



Contra Costa County
Public Works
Department

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ADOPTED BY BOARD OF SUPERVISORS
ON _____

Five-Year Program Report for the Martinez Area of Benefit

November 2024

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 Martinez Area of Benefit (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 August 8, 1995, the Contra Costa County Board of Supervisors adopted Ordinance No. 95-38, as well as Resolution No. 95/377, to update the AOB Program for the Martinez AOB.

Government Code Section 66001(d)(1) requires 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 Martinez 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.

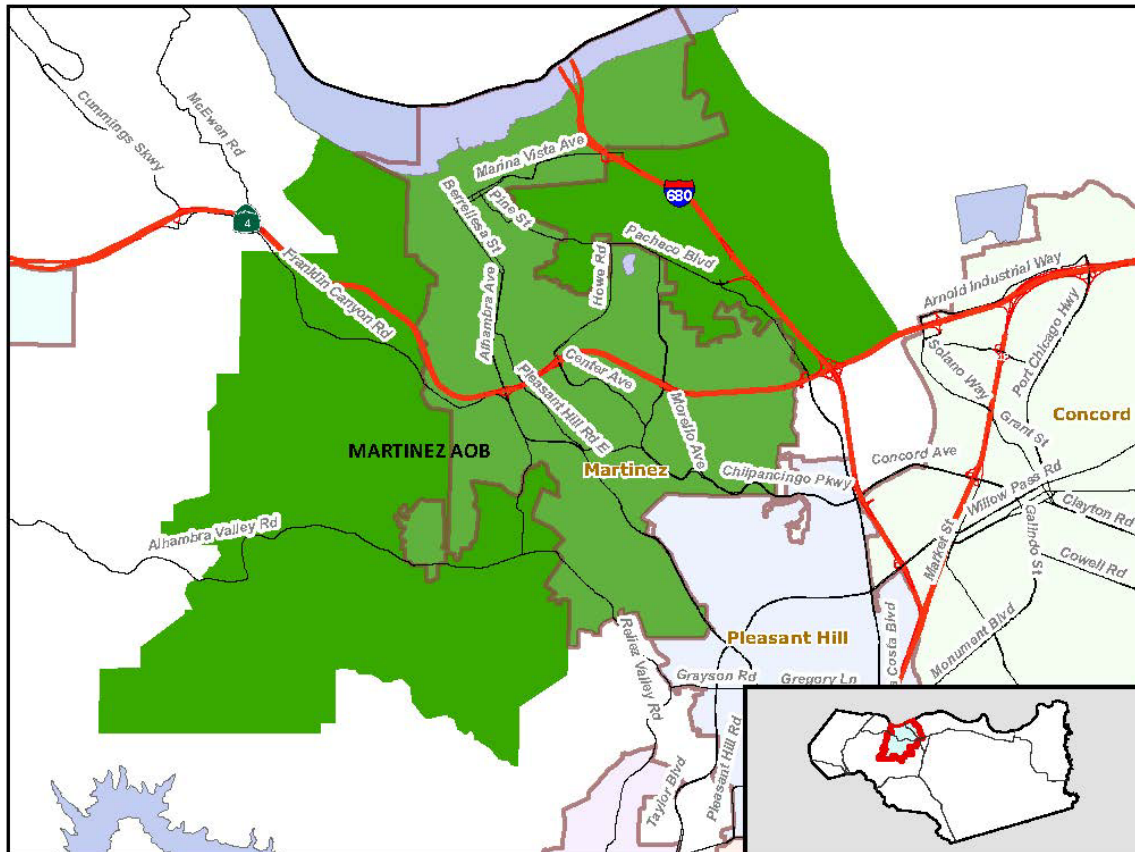
- (5) An identification of each public improvement on which fees were expended during the fiscal year and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- (6) An identification of the approximate date 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 has been prepared to satisfy the above five-year findings 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. This report also is prepared to provide Martinez AOB fiscal year 2023/2024 information that must be made publicly available, pursuant to Government Code Section 66006(b).

II. BACKGROUND

An 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 and 66484.7.) The County has 14 Areas of Benefit. This five-year update report relates to the Martinez AOB. The Martinez AOB boundary location is shown in Figure 1.

Figure 1. AOB Boundary Map



The current fee structure is based upon the analysis published in the “Development Program Report for the Martinez Area of Benefit” dated August 1995. The Development Program Report (DPR) was adopted by the Board of Supervisors on August 8, 1995, per Resolution No. 95/377.

The current Martinez AOB program includes a project list that consists of four projects, focused upon safety and capacity improvements throughout the area (see Table 1).

Table 1. Martinez AOB Project List

Cost estimates and fee rate calculations provided below are from the 1995 Development Program Report and, therefore, reflect dollar values at the time of adoption in 1995. Projects in bold are incomplete.

No.	Project	Proposed Total Cost	Potential AOB Fee Contribution
1	Alhambra Valley Road Safety and Capacity Improvements		\$700,000
2	Alhambra Valley Road Curve Realignment		\$400,000
3	Pacheco Boulevard Grade Realignment		\$300,000
4	Pacheco Boulevard Road Widening		\$900,000
SUBTOTAL			\$2,300,000
Martinez Area of Benefit "share"			\$2,300,000
Existing Martinez Subarea Balance			-\$523,400
Existing Briones Subarea Balance			-\$246,600
Project Funding to be Provided by New Development			\$1,530,000
2% Administration			+\$30,600
Total Revenue to be Provided by New Development			\$1,560,600

Projects Constructed

Of the four Martinez AOB projects, only one has been completed, No. 1 – Alhambra Valley Road Safety and Capacity Improvements. The other three projects remain incomplete. However, the Pacheco Boulevard Improvements at Blum Road project as part of the AOB project titled "Pacheco Boulevard Road Widening project" is currently being scoped in a planning study.

Fee Rates

The current fee rates established with Ordinance No. 95-38 are listed below.

<u>Land Use Type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 7,958	per dwelling unit
Multi-Family Residential	\$ 6,391	per dwelling unit
Commercial/Retail	\$ 19.97	per square foot of gross floor area
Office	\$ 12.75	per square foot of gross floor area
Industrial	\$ 5.59	per square foot of gross floor area
Other	\$ 7,958	per p.m. peak-hour trip

The Ordinance does not allow for an annual fee adjustment.

Account Status

FY 2019/2020 Beginning Fund Balance – \$2,497,589.52
 Funds Expended from FY 2019/2020–FY 2023/2024 – \$1,166,268.17
 Revenue generated between FY 2019/2020–FY 2023/2024 – \$337,500.44
 Fund Balance as of June 30, 2024 – \$1,668,821.79

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 DPR and shown in Table 1 (“Transportation Improvements”), pursuant to Government Code Sections 66484 and 66484.7. The Transportation Improvements are necessary to meet transportation demands within the Martinez AOB. The transportation mitigation fees will be used to partially or entirely fund the Transportation



Improvements identified in the DPR, 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.

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

As further described in the DPR, 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 Martinez AOB. New development within the Martinez 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 Martinez 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 improvements.

The rate at which revenue is generated by transportation mitigation fees within the Martinez AOB is dependent on the rate of new development. Martinez AOB revenue generation, as well as gas tax revenue and grant funds, drive the timing of construction of Transportation Improvements 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 the anticipated dates for funding are estimated. The rate of development is dependent on the economy and, thus, influences the rate of Martinez AOB fee collections. Over the last five years approximately \$172,036.44 in Martinez AOB fees were collected and \$165,464.00 in interest income produced (total five-year revenue of \$337,500.44). 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, and 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 Martinez AOB project list is approximately \$200,000 from the Martinez AOB. The planning study for the Pacheco Boulevard Improvements at Blum Road project

(part of the AOB project titled “Pacheco Boulevard Road Widening”) is planned for completion in 2025. However, the capital improvements resulting from the study will continue to be incomplete. Due to funding constraints, there are no immediate plans to construct or complete any of the three incomplete projects listed in Table 1 over the next five years.

IV. GOVERNMENT CODE SECTION 66006(b)(1) INFORMATION FOR FY 2023/2024

As Section III of this report provided accounting information for the past five years, Section IV provides annual reporting for fiscal year 2023/2024. Full accounting will be provided for Martinez 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 Martinez 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 Martinez area of Contra Costa County. Requiring that all new development pay a road improvement fee will ensure that they participate in the cost of improving the road system.

(2) The amount of the fee.

The fee rates for FY 2023/2024 at the end of the reporting period:

<u>Land Use Type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 7,958	per dwelling unit
Multi-Family Residential	\$ 6,391	per dwelling unit
Commercial/Retail	\$ 19.97	per square foot of gross floor area
Office	\$ 12.75	per square foot of gross floor area
Industrial	\$ 5.59	per square foot of gross floor area



Other \$ 7,958 per p.m. peak-hour trip

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

FY 2023/2024 Beginning Fund Balance – \$2,664,309.56

FY 2023/2024 Ending Fund Balance – \$1,668,821.79

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

Developer Fees Collected – \$55,652.44

Interest Earned – \$29,107.89

(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.

Alhambra Valley Road-Safety Improvement Rancho La Boca to Ferndale Road;
\$944,021.85 expended, 65%

Note, the project referenced above was completed in 2017, but the AOB funds were expended during the 2023/2024 fiscal year to reimburse and reconcile project expenditures.

(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.

Pacheco Boulevard Improvements at Blum Road project (part of the AOB project titled "Pacheco Boulevard Road Widening"); This project has adequate funding to complete a planning study that is scheduled to be completed in 2025.



- (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.

An interfund transfer or loan was not made from the fund.

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

No refunds have been made to the fund.

V. CONCLUSION

The Martinez AOB program has generated revenue representing new development's proportional share of the cost of Transportation Improvements needed to mitigate transportation impacts within the Martinez AOB. Over the past five years, no such projects have been fully constructed using Martinez transportation mitigation fee revenues. Therefore, the County still requires funding from the Martinez AOB to construct the Transportation Improvements included in the Martinez program.

Looking forward to the next five years, it is anticipated that the Martinez AOB will be reevaluated and reestablished with an updated project list and an updated fee structure. If a new ordinance is adopted to update the Martinez AOB, the current fund balance will be allocated entirely to the projects listed in Table 1 if those projects are carried over to the updated project list.