



DIANNE JACOB
SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: October 24, 2007

TO: Board of Supervisors

SUBJECT: THE TRANSPORTATION IMPACT FEE: IS IT FAIR OR IS THERE A BETTER WAY? (DISTRICT: 2)

SUMMARY:

Overview

On April 13, 2005 the Board of Supervisors adopted the Transportation Impact Fee (TIF) ordinance for the unincorporated area of San Diego County. The purpose of this fee program is to comply with State law and to provide funding for the construction of transportation facilities that are needed to support the increase of traffic generated by new development.

Since the adoption of this program, there have been on-going frustrations, increasing concerns and a number of questions raised by applicants, developers, citizens and local community groups over the validity of this program. The most common concern is that the fees associated with the industrial and commercial development are too high resulting in a heavy strain on the economic growth and development in the unincorporated communities of the County.

In early January, the County of San Diego plans to respond to these growing concerns by presenting to the Board of Supervisors the results of an assessment currently being prepared on the TIF program. Today's action will direct the Chief Administrative Officer to address each question provided in this board letter (Attachment A); incorporate these findings into the County's TIF review and bring back to the Board of Supervisors in 60 days recommendations that will change the TIF program to encourage commercial and industrial development in the unincorporated areas of San Diego County.

Recommendation(s):

SUPERVISOR JACOB:

1. Direct the Chief Administrative Officer to address each question provided in this board letter (Attachment A); incorporate these findings into the County's TIF review; and bring back to the Board of Supervisors in 60 days recommendations that will change the TIF program to encourage commercial and industrial development in the unincorporated areas of San Diego County.

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Fiscal Impact:

There is no fiscal impact related to this proposal.

Business Impact Statement:

N/A

Advisory Board Statement:

N/A

BACKGROUND:

On April 13, 2005 the Board of Supervisors adopted the Transportation Impact Fee (TIF) ordinance for the unincorporated area of San Diego County. The purpose of this fee program is to comply with State law and to provide funding for the construction of transportation facilities that are needed to support the increase of traffic generated by new development.

In the past, the California Environmental Quality Act (CEQA), allowed exemptions for relatively small, “de minimus” cumulative traffic impacts. However, because of a court case rendered in 2002, these exemptions became invalid and CEQA was changed to require that all traffic impacts, no matter how minimal, be addressed and mitigated. Prior to this change in state law, the County made those “de minimus” findings on many projects, saying essentially that the traffic impacts were so minimal that no mitigation was needed. The County of San Diego can no longer take that approach and the law now requires that every new project mitigate for any cumulative transportation impacts a project may cause.

In addition, after the CEQA law changed, nearly 300 projects in the process were put on hold. These smaller projects throughout the unincorporated area were having difficulty determining and addressing cumulative traffic impacts. The costs of the required traffic studies and road improvements prevented these projects from moving forward resulting in a “de facto moratorium” on development.

Rather than shut down these projects, the Board of Supervisors addressed the change in law by establishing the Transportation Impact Fee to allow applicants the ability to deal with cumulative traffic impacts by paying a fee rather than performing expensive traffic studies and constructing expensive road improvements that, on a project by project basis, sometimes exceeded the actual cost of the project.

The purpose of the TIF program is to comply with CEQA law as it is now and provide construction funding for transportation facilities needed to mitigate cumulative traffic impacts caused by new development. The TIF fees are intended to work in conjunction with public dollars to address future road capacity needs and existing deficiencies, respectively, which will benefit those traveling on roads in the unincorporated area.

However, since the adoption of this program, there have been on-going frustrations, increasing concerns and a number of questions raised by applicants, developers, citizens and local community groups over this program. The most common concern is that the fees associated with

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the industrial and commercial development are too high resulting in a heavy strain on the economic growth and development in the unincorporated communities of the County.

For instance, individuals in the community of Ramona allege that the TIF is directly effecting the development of commercial and industrial business. The Ramona Design Review Board has made note that they are reviewing fewer and fewer projects in general. In addition, a number of applicants have communicated to me that the TIF in the Ramona area completely compromises any desire to expand existing business or construct new ones because the fees are so high that the financials of the project do not pencil out. In the end, the concerns alone do raise the question whether the TIF has been a major roadblock to commercial and industrial development in Ramona, as well as any other communities in the unincorporated areas of San Diego County?

In early January, the County of San Diego plans to respond to these growing concerns by presenting to the Board of Supervisors the results of an assessment currently being prepared on the TIF program. Today's action will direct the Chief Administrative Officer to address each question provided in this board letter (Attachment A); incorporate these findings into the County's TIF review and bring back to the Board of Supervisors in 60 days recommendations that will change the TIF program to encourage commercial and industrial development in the unincorporated areas of San Diego County.

Respectfully submitted,

DIANNE JACOB
Supervisor, Second District

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input type="checkbox"/> No
GROUP/AGENCY FINANCE DIRECTOR	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
CHIEF FINANCIAL OFFICER	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
Requires Four Votes	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
COUNTY TECHNOLOGY OFFICE	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
DEPARTMENT OF HUMAN RESOURCES	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: District 2

CONTACT PERSON(S):

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AUTHORIZED REPRESENTATIVE: _____