

## RESOLUTION NO. 2017-224

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE APPROVING A NEXUS STUDY AND ESTABLISHING THE AMOUNT OF FEES RELATIVE TO THE VOLUNTARY I-5 SUBREGIONAL CORRIDOR MITIGATION FEE

**WHEREAS**, the California Environmental Quality Act (CEQA) requires transportation impacts be identified and significant impacts be mitigated, to the extent feasible, including impacts to the State Highway System;

**WHEREAS**, the Cities of Elk Grove, Sacramento, and West Sacramento (individually "City" and collectively "Cities") along with the State Department of Transportation (Caltrans) and the Sacramento Area Council of Governments (SACOG) formed a working group to analyze and develop feasible measures to mitigate mainline freeway traffic impacts caused by new development within the "I-5 Subregional Corridor," which is generally located between the Interstate 5 freeway and State Route 99 from Downtown Sacramento and West Sacramento to Elk Grove. The I-5 Subregional Corridor includes segments of Interstate 5, Interstate 80, State Route 99, Business 80, and U.S. 50 freeways; and

**WHEREAS**, under the terms of a Memorandum of Understanding (MOU) dated June 25, 2014 between the Cities, Caltrans, and SACOG, the I-5 Subregional Corridor Improvement Plan was developed which included freeway, local roadway, and transit improvement projects that were included in SACOG's 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy. Because many segments of the freeways within the I-5 Subregional Corridor are already at their maximum right-of-way width and further expansion may not be feasible or would have significant impacts, expansion of local roadways and improvements to alternative transportation modes were included in the I-5 Subregional Corridor Improvement Plan; and

**WHEREAS**, under a Cost Sharing Agreement dated January 22, 2015, the Cities jointly funded the Nexus Study and the Supplemental Environmental Impact Report to allow for the adoption of the I-5 Subregional Corridor Mitigation Fee Program; and

**WHEREAS**, the I-5 Subregional Corridor Mitigation Fees would fund a portion of the costs of the transportation projects in the I-5 Subregional Corridor Improvement Plan. The I-5 Subregional Corridor Mitigation Fees were established based on congested vehicle miles travelled (VMT) resulting in residential developments farther from employment centers, and commercial, office and industrial developments farther from residential areas, paying a higher fee than infill projects; and

**WHEREAS**, The Draft Supplemental Environmental Impact Report was prepared, noticed, published, circulated, reviewed, and completed in full compliance with the California Environmental Quality Act (Public Resources Code §21000 et seq. ("CEQA") and the CEQA Guidelines (14 California Code of Regulations §15000 et seq.), collectively "CEQA." The Final Supplemental Environmental Impact Report dated July 2015 included responses to the comments received on the Draft Supplemental Environmental Impact Report. On August 20, 2015, SACOG adopted and certified the

Final Supplemental Environmental Impact Report. The Draft and Final Supplemental Environmental Impact Reports are collectively referred to as the "SEIR;"

**WHEREAS**, on August 20, 2015, SACOG approved the I-5 Subregional Corridor Mitigation Fee Program to be implemented by the Cities as an implementation measure for the MTP/SCS. Each City as a responsible agency is to consider the SEIR before approving the I-5 Subregional Corridor Mitigation Fee Program. Each transportation project included in the I-5 Subregional Corridor Improvement Plan will be subject to project-level environmental review by the applicable sponsoring agency before commitments are made to implement such project; and

**WHEREAS**, the City desires to establish the Voluntary I-5 Subregional Corridor Mitigation Fee Program as a way to establish a fair-share funding source for the I-5 Subregional Corridor Improvement Plan and eliminate the need to run a computer model traffic study to identify potential traffic impacts on the freeway system and therefore save an applicant entitlement processing time, and the ability to mitigate freeway impacts for an individual project without having to individually negotiate with Caltrans or build partial infrastructure at a much higher cost than the amount of the I-5 Subregional Corridor Mitigation Fee.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk Grove hereby finds that the Subsequent Environmental Impact Report has been prepared in accordance with the California Environmental Quality Act (CEQA) and the City has reviewed and considered the information contained in the document and has determined it to be adequate and certifies the Subsequent Environmental Impact Report, based upon the following finding:

Finding: The Subsequent Environmental Impact Report has been prepared in accordance with the California Environmental Quality Act (CEQA) and the City has reviewed and considered the information contained in the document and has determined it to be adequate.

Evidence: A programmatic-level Draft Supplemental Environmental Impact Report dated May 2015 was prepared for the I-5 Subregional Corridor Mitigation Fee Program. The Draft Supplemental Environmental Impact Report (Draft SEIR) tiered from SACOG's 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) Environmental Impact Report certified in 2012 (the "2012 MTP/SCS EIR"). The Draft Supplemental Environmental Impact Report determined that the proposed Subregional Freeway Mitigation Fee Program would benefit the environment and not create any new significant adverse impacts beyond those addressed in the 2012 MTP/SCS EIR.

The Draft SEIR was prepared, noticed, published, circulated, reviewed, and completed in full compliance with the California Environmental Quality Act (Public Resources Code §21000 et seq. ("CEQA")) and the CEQA Guidelines (14 California Code of Regulations §15000 et seq.), collectively "CEQA." The Final

SEIR dated July 2015 included responses to the comments received on the Draft Supplemental Environmental Impact Report. On August 20, 2015, SACOG adopted and certified the Final SEIR.

The SEIR did not identify any potentially significant adverse environmental effects of the I-5 Subregional Corridor Mitigation Fee Program, so no mitigation measures, further environmental findings, or statement of overriding consideration is required.

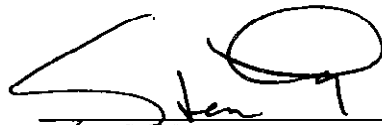
For purposes of the project, the City is a Responsible Agency under CEQA and has reviewed the contents of the SEIR. Pursuant to State CEQA Guidelines Sections 15050(b) and 15096, the City has considered the SEIR as prepared by SACOG and determined that none of the conditions contained in CEQA Guidelines Section 15162 or 15163 has occurred for which additional analysis is required.

**AND, BE IT FURTHER RESOLVED**, that the City Council of the City of Elk Grove hereby approves the following:

1. **Incorporation of the Nexus Study:** The Nexus Study for the I-5 Subregional Corridor Mitigation Fee Program dated January, 2016 and the I-5 Subregional Corridor Improvement Plan set forth in Table 8 of the Nexus Study are hereby approved. For the purpose of establishing the I-5 Subregional Corridor Mitigation Fee Program, the City Council finds that the Nexus Study:
  - a. Reasonably identified the purpose of the fee;
  - b. Reasonably identified the use to which the fee is to be put;
  - c. Established a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
  - d. Established a reasonable relationship between the need for the transportation facilities to be financed by the fee and the type of development project on which the fee is to be imposed;
  - e. Established that there is a reasonable relationship between the amount of the fee and the cost of the transportation facilities, or portion of such facilities, attributable to the development project on which the fee is imposed; and
  - f. Formed the basis for the further finding that the imposition of the I-5 Subregional Corridor Mitigation Fee on a voluntary basis for development projects located within the I-5 Subregional Corridor to finance transportation improvements is necessary in order for the City of Elk Grove to protect and promote the public health, safety and welfare
2. **I-5 Subregional Corridor Mitigation Fee:** The I-5 Subregional Corridor Mitigation Fee for new development projects located within the City of Elk Grove in Districts 4 of the I-5 Subregional Corridor, as shown in the attached Exhibit A, based on a dwelling unit equivalent rate of \$2,821, shall be as provided in Exhibit A.

3. **I-5 Subregional Corridor Mitigation Administration Fee:** The City Manager may deduct from this fund the actual City staff costs to administer the I-5 Subregional Corridor Mitigation Fee Program, but not to exceed three percent (3%) of the amount of fees collected annually.
4. **Adjustments:** The I-5 Subregional Corridor Mitigation Fees established by this resolution shall be automatically adjusted to take into consideration construction cost inflation on July 1st of each fiscal year. The first fiscal year for which an adjustment shall occur shall be the fiscal year that includes July 1, 2017. The adjustment shall be made by a factor equal to the percentage increase, if any, of the following index: The Construction Cost Index as published by Engineer News Record/McGraw-Hill Construction Weekly for either (i) the San Francisco (based on 1913 U.S. average = 100) during the twelve (12) months ending on the preceding March 1st, or (ii) the 20-City Construction Cost Index during the twelve (12) months ending on the preceding March 1st. In addition to any automatic annual adjustment, the amount of the fees established by this resolution may be revised periodically based on an updated nexus study.
5. **Construction of Resolution:** The provisions of this Resolution are subject and subordinate to the provisions of Municipal Code Chapter 16.97 and shall at all times be construed and applied consistent therewith as they presently exist or may from time to time hereafter be amended.
6. **Effective Date:** This Resolution shall be effective 60 days after the passage of the ordinance establishing Municipal Code Chapter 16.97 and the fee.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 13<sup>th</sup> day of September 2017.



STEVE LY, MAYOR of the  
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



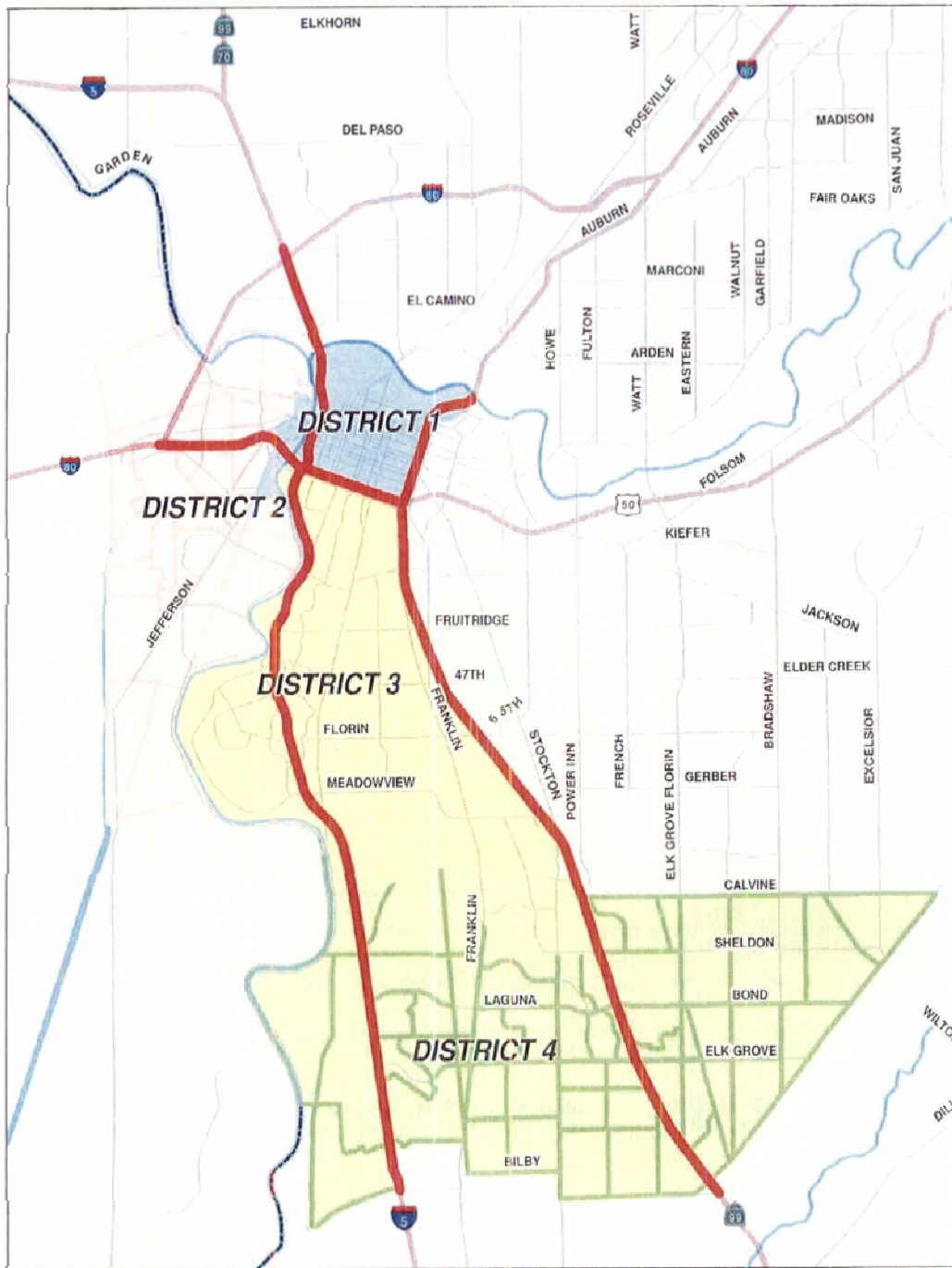
JONATHAN P. HOBBS,  
CITY ATTORNEY

**EXHIBIT A**  
**PROPOSED I-5 SUBREGIONAL CORRIDOR MITIGATION FEE RATES**

Table 17: Proposed Fee Rates – City of Elk Grove (District 4)				
I-5 Subregional Corridor Mitigation Program				
(with Cost per DUE = \$2,821)				
Land Uses		Units	DUE Rate	Fee Rate
Residential	Single-Family (1-2 units)	DU	1.00	\$2,821
	Single-Family Age Restricted		0.39	\$1,100
	Single Family TOD		0.90	\$2,539
	Multi-Family		0.62	\$1,749
	Multi-Family Age Restricted		0.32	\$903
	Multi Family TOD		0.46	\$1,298
Commercial	Commercial <sup>3</sup>	1,000 sq. ft.	0.34	\$959
	Commercial TOD		0.32	\$903
	Car Sales		0.25	\$705
Office	Office		0.23	\$649
	Office TOD		0.21	\$592
Industrial	Industrial		0.16	\$451
Institutional	Assembly Use		0.02	\$56
	Day/Child Care		0.06	\$169
	Private School		0.02	\$56
Miscellaneous	Congregate Care Facility		Bed	0.03
	Health Club	1,000 sq. ft.	0.16	\$451
	Library		0.05	\$141
	Gas Station	Fuel Position	0.35	\$987
	Hotel/Motel	Room	0.09	\$254

Source: DKS Associates, 2015

# I-5 SUBREGIONAL CORRIDOR STUDY AREA AND MITIGATION FEE DISTRICTS



**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2017-224**

STATE OF CALIFORNIA       )  
COUNTY OF SACRAMENTO    )     ss  
CITY OF ELK GROVE         )


*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 13, 2017 by the following vote:*

**AYES:**           **COUNCILMEMBERS:**    *Ly, Hume, Nguyen, Suen*

**NOES:**           **COUNCILMEMBERS:**    *None*

**ABSTAIN:**       **COUNCILMEMBERS:**    *None*

**ABSENT:**        **COUNCILMEMBERS:**    *Detrick*

  
\_\_\_\_\_  
**Jason Lindgren, City Clerk**  
**City of Elk Grove, California**