, whether committed or uncommitted:

- (1) Identify the purpose to which the transportation mitigation fees are to be put.
- (2) Demonstrate a reasonable relationship between the transportation mitigation fees and the purpose for which they are charged.
- (3) Identify all sources and amounts of funding anticipated to complete financing of incomplete transportation improvements identified in the Report.
- (4) Designate the approximate dates on which the funding referred to in paragraph three (3) above, is expected to be deposited into the appropriate account or fund.

Government Code section 66001(d)(2) requires the above findings to be made in connection with providing the public information required by Government Code section 66006(b). Section 66006(b) requires the County to make the following fiscal year information available within 180 days after the end of the fiscal year:

- (1) A brief description of the type of fee in the account or fund.
- (2) The amount of the fee.
- (3) The beginning and ending balance of the account or fund.

- (4) The amount of the fees collected and the interest earned.
- (5) An identification of each public improvement on which fees were expended during the fiscal year and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- (6) An identification of the approximate date by which the construction of the public improvement will commence if the County determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- (7) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- (8) The amounts of any refunds under Section 66001(e), and any allocations under Section 66001(f).

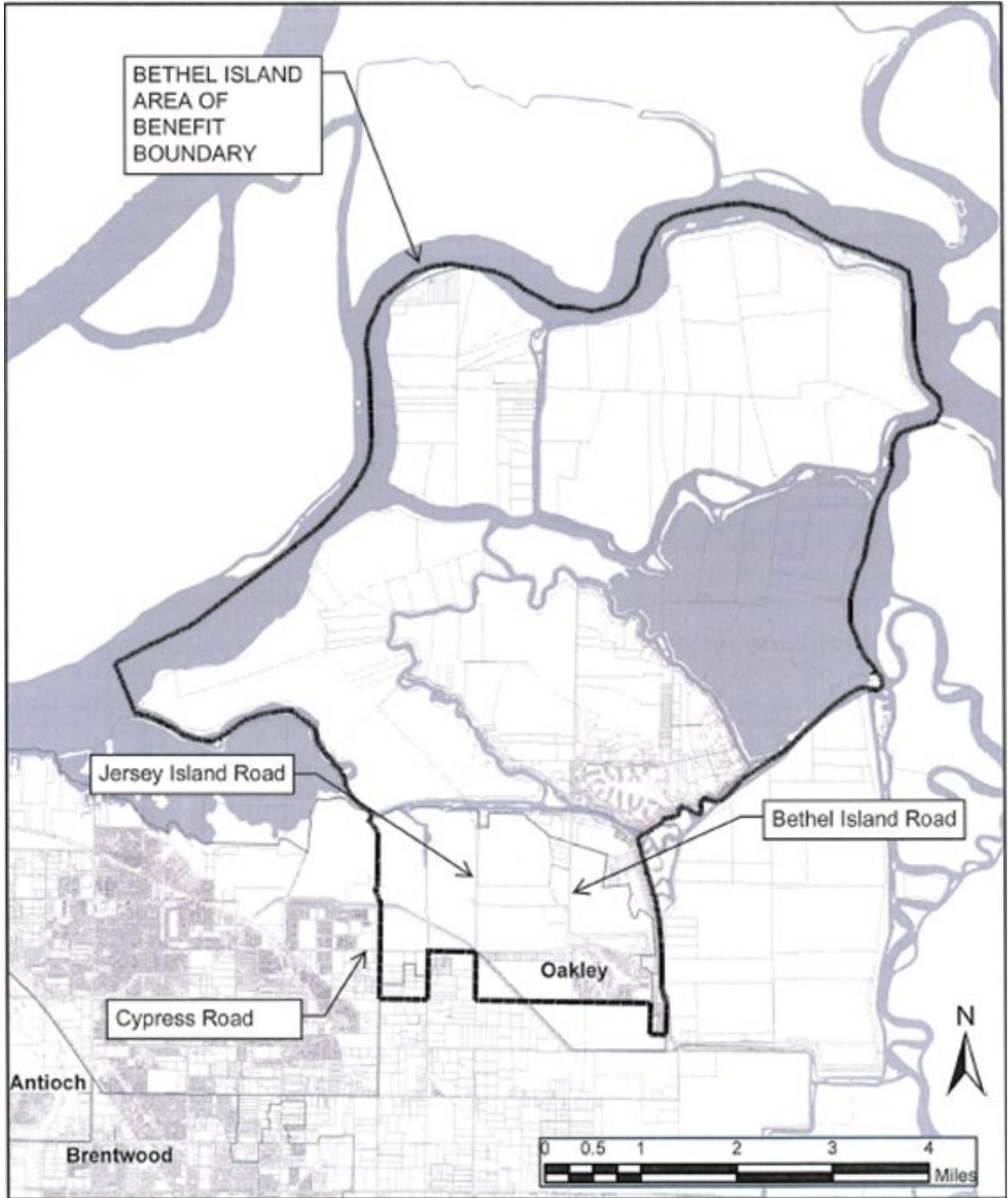
This report is prepared to satisfy the above five-year finding and reporting requirements. This report includes the findings that the Board of Supervisors is required to make under Government Code section 66001(d)(1), and information in support of each of those findings.

II. BACKGROUND

An "Area of Benefit" (AOB) is a geographic area of unincorporated Contra Costa County in which the County imposes transportation mitigation fees – a type of development impact fee on new development to fund new development's share of the transportation improvements required to satisfy transportation demands within that geographic area. (See Gov. Code, §§ 66484, 66484.7.) The County has 15 Areas of Benefit. This five-year update report relates to the Bethel Island AOB. The Bethel Island AOB boundary location is shown in Exhibit A.

The current fee structure is based upon the analysis published in the "Nexus Study Bethel Island", dated August 2016 (Nexus Study). The Nexus Study is included as an exhibit to the Development Program Report attached as Exhibit 1 to Resolution No. 2016/543, adopted by the Board of Supervisors on September 27, 2016. The fee structure implemented through Ordinance No. 2016-12 reflects a reduced fee rate for employment-generating land use, to encourage job growth.

Exhibit A. Area of Benefit Boundary Map



The current Bethel Island AOB program includes a project list that consists of 5 projects, focused upon safety and increased access improvements throughout the area (see Table 1).

Fee Rates

The fee rates established with Ordinance No. 2016-12 are listed below.

<u>Land Use type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 1,617	per dwelling unit
Multi-Family Residential	\$ 986	per dwelling unit
Office	\$ 1.86	per square foot
Industrial	\$ 1.47	per square foot
Commercial/Retail	\$ 2.30	per square foot
Other	\$ 1,617	per peak-hour trip

The Ordinance also allows for an annual fee adjustment. The current fee rates as of January 1, 2021:

<u>Land Use type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 1,994	per dwelling unit
Multi-Family Residential	\$ 1,186	per dwelling unit
Office	\$ 2.24	per square foot
Industrial	\$ 1.77	per square foot
Commercial/Retail	\$ 2.78	per square foot
Other	\$ 1,944	per peak-hour trip

Projects Constructed

No projects have been designed or constructed during this five-year review period.

Table 1. Bethel Island Area of Benefit Project List

Cost estimates and fee rate calculations provided below are from the 2016 Nexus Study and, therefore, reflect dollar value in 2016.

ID	Project	Total Cost Estimate	Adjustment for Existing Deficiencies	Bethel Island AOB Share ²	Potential AOB Fee Contribution
1	Bethel Island Road Bike and Pedestrian Improvements	\$544,000	58%	57.3%	\$311,712
2.1	Sandmound Blvd North Segment Bike and Pedestrian Improvements	\$ 772,000	100%	43.6%	\$336,592
2.2	Sandmound Blvd South Segment Bike and Pedestrian Improvements	\$ 2,629,000	100%	43.2%	\$1,135,728
3	Gateway Road Bike and Pedestrian Improvements	\$1,690,000	100%	12.1%	\$204,490
4	Piper Road Bike and Pedestrian Improvements	\$1,293,000	100%	27.1%	\$350,403
TOTAL		\$6,928,000			\$2,338,925
Existing Fee Account Balance (2016 Values)					\$345,386
Total Cost Minus Existing Funds (2016 Values)					\$1,993,539
Projected Growth in Trips (2016 Values)					1,151
Projected Fee per Trip (2016 Values)					\$1,617

Account Status

FY 2016/2017 Beginning Fund Balance – \$345,286

Funds Expended from FY 2016/2017–FY 2020/2021 – \$46,848

Revenue generated between FY 2016/2017–FY 2020/2021 – \$5,404

Fund Balance as of June 30, 2021 – \$303,843

III. GOVERNMENT CODE SECTION 66001(d)(1) FINDINGS

(1) Identify the purpose to which the transportation mitigation fees are to be put.

The purpose of the fee program is to fund new development's share of the estimated costs of the transportation improvements identified in the Nexus Study and shown in Table 1 ("Transportation Improvements"), pursuant to Government Code section 66484 and 66484.7. The Transportation Improvements are necessary to meet transportation demands within the Bethel Island AOB by 2040. The transportation mitigation fees will be used to partially fund the Transportation Improvements identified in the Nexus Study, and included on Table 1, including costs related to planning, engineering, administration, right-of-way acquisition, construction, or any other permits or studies required through the construction process, for the improvements. All of the projects in Table 1 continue to represent the future needs for the area and are the purpose of the fee program.

- (2) Demonstrate a reasonable relationship between the transportation mitigation fees and the purpose for which they are charged.

As further described in the Nexus Study, the transportation mitigation fees are imposed to fund new development's proportional share of the Transportation Improvements that will serve or mitigate the impact of transportation demands caused by new development within the Bethel Island AOB by 2040. New development within the Bethel Island AOB will include new single-family residential and multi-family residential dwelling units, and new commercial/retail, office, and industrial developments. Each of these types of development generates vehicle trips at a certain rate. The transportation mitigation fees represent new development's proportional share of the cost of the Transportation Improvements. Each new development project pays its fair share of the cost of the transportation improvements required to accommodate it, based on the number of equivalent dwelling units and trips generated. The transportation mitigation fee for each new development will be calculated based on a factor of the number of peak-hour vehicle trips that will be generated by each new development project, and charged on a per-dwelling-unit, per-square-foot, or per-peak-hour-trip basis. The method of fee apportionment is based upon industry standard trip generation rates per the Trip Generation Manual published by the Institute of Transportation Engineers.

(3) Identify all sources and amounts of funding anticipated to complete financing of incomplete transportation improvements identified in the Report.

The Transportation Improvements within the Bethel Island AOB program will be partially funded by AOB fee revenues. Other sources of funding, such as State or Federal aid, or local funding sources such, as Measure J funds or gas tax revenues, will be pursued to complete financing of these projects on a project by project basis.

The rate at which revenue is generated by transportation mitigation fees within the Bethel Island AOB is dependent on the rate of new development. Bethel Island AOB revenue generation, as well as gas tax revenue, and grant funds, drive the timing of construction of the Transportation Improvement because it is anticipated that most improvements will be funded through a combination of all these funding sources.

(4) Designate the approximate dates on which the funding referred to in paragraph three (3) above is expected to be deposited into the appropriate account or fund.

The rate of revenue for capital improvements can vary based upon the economy and political issues so that the anticipated dates for funding are estimated. The rate of development is dependent on the economy and, thus, influences the rate of Bethel Island AOB fee collections. Over the last five years \$5,134 in Bethel Island AOB fees were collected. Federal, State, and local dollars can also be unpredictable. Historically, the rate of gas tax revenue was relatively constant, but due to reduced revenue resulting from fuel efficient vehicles and pending legislation, it is difficult to predict the rate of matching funds for these projects in the future.

Grant funds are also difficult to predict as local agencies compete for funding. Awards are not assured. Although the rate of funding is unpredictable, a very rough estimate over the next five years for funding of circulation improvements on the Bethel Island AOB project list is approximately \$450,000 in public dollars from Local, State and Federal sources plus an estimated \$12,100 from Bethel Island AOB.

IV. GOVERNMENT CODE SECTION 66006(b)(1) INFORMATION FOR FY 2020/2021

As Section III of this report provided accounting information for the past five years, Section IV provides annual reporting for fiscal year 2020/2021. Full accounting will also be provided for Bethel Island AOB with the AB1600 annual report (see Exhibit A), which is provided to the Board of Supervisors within 180 days of the end of the fiscal year.

- (1) A brief description of the type of fee in the account or fund

The Bethel Island AOB Fee is a development impact fee on new development to fund new development's share of the cost to construct road improvements to serve new developments in the Bethel Island area of Contra Costa County. Requiring that all new development pay a road improvement fee will help ensure that they participate in the cost of improving the road system.

- (2) The amount of the fee

The fee rates for FY 2020/2021 as of January 1, 2021:

<u>Land Use type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 1,944	per dwelling unit
Multi-Family Residential	\$ 1,186	per dwelling unit
Office	\$ 2.24	per square foot
Industrial	\$ 1.77	per square foot
Commercial/Retail	\$ 2.78	per square foot
Other	\$ 1,994	per peak-hour trip

- (3) The beginning and ending balance of the account or fund

FY 2020/2021 Beginning Fund Balance – \$ 303,843

FY 2020/2021 Ending Fund Balance (As of August 31, 2021) – \$ 303,843

- (4) The amount of the fees collected and the interest earned

Developer Fees Collected – \$ 0

Interest Earned – \$ 0

- (5) An identification of each public improvement on which fees were expended during the fiscal year and the amount of the expenditures on each

improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No fees were expended on public improvements in this fiscal year.

- (6) An identification of the approximate date by which the construction of the public improvement will commence if the County determines that sufficient funds have been collected to complete financing on an incomplete public improvement.

There is no approximate date to report.

- (7) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

There was no interfund transfer or loan made from the fund.

- (8) The amounts of any refunds under Section 66001€, and any allocations under Section 66001(f).

No refunds have been made to the fund.

V. CONCLUSION

The Bethel Island AOB program has generated revenue representing new development's proportional share of the cost of Transportation Improvements needed to mitigate transportation impacts within the Bethel Island AOB by 2040. Future projects identified in Table 1, will be funded using a combination of Bethel Island AOB transportation mitigation fee revenue, Federal funds such as Active Transportation Program (ATP), State Funds such as Safe Routes to School (SR2S), and other local funds such as Measure J. Return to Source (RTS) have been and will be continued to use to fully fund projects within the AOB project list. Therefore, the County has made reasonable progress in

implementing the Transportation Improvements included in the Bethel Island AOB program.

Looking forward to the next five years, it is anticipated that one project will be constructed from the Bethel Island AOB project list with growth's fair share of funding provided by the Bethel Island AOB fund balance. The remainder of funds for the future projects will come from grants and local road funds. The circulation needs for this area as detailed in the 2016 Nexus Study still remain. The current fund balance will be allocated to the projects listed in Table 1.

Exhibit A

**Development Impact Traffic Fee Annual Report
Contra Costa County Area of Benefit (AOB) Program
In Compliance with Mitigation Fee Act/Assembly Bill 1600
Fiscal Year 2020/2021**

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Development Impact Traffic Fee Annual Report
Contra Costa County Area of Benefit (AOB) Program

Legal Requirements for Development Impact Traffic Fees

California Government Code Section 66006 provides that each local agency that imposes development impact traffic fees must prepare an annual report that includes specific information about those fees. In addition, Assembly Bill 1600 imposes certain accounting and reporting requirements with respect to the fees collected. The fees, for accounting purposes, must be segregated from the general funds of the County and from other funds or accounts containing fees collected for other improvements. Interest on each development fund must be credited to that fund or account and used only for the purposes for which the fees were collected.

For each separate development impact fund that the local agency maintains, California Government Code Section 66006(b)(1) requires the local agency to make available to the public, within 180 days after the end of each fiscal year, the following information for that fiscal year:

- A. A brief description of the type of fee in the account or fund.
- B. The amount of the fee.
- C. The beginning and ending balance of the account or fund.
- D. The amount of the fees collected and interest earned.
- E. An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- F. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- G. A description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an inter-fund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- H. The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

Area of Benefit

An "Area of Benefit" (AOB) is a transportation mitigation program related to a specific geographic area of unincorporated Contra Costa County in which the County imposes transportation mitigation fees. This fee is a type of development impact fee on new development to fund new development's share of the transportation improvements required to satisfy transportation demands within that geographic area. (See Gov. Code, §§ 66484, 66484.7.) As of the end of fiscal year 2020/2021, the County had 15 areas within the AOB program. A map of the AOBs is included as Attachment B to this report. The current project list for each AOB is included in the most recent development program report for the AOB, a copy of which can be obtained from the Public Works Department.

Report Format

Attachment A to this report is a financial report that provides accounting information for fiscal year 2020/2021, as required by Government Code section 66006(b)(1). For the fiscal year the report includes three primary tables: the first table is a "Fee Schedule" Table that identifies the transportation mitigation fees imposed on new development within each AOB during the fiscal year; the second table is a "Fund Balance" Table that identifies the beginning and ending fund balance, amount of fees collected, total revenue, and total expenditures for each AOB; and the third table is a "Project Expenditures" Table that identifies each project on which fees were expended, the amount of the AOB funds expended on each project, total project expenditures, and percentage of the total project cost funded with AOB fees.

The total project cost listed in the third Table is an estimate and may be modified in future years as a project develops. The initial project estimates developed during the preparation of the Nexus Study are based upon assumptions related to the site conditions. As the project develops and data become available related to topography, geometry, soil conditions, environmental studies, drainage studies, etc., the cost estimate becomes more refined. At close-out of project construction, the total project cost reflects the actual cost.

The *Other Expenses* column within the Fund Balance/Revenue/Expenditures Table identifies those expenses that are not identified in Table 3 but relate to any of the following activities: overall programming of projects, project development activities prior to issuance of a project-specific work order, coordinating with project applicants, preparation of AOB fee calculations, coordination through the Building Permit and Application Center, and accounting administration.

Each of the AOB programs has been evaluated, and it has been determined that the need still exists for each of the AOB programs. Therefore, the fund balance has not been refunded or re-allocated, but rather efforts continue to move towards full implementation of projects within the project lists.

ATTACHMENT A

Fiscal Year 2020/2021

Fee Schedule Table

Fund Balance/Revenue/Expenditures Table

Project Expenditures Table

Fee Schedule FY 20/21 (Start of Fiscal Year)							
		Single Family Residential	Multi Family Residential	Office	Industrial	Commercial	Other
TRAFFIC FEE AREAS	Fund	(\$/DU)	(\$/DU)	(\$/SF)	(\$/SF)	(\$/DU)	(\$/Peak Hour Trip)
Alamo	1260	\$13,353.00	\$11,123.00	\$12.33	\$12.33	\$12.33	\$13,353.00
Baypoint	1395	\$9,001.00	\$5,491.00	\$4.27	\$3.39	\$5.27	\$9,001.00
Bethel Island	1290	\$1,849.00	\$1,128.00	\$2.13	\$1.68	\$2.64	\$1,849.00
Briones	1241	\$2,300.00	\$1,840.00	\$3.68	\$1.60	\$5.75	\$2,300.00
Central County	1242	\$6,245.00	\$5,500.00	\$10.13	\$4.37	\$11.93	\$6,245.00
Discovery Bay	1390	\$9,636.00	\$5,916.00	\$7.68	\$6.10	\$9.50	\$9,636.00
East County	1282	\$10,666.00	\$5,781.00	\$7.04	\$3.51	\$10.15	\$9,965.00
Hercules/Rodeo/Crockett	1231	\$1,648.00	\$1,319.00	\$2.63	\$1.15	\$4.12	\$1,648.00
Martinez	1240	\$6,874.00	\$5,521.00	\$11.01	\$4.83	\$17.25	\$6,874.00
North Richmond	1234	\$3,921.00	\$3,146.00	\$6.91	\$5.48	\$9.93	\$6,028.00
Pacheco	1399	\$990.00	\$990.00	\$3.25	\$1.35	\$2.05	\$990.00
Richmond/El Sobrante	1394	\$3,178.00	\$2,555.00	\$5.05	OTHER	\$7.93	\$3,178.00
South County	1270	\$3,416.00	\$3,416.00	OTHER	OTHER	OTHER	\$3,416.00
South Walnut Creek	1243	\$8,084.00	\$8,084.00	\$12.93	OTHER	\$15.37	\$8,084.00
West County	1232	\$5,358.00	\$4,288.00	OTHER	OTHER	\$10.23	\$5,358.00

Fund Balances FY 20/21										
		Beginning Fund Bal	Developer Fees	Interest Income	Other Revenue / Transfers	Total Revenue	Project Expenditures	Other Expenses	Total Expenses	Ending Fund Bal
TRAFFIC FEE AREAS	Fund									
Alamo	0641 1260	\$1,063,605.69	\$74,798.00	\$1,036.84		\$75,834.84	\$0.00	\$502.00	\$502.00	\$1,138,938.53
Baypoint	0685 1395	\$1,676,860.85	\$328,882.73	\$1,550.95		\$330,433.68	\$0.00	\$14,158.97	\$14,158.97	\$1,993,135.56
Bethel Island	0653 1290	\$303,842.86	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$303,842.86
Briones	0636 1241	\$539,976.70	\$0.00	\$888.40		\$888.40	\$0.00	\$166.00	\$166.00	\$540,699.10
Central County	0637 1242	\$3,691,430.79	\$1,672,995.00	\$3,262.29		\$1,676,257.29	\$0.00	\$79,358.66	\$79,358.66	\$5,288,329.42
Discovery Bay	0680 1390	\$71,079.32	\$20,260.00	\$589.07		\$20,849.07	\$0.00	\$392.20	\$392.20	\$91,536.19
East County	0645 1282	\$4,760,096.53	\$30,198.00	\$3,920.10		\$34,118.10	\$376,563.01	\$20,661.52	\$397,224.53	\$4,396,990.10
Hercules/Rodeo/Crockett	0631 1231	\$15,574.87	\$4,944.00	\$0.00		\$4,944.00	\$0.00	\$0.00	\$0.00	\$20,518.87
Martinez	0635 1240	\$2,572,462.48	\$35,058.00	\$2,386.92		\$37,444.92	\$2,476.54	\$14,943.27	\$17,419.81	\$2,592,487.59
North Richmond	0634 1234	\$1,880,625.28	\$2,674,254.00	\$2,520.23		\$2,676,774.23	\$0.00	\$389,123.99**	\$0.00	\$4,168,275.52
Pacheco	0687 1399	\$440,677.66	\$0.00	\$325.52		\$325.52	\$0.00	\$24,852.41	\$24,852.41	\$416,150.77
Richmond/El Sobrante	0684 1394	\$397,033.95	\$3,178.00	\$583.18		\$3,761.18	\$0.00	\$27,402.73	\$27,402.73	\$373,392.40
South County	0642 1270	\$2,642,397.94	\$55,169.00	\$2,490.48		\$57,659.48	\$0.00	\$18,587.36	\$18,587.36	\$2,681,470.06
South Walnut Creek	0638 1243	\$125,805.32	\$8,488.00	\$11.78		\$8,499.78	\$0.00	\$581.25	\$581.25	\$133,723.85
West County	0632 1232	\$108,396.82	\$19,618.96	\$29.44		\$19,648.40	\$0.00	\$5.00	\$5.00	\$128,040.22
Traffic AOB Totals		\$20,289,867.06	\$4,927,843.69	\$19,595.20	\$0.00	\$4,947,438.89	\$379,039.55	\$201,611.37	\$580,650.92	\$24,267,531.04

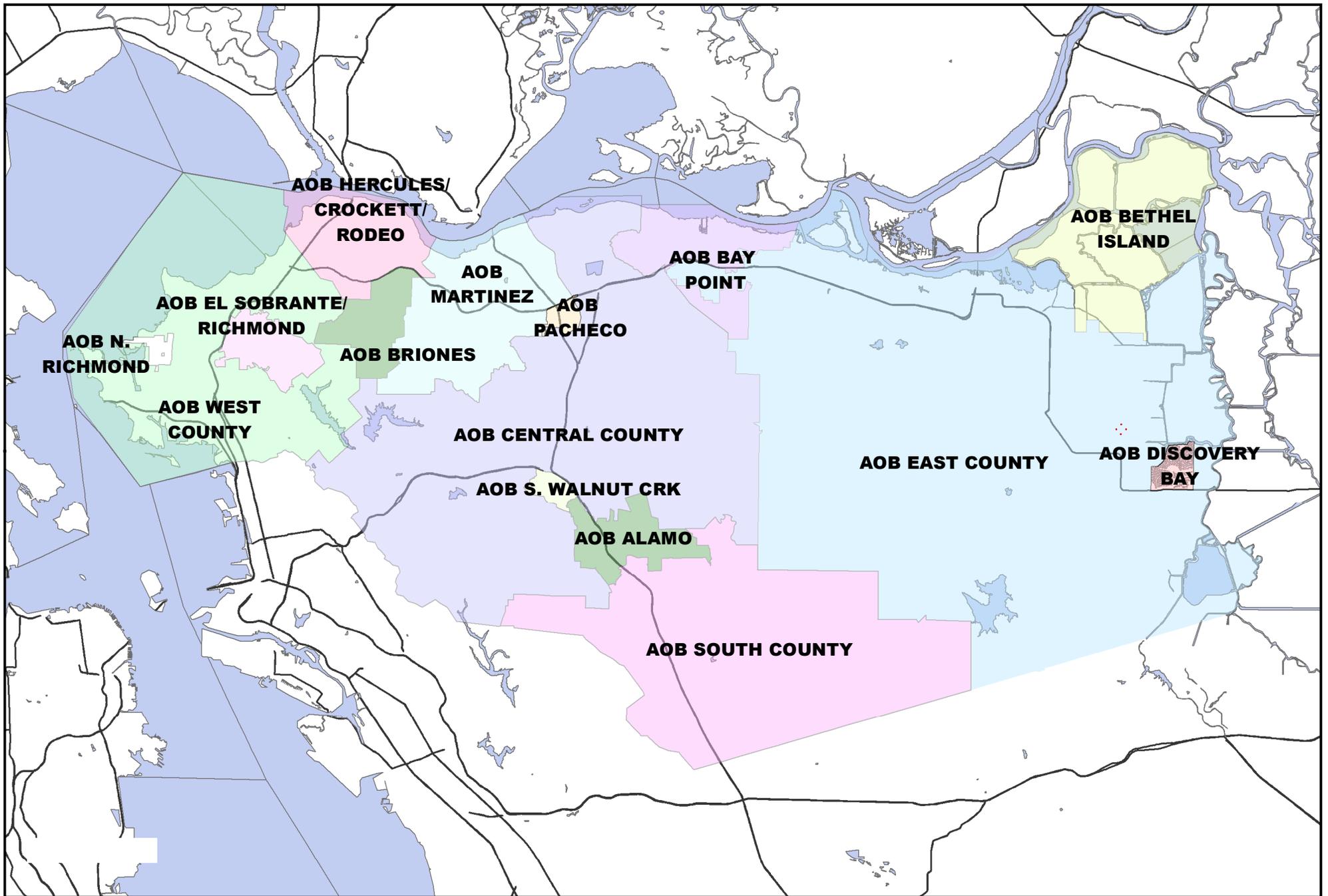
* No refunds or allocations were made from any of the AOB funds.

** Although included in this column, the majority of these funds were used to fund construction of AOB projects as part of a development's traffic mitigation. The County reimbursed the developer the amount of \$194,927 towards a portion of Fred Jackson Way Complete Streets Project and \$172,162 towards a portion of Parr Boulevard Complete Streets Project.

Project Expenditures FY 20/21

			Traffic Impact Fee Expenditures	Total Project Expenditures	Traffic Impact Fee Expenditures	Total Estimated Project	Development Fees as Percentage	Project Status
			(FY 20/21)	All Funding Sources	(To Date)	All Funding Sources	of Total Expenditures	(To Date)
TRAFFIC FEE AREAS	Project #	Project Name	(FY 20/21)	(FY 20/21)	(To Date)	(To Date)	(To Date)	(To Date)
Alamo			Total	\$0.00				
Baypoint			Total	\$0.00				
Bethel Island			Total	\$0.00				
Briones			Total	\$0.00				
Central County			Total	\$0.00				
Discovery Bay			Total	\$0.00				
East County	WO4055	Countywide Guardrail Upgrades	\$376,563.01	\$1,219,563.59	\$376,563.01	\$1,669,882.97	23%	Constructed in 2020
			Total	\$376,563.01				
Hercules/ Rodeo/ Crockett			Total	\$0.00				
Martinez	WO4113	Pacheco Boulevard: Improvements Blum	\$2,476.54	\$2,476.54	\$71,481.84	\$223,675.87	32%	Construct in 2025
			Total	\$2,476.54				
North Richmond			Total	\$0.00				
Pacheco			Total	\$0.00				
Richmond/ El Sobrante			Total	\$0.00				
South County			Total	\$0.00				
South Walnut Creek			Total	\$0.00				
West County			Total	\$0.00				

ATTACHMENT B
AREA OF BENEFIT BOUNDARY MAP



Contra Costa County
Public Works
Department

255 GLACIER DRIVE MARTINEZ, CALIFORNIA 94553 PH: (925) 313-2000 FAX: (925) 313-2333

PROJECT MAP

**CONTRA COSTA COUNTY
AREAS OF BENEFIT**

FEDERAL ID NO:

DB: LL CB: ET

DATE: March 2016

SHEET 1 OF XX