

# STAFF REPORT

**SUBJECT:** Annual Adjustment of the Regional  
Transportation Impact Fee (RTIF)

**RECOMMENDED ACTION:** Recommend SJCOG Board Approve Annual  
Administrative Fee Adjustment Calculation

**DISCUSSION:**

**SUMMARY:**

Based on Section 3.2 from the RTIF Operating Agreement, the region-wide RTIF fee schedule is annually adjusted by each Participating Agency at the beginning of each fiscal year (July 1). The approved annual adjustment methodology is a rolling three-year average of the Engineering News Record California Construction Cost Index (CCCI). Based on this methodology, an adjustment of the fees of +2.75% is indicated. Attachment “A” provides the calculation details.

The Mitigation Fee Act (AB 1600) requires development fee programs to undergo a review and update every five years to ensure the nexus analysis and fee schedule reflect current growth assumptions, projects costs, and transportation system impacts. The 2017 RTIF AB 1600 Update was approved by the SJCOG Board in April 2017. The “Other” category was reevaluated, based off local data or ITE trip generation rates more reflective of the projects that typically fall in this category. These are generally development projects that have minimal or no building area and yet would generate impacts to the transportation network, such as mining or recreational facilities. The current RTIF fee for the “Other” category was reduced to not exceed the maximum justified fee in the 2017 RTIF AB 1600 Update. Table 1, below, illustrates the new fee resulting from the annual administrative adjustment methodology discussed above and reevaluation of the “Other” category from the RTIF AB 1600 Update.

**Table 1: Annual RTIF Programmatic Fee Adjustment FY 2017/2018**

<b>Land Use Type</b>	<b>Current Fee Schedule</b>	<b>Annual Change @ 2.75%</b>	<b>FY 17/18 RTIF Schedule</b>
Residential (Single Family DUE)	\$3,223.01	\$88.63	\$3,311.64
Residential (Multi-Family DUE)	\$1,933.80	\$53.18	\$1,986.98
Retail (Sq. Ft.)	\$1.28	\$0.04	\$1.32
Office (Sq. Ft.)	\$1.62	\$0.04	\$1.66
Commercial/Industrial (Sq. Ft.)	\$0.97	\$0.03	\$1.00
Warehouse (Sq. Ft.)	\$0.41	\$0.01	\$0.42
*Other (per Trip)	\$142.20	\$(40.08)	\$102.12
*Alternative fee calculation method for non-retail, non-residential development projects not otherwise adequately represented in the six land-use categories; typically projects with minimal or no building area that would nonetheless generate impacts to the transportation network. Examples include mining, intermodal and recreational facilities.			

**RECOMMENDATION:**

Recommend approval of the new RTIF fee schedule resulting from the annual administrative adjustment to go into effect July 1, 2017.

**FISCAL IMPACT:**

The ongoing cost of administering the RTIF is anticipated in SJCOG's FY 17-18 Overall Work Program (OWP) and will not be affected by this action.

Development fees will be adjusted. There will be an increase in RTIF revenue of:

- \$88.63 for each single-family dwelling unit,
- \$53.18 for each multi-family dwelling unit,
- \$0.04 for each square foot of retail space,
- \$0.04 for each square foot of office space,
- \$0.03 for each square foot of commercial/industrial space,
- \$0.01 for each square foot of warehouse space,

The 2017 RTIF AB 1600 Update recalculated the RTIF rate for the "Other" or per trip category, reducing RTIF revenue by \$40.08 per trip for projects subject to this revised fee calculation.

## BACKGROUND:

### Administrative Fee Adjustment

The original RTIF Operating Agreement was fully executed by SJCOG and all member agencies in 2006; a revised agreement was approved by the SJCOG Board in April 2015 and was approved by resolution by the governing boards of each member jurisdiction as of October 2015. As part of the program's policy, the RTIF fee structure is to be administratively adjusted on an annual basis. Section 3.2 from the Operating Agreement states that the fee shall be adjusted by each Participating Agency on an annual basis at the beginning of each fiscal year (July 1) based on a three-year rolling average of the California Construction Cost Index (CCCI). The indices and adjustment calculation are detailed below. The historical CCCI table is included as Attachment A to the staff report. April CCCI statistics of the past four years determined the growth percentage per year. The yearly growth percentage is averaged to derive the fee percentage increase for fee adjustment.

**Table 2: FY 16/17 CCCI Calculation for FY 17/18 Fee Adjustment**

<i>Year</i>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<i>CCCI Index (April)</i>	6461	6249	6062	5956
<i>Annual % Change</i>	3.39%	3.08%	1.78%	

**3-Year Average**

<b>2.75%</b>
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## COMMITTEE ACTIONS:

- *Technical Advisory Committee* – Approved the staff recommendation.
- *Management and Finance Committee* – Approved the staff recommendation.
- *Executive Committee* – had not met at the time of writing this report.

## NEXT STEP(s):

Each participating agency will need to adjust their RTIF structure accordingly to take effect on July 1, 2017.

SJCOG Staff will prepare the RTIF Annual Report for Fall 2017 adoption.

## ATTACHMENTS:

Attachment A - Calculation of 2017/2018 Annual RTIF Adjustment

Attachment A - Calculation of 2017/2018  
Annual RTIF Adjustment

Year	Month											
	January	February	March	April	May	June	July	August	September	October	November	December
2017	6373	6373	6373	6461								
2016	6106	6132	6248	6249	6240	6238	6245	6244	6267	6343	6344	6373
2015	6073	6077	6069	6062	6069	6055	6055	6055	6113	6114	6109	6108
2014	5898	5896	5953	5956	5957	5961	5959	5959	5959	5969	5981	5977
2013	5774	5782	5777	5786	5796	5802	5804	5801	5802	5911	5903	5901
2012	5683	5683	5738	5740	5755	5754	5750	5778	5777	5780	5779	5768
2011	5592	5624	5627	5636	5637	5643	5654	5667	5668	5675	5680	5680
2010	5260	5262	5268	5270	5378	5394	5401	5401	5381	5591	5599	5596
2009	5309	5295	5298	5296	5288	5276	5263	5265	5264	5259	5259	5262
2008	4983	4983	4999	5004	5023	5065	5135	5142	5194	5393	5375	5322
2007	4869	4868	4871	4872	4886	4842	4849	4851	4942	4943	4978	4981
2006	4620	4603	4597	4600	4599	4593	4609	4616	4619	4867	4891	4877

Year	2017	2016	2015	2014
CCCI (April - April)	6461	6249	6062	5956
Average % Change	3.39%	3.08%	1.78%	
3 Year Average	2.75%			