



SAN JOAQUIN COUNCIL OF GOVERNMENTS

Citizens Advisory Committee
San Joaquin Council of Governments
555 East Weber Avenue, Stockton, California

Wednesday, April 15, 2015
6:00 p.m.

Citizens Advisory Committee Members

Bobby Bivens (Chair)
SAN JOAQUIN COUNTY

Jim Hilson (Vice-Chair)
CITY OF LATHROP

Katrina Jaggears
LEAGUE OF WOMEN
VOTERS

Michael Carouba
BUSINESS INDUSTRY

Leonard Smith
CITY OF MANTECA

Gracie Marx
CITY OF ESCALON

Matthew Doss
CITY OF TRACY

LaCresia Hawkins
NAACP

Stephanie Hobbs
CITY OF RIPON

Richard Blackston
CITY OF LODI

Brian Young
TRANSIT ADVOCATE

Dr. Shanna Eller
UNIVERSITY OF THE
PACIFIC

Karl "Nate" Knodt
CITY OF STOCKTON

Vacant
AGRICULTURAL INDUSTRY

Michael Ballot
SIERRA CLUB

Albert Nunez
TRUCKING INDUSTRY

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Note: All items are available for action by the committee. The right hand column identifies staff recommendations.

AGENDA

- 1. Call to Order
2. Minutes: Approve Minutes of February 18, 2015 Action
3. Public Comments
4. Bike Month 2015 (McNickle) Information
5. Analysis and Determination of Unmet Transit Needs for Fiscal Year 2015 - 2016 (Meza) Action
6. Regional Transportation Impact Fee (RTIF) Jobs Balancing Investment Fund (Anderson) Action
7. Regional Transportation Impact Fee (RTIF) Program Operating Agreement (Anderson) Action
8. Information Only Items
9. Meeting Adjourned to Wednesday, May 20, 2015.

PARKING: For your convenience, parking is available in the COG Regional Center parking lot. There is additional parking available at Public Parking Lot K, located on American Street, just south of Weber Avenue.

SJCOG

Andrew T. Chesley
EXECUTIVE DIRECTOR

SAN JOAQUIN COUNCIL OF GOVERNMENTS

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555 East Weber Avenue, Stockton, California

Wednesday, February 18, 2015

ACTION MINUTES

1) Call to Order

Chair Bobby Bivens called the meeting to order at 6:00 pm.

Members Present

Gracie Marx, City of Escalon; **Richard Blackston**, City of Lodi; **Nate Knodt**, City of Stockton; **Bobby Bivens**, San Joaquin County; **Shanna Eller**, University of the Pacific; **Michael Ballot**, Sierra Club; **Matthew Doss**, City of Tracy; **Leonard Smith**, City of Manteca; **LaCresia Hawkins**, NAACP; **Stephanie Hobbs**, City of Ripon; **Brian Young**, Transit Advocate; **Katrina Jaggears**, League of Women Voters

SJCOG Staff present:

Diane Nguyen, Deputy Executive Director, Planning, Programming, and Project Delivery; Steve Dial, Deputy Executive Director/Chief Financial Officer; Kim Anderson, Senior Regional Planner; Tanisha Taylor, Senior Regional Planner

Others Present

Brain Schmidt, San Joaquin Regional Rail Commission

2) Minutes: Approve Minutes of January 21, 2015.

A motion was made and seconded to approve the minutes of January 21, 2015 (Blackston/Young). The motion passed with three abstentions (Hobbs/Marx/Young).

3) Public Comments

No members of the public made comments.

4) One Voice Regional Priority Project Submission

Steve Dial presented this item to the CAC. He reviewed the staff report and submitted project list, noting that each year the SJCOG Board endorses two to three priority projects. The staff recommendation for the upcoming One Voice trip was for the SJCOG Board to endorse the Port of Stockton West Complex Access Improvements, the Stockton Metropolitan Airport Capital Improvement Program, the San Joaquin Regional Rail Commission Altamont Capital Corridor Improvements Track Extension Project, and the San Joaquin Regional Transit District Downtown/South Stockton BRT Expansion Project. Questions from the committee centered on why projects already funded by Measure

K would also be a One Voice priority, what criteria is used to determine the priorities, and whether the trips had been successful in bringing federal dollars to the region. Mr. Dial responded that additional federal funding can take pressure off the use of local funds. Both Mr. Dial and several of the committee members that had been participants on the trip discussed how the trip is conducted and some of the benefits of making the trip that extend beyond garnering additional funding. One member suggested that in the future SJCOG or the County could consider sponsoring a CAC member on the One Voice Trip. A motion was made a seconded (Young/Blackston) to approve the staff recommendation. The motion carried with one abstention (Knodt).

5) FY 14/15 and FY 15/16 LTF Apportionment Schedule and San Joaquin Regional Rail Commission LTF Funding Request

This item was originally Agenda Item 6 – staff asked that items 5 and 6 be taken in reverse order. Steve Dial presented the staff report on this item. Mr. Dial informed the CAC that this was the follow-up item that had been discussed extensively by the committee at a previous meeting. He noted that the solution to the issue was a temporary one-year fix and that SJCOG and the affected agencies will continue to search for a more permanent solution to continuing funding shortfalls for all concerned. The temporary solution allows for completion of the Regional Transit Systems Plan which will provide some additional insight on the regional funding of transit. Committee discussion centered on the following questions/topics:

- Whether the current apportionments represented forecast or actual and why SJCOG took such a conservative approach in estimating revenue
- Whether all of the money being requested by the Rail Commission could be legitimately claimed under TDA statute, with particular emphasis on debt service versus operations
- Questions about what governing body should appropriately address the issue – whether SJCOG has discretion or whether the SJCOG Board must simply follow along with the State mandate

A motion was made and seconded (Blackston/Ballot) and passed with one abstention (Knodt).

6) SJCOG Regional Priority Setting for the Strategic Growth Council's Affordable Housing and Sustainable Communities Program

Tanisha Taylor provided the committee with a copy of a power point presentation outlining the AHSC program and the SJCOG role in what is primarily a State led process. Ms. Taylor went through the recently developed SCS consistency checklist as well as the process for SJCOG's project prioritization process. The CAC members discussed:

- The need for public health considerations to be explicitly included in the guidelines rather than being implied within other criteria, including additional points to projects with specific public health co-benefits
- Outreach to minority applicants should be a priority; some concern was expressed that the first round of funding was fast tracked without adequate time for outreach to underserved populations
- A request was made to provide a way for stakeholders to keep up with the application process as many potentially interested stakeholders may not relate to or understand SJCOG's role.

A motion was made a seconded (Blackston/Young) to support the staff recommendation and passed unanimously by the committee members present.

7) Regional Transportation Impact Fee (RTIF) Funding for San Joaquin Regional Transit District (SJRTD) Regional Transportation Center

Kim Anderson summarized the staff report for the CAC. She particularly noted that the programming of the regional share RTIF funds to this SJRTD project was part of the total package of interim solutions to the Local Transportation Fund allocation item discussed earlier by the committee. A motion was made and seconded (Ballot/Hobbs) to support the staff recommendation and passed by affirmative vote by the committee members present with one abstention (Knodt).

8) Information Only Items

The committee briefly discussed *Information Only Item 7 (c): Development of On-Call Lists of Consulting Services for Federal-Aid Projects*. It was requested that staff make every effort to insure that the request for qualifications be widely distributed to insure the greatest response and to make sure that all potential project sponsors are made aware of the lists once they are developed.

9) Member's Report/Future Agenda Items (no staff report)

Brian Schmidt of the San Joaquin Regional Rail Commission indicated that he would be happy to set up a tour of the new rail maintenance facility for a future CAC meeting. SJCOG staff will follow up with SJRRC at the request of several committee members.

10) Meeting Adjournment

The meeting was adjourned at 7:23 pm.

STAFF REPORT

SUBJECT: Bike Month 2015

RECOMMENDED ACTION: Information Only

DISCUSSION:

Mark your calendars; May is Bike Month!

Each year Commute Connection partners with local jurisdictions and employers to promote Bike to Work

Week across San Joaquin, Stanislaus and Merced Counties. This annual event is part of a nationally celebrated campaign established by the League of American Bicyclists in 1956 to promote bicycling and walking as healthy, pollution-free and efficient forms of alternative transportation.



Last year, Bike to Work Week experienced record growth with 840 commuters pledging to bike or walk to work instead of driving. This year, to align more with National Bike Month and provide commuters with more time to participate, Commute Connection is extending the campaign to reflect **Bike Month**.

Bike Month 2015 Plans

The ultimate goal for Bike Month is to motivate and support commuters in making the transition from driving alone to a viable alternative such as biking or walking. This is accomplished through the partnerships and relationships established with local businesses, organizations and jurisdictions to offer events, incentives and prizes to encourage participation and action. Community events and employer outreach are important components of Bike Month, and will be supported by a county-wide challenge and prizes.

- **Commuter Challenge:** Individuals can show their support for clean air and sustainable transportation by pledging to ride their bike or walk to work/transit at least one day during the month. Prizes will be awarded to participating individuals as an incentive to participate and as reward for their efforts, and winners will be chosen by random draw. This year's Grand Prize will be \$500 to a local bike shop of the winner's choosing. Several other prizes will be awarded including FitBit fitness trackers, spa treatments, and VISA gift certificates. Free event giveaways including t-shirts and bicycle safety items will also be provided.
- **Employer Engagement:** Companies increasingly recognize that healthy, active employees are more focused, productive and energized. Commute Connection is available to partner with interested employers for support and ideas in how to easily promote biking and walking activities at the workplace.

- Community Events: Commute Connection is partnering with jurisdictions and community groups to provide Bike to Work events and rallies. Bicyclists and walkers can stop by for snacks, coffee, giveaways, and to socialize with fellow participants.

Currently planned San Joaquin County events for 2015:

(Additional events will be added to valleybikecommute.com as they are confirmed)

City of Tracy

Tuesday, May 12th, 2015

7:00-9:00AM

City Hall

City of Stockton Bike to Work Day

Wednesday, May 13th, 2015

6:30AM – 9:00AM

Janet Leigh Plaza

City of Lodi Bike to Work Day

Thursday, May 14th, 2015

6:30-8:30AM

Veteran’s Plaza



At Stockton’s Bike to Work Day 2014

Opportunities to Engage

Local events have proven to be successful motivators for raising excitement and generating publicity around Bike Month. These events can take the form of a downtown rally, a lunchtime gathering, energizer stations along popular commute routes, or a ride-along with a Mayor or public official. Commute Connection is available to partner with agencies and employers for successful Bike to Work events in the following ways:

Public Agency/Employer Engagement

- Assign a Bike to Work coordinator
- Work with local bike shops and organizations to identify a central meeting location to coordinate a Bike to Work Day rally
- Solicit local vendors to donate items to be distributed at central event
- Organize a bike convoy to work/event
- Recruit a bike to work champion (mayor, public official, executive) to lead a route to work or to a central event
- Issue a “Bike to Work Day” proclamation

Commute Connection Support

- County-wide bicycle commuter raffle
- Dedicated website promoting events and resources
- Route-mapping assistance for events
- Promotional items for events
- Posters/Flyers
- On-site table exhibit at community and employer events (depending on availability)
- Assistance with development of proclamation
- Presentations at City Council meetings and to community groups
- Dedicated website: ValleyBikeCommute.com

Commute Connection looks forward to partnering with jurisdictions and employers to establish Bike Month as the premiere healthy commute event for the region.

Prepared by Kari McNickle, Regional Planner, SJCOG



STAFF REPORT

SUBJECT: Analysis and Determination of Unmet
Transit Needs for Fiscal Year 2015-2016
Final Report

RECOMMENDED ACTION: Approve the Report

DISCUSSION:

SUMMARY:

San Joaquin Council of Governments (SJCOG) staff has completed the draft Analysis and Determination of Unmet Transit Needs representing fiscal year (FY) 2015-2016. The Transportation Development Act (TDA), (Sec 99238 (C)(1) and (C)(2)), assigns the Social Services Transportation Advisory Committee (SSTAC) with the responsibility of initially reviewing and approving the region's unmet transit needs (UTN) report along with any resolutions outlining findings and conclusions. In addition, after considering the available information, the SJCOG Board of Directors is required to annually adopt unmet transit needs findings for each agency that claims TDA funds. The SSTAC UTN Advisory Committee will meet in April 2015 to review public comments received during the FY 2015-2016 UTN cycle. The FY 2015-2016 UTN report can be viewed online at <http://www.sjcog.org/ArchiveCenter/ViewFile/Item/144>.

RECOMMENDATION:

Approve the report.

FISCAL IMPACT:

Allow claimants to claim Transportation Development Act funds for the Fiscal Year of 2015-2016.

BACKGROUND:

Each year, pursuant to the Transportation Development Act (TDA) statute, SJCOG must conduct an analysis and determination of unmet transit needs that may exist in the San Joaquin County region. If unmet transit needs are identified, a further analysis must be conducted to determine whether the needs are reasonable to meet. If a documented unmet transit need is found within a specific jurisdiction that meets the test of "reasonable to meet," the following will occur:

- A. The jurisdiction's TDA Local Transportation Funds (LTF) must be used to rectify an unmet transit need prior to using these funds for non-transit purposes such as maintenance of streets and roads; and,

- B. The addition and/or modification of the existing transit system(s) must be considered in order to resolve an unmet transit need.

The annual UTN assessment requires SJCOG to conduct, at minimum, the following:

1. Ensure that several factors have been considered in the planning process, including: size and locations of groups likely to be transit dependent, adequacy of existing services, and potential alternative services / service improvements that could meet all or part of the travel demand.
2. Hold a public hearing to receive testimony on unmet needs.
3. Determine definitions for “unmet transit needs” and “reasonable to meet”.
4. Adopt a finding regarding unmet transit needs and allocate funds to address those needs, if necessary, before allocating TDA funds for street and roads.

The required information must be documented and submitted to the State Department of Transportation before August 15th of the fiscal year of allocation. The FY 2015/16 Unmet Transit Needs findings for each jurisdiction are summarized below.

City of Escalon:	<i>There are no unmet transit needs.</i>
City of Lathrop:	<i>There are no unmet transit needs.</i>
City of Lodi:	<i>There are no unmet transit needs.</i>
City of Manteca:	<i>There are unmet transit needs that are not reasonable to meet at this time.</i>
City of Ripon:	<i>There are no unmet transit needs.</i>
City of Tracy:	<i>There are unmet transit needs that are not reasonable to meet at this time.</i>

In addition to providing transit service to the Stockton urbanized area, the San Joaquin Regional Transit District (RTD) is responsible for providing intercity, regional, and interregional transportation. The examination of unmet transit needs is correlated with the specific RTD service. The FY 2015/16 findings are summarized on the following page.

Stockton Metropolitan Area (SMA) Fixed Route Service:	<i>There are no unmet transit needs.</i>
SMA Dial-A-Ride Services:	<i>There are no unmet transit needs.</i>
Intercity Services/Hopper (Regional):	<i>There are unmet transit needs that are not reasonable to meet at this time.</i>
Non-Taxi Paratransit Services (Regional):	<i>There are no unmet transit needs.</i>
County-Wide General Public Dial-A-Ride (GP/DAR):	<i>There are no unmet transit needs.</i>
Interregional Services:	<i>There are unmet transit needs that are not reasonable to meet at this time.</i>
Other Transit Services	<i>There are no unmet transit needs.</i>

Community Outreach Efforts

The FY 2015/2016 Unmet Transit Needs process began in August 2014. A wide variety of community outreach efforts were employed to supplement and enhance the traditional public hearing process. These efforts were intended to promote additional opportunities for the public to provide their input in the event they were unable to attend a public hearing. Examples of this effort include:

- ✓ Distribution of brochures and flyers to public / private / non-profit agencies throughout San Joaquin County.
- ✓ Direct letters to community agencies and member jurisdictions.
- ✓ Mass email mailings utilizing the SJCOG Commute Connection commuter database.
- ✓ Use of the City of Lathrop's utility bill mailing to distribute flyers to its citizens.
- ✓ An online interactive (also downloadable) survey posted on the SJCOG website.
- ✓ UTN announcements on member jurisdiction websites with survey links.
- ✓ Announcements of public hearings in local newspapers.
- ✓ Community outreach presentations (fairs, events and groups)

In addition, SJCOG staff coordinated with local jurisdictions and partner agencies to schedule public hearings to receive public comments on the existing transit needs. A total of eighteen (18) public hearings were held throughout the region for the FY 2015/16 UTN process. This year's outreach efforts produced input from 132 individuals totaling 146 comments. Of the 146 comments, 26 did not identify a deficiency within the existing transit system. Of the remaining 120 comments; 93 are considered operational in nature, 13 are addressed by the existing transit system, and 14 were considered unmet transit needs.

Unmet Transit Needs Definition and Reasonableness Criteria

The definition of an unmet transit need, as adopted by the SJCOG Board (2006), is as follows:

- ❖ UNMET TRANSIT NEEDS are defined as transportation services not currently provided to those residents who use or would use public transportation regularly, if available, to meet their life expectations. This includes, but is not limited to: trips for medical and dental services, shopping, employment, personal business, education, social services, and recreation.

An unmet transit need that meets the definition above and meets all of the following SJCOG Board-established criteria (2006) shall be considered reasonable to meet:

1. Community Acceptance - There should be a demonstrated interest of citizens in the new or additional transit service (i.e. multiple comments, petitions, etc.)
2. Equity - The proposed new or additional service will benefit the general public, residents who use or would use public transportation regularly, the elderly population, and persons with disabilities.
3. Potential Ridership - The proposed transit service will maintain new service ridership

performance measures, as defined by the Social Services Transportation Advisory Committee (SSTAC).

4. Cost Effectiveness - The proposed new or additional transit service will not affect the ability of the overall system to meet the applicable Transit Systems Performance Objectives or state farebox ratio requirement after exemption period, if the service is eligible for the exemption. The Transit Systems Performance Objectives are defined as 1) operating cost per revenue hour, 2) passengers per revenue hour, and 3) subsidy per passenger. If the exemption is not used, the service must meet minimum applicable Transit Systems Performance Objectives or farebox ratio return requirements as stated in the TDA statutes. Cost effectiveness is not applicable to transit services operating within an exemption period.

5. Operational Feasibility - The system can be implemented safely and in accordance with local, state, and federal laws and regulations.

6. Funding - The imposed service would not cause the claimant to incur expenses in excess of the maximum allocation of TDA funds.

SSTAC UTN Advisory Committee Determinations and Findings

SJCOG staff met with the SSTAC Unmet Transit Needs subcommittee on January 21, 2015 to review and evaluate the public comments received for this cycle. The committee reviewed and compared the comments received to the following:

- Whether the comment meets the definition of an unmet transit need or not
- Whether the comment can be served by the existing transportation system or not
- Whether the comment met the six reasonableness criteria or not

Following the initial review of the comments, the SSTAC Unmet Transit Needs subcommittee further determined one of the following findings for each jurisdiction:

1. There are no unmet transit needs;
2. There are no unmet transit needs that are reasonable to meet; or,
3. There are unmet transit needs, including needs that are reasonable to meet.

A summary of the determinations and findings for each jurisdiction is listed below. For a more detailed description please refer to Chapters Five and Six of the draft UTN report.

City of Escalon:

There are no unmet transit needs.

City of Lathrop:

There are no unmet transit needs.

City of Lodi:

There are no unmet transit needs.

City of Manteca

There are two Unmet Transit Needs in the City of Manteca. One is the need for a stop at the Manteca Post Office and the other is a shuttle between Manteca and Lathrop. However, these unmet needs were determined “not reasonable to meet” during this cycle because of low potential ridership and demand levels, as well as not meeting cost-effectiveness criteria. The City of Manteca will further evaluate the demand for establishing service to the southeast area of the city in the next Short Range Transit Plan update anticipated in 2015.

City of Ripon:

There are no unmet transit needs.

City of Tracy:

There is an unmet need identified to offer transit service from Tracy to Modesto/Manteca. However, the unmet need was determined “not reasonable to meet” during this cycle because low potential ridership and demand levels, as well as not meeting cost-effectiveness criteria. The City of Tracy will further evaluate the demand for establishing service to the southeast area of the city in the next Short Range Transit Plan update anticipated in 2015.

Stockton Metropolitan Area (SMA) Fixed Route Service

There are no unmet transit needs for the SMA Fixed Route Service. SJCOG conducted the Unmet Transit Needs Process and comments were provided for greater SMA weekend coverage and evening service hours. The UTN advisory committee found these comments to be operational in nature.

Intercity Services/County Hopper (Regional)

There are unmet transit needs identified for connectivity between Lathrop, Escalon, Tracy, Manteca, and Modesto. However, these unmet needs “are not reasonable to meet” during this cycle because potential ridership and demand levels, as well as not meeting cost-effectiveness criteria. RTD will continue to examine the feasibility of adding this service.

Non-Taxi Paratransit Services (Regional)

There are no unmet transit needs.

County-Wide General Public Dial-A-Ride (GP/DAR)

There are no unmet transit needs.

Other Transit Services

There are no unmet transit needs.

Prepared by: Daniel Meza, Regional Planner

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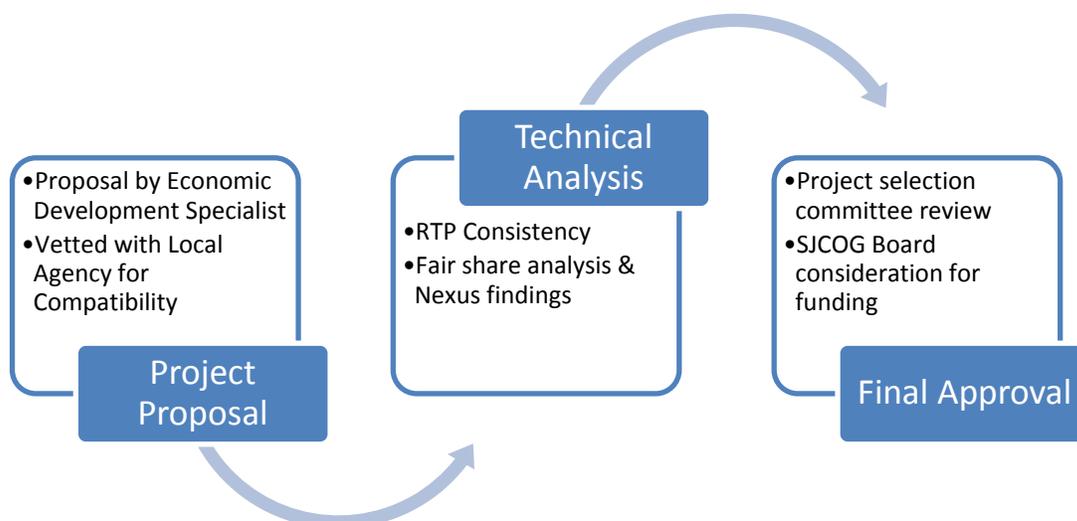
STAFF REPORT

SUBJECT: Regional Transportation Impact Fee (RTIF)
Jobs Balancing Investment Fund

RECOMMENDED ACTION: Recommend to the SJCOG Board Adoption of the Jobs Balancing Investment Fund Interim Guidelines and Interim Implementation Addendum to the 2011 RTIF Update

SUMMARY:

In October 2014 the SJCOG board approved creating an economic incentive program called the Jobs Balancing Investment Fund utilizing Regional Transportation Impact Fee Program (RTIF) funds. To insure that the proposed program would meet the strict nexus requirements of AB 1600 (the Mitigation Fee Act) and the overall intent of the RTIF program, SJCOG obtained consultant assistance from Kittelson Associates, Inc. and Urban Economics. The consultant team, in conjunction with SJCOG staff and legal counsel, prepared an addendum to the 2011 RTIF Update with the required nexus findings to allow interim implementation of the program. Thus, initial implementation will be accommodated within the current nexus technical analysis and funding capacity identified in the 2011 RTIF update (and subsequent addendums) and incorporated into a concurrent update of the RTIF Operating Agreement, also before the committee this month. Full implementation will occur as part of the second required 5-year program update in 2016. Program guidelines are included in the staff report. The addendum with the required nexus findings is attached to the staff report. The project consideration and approval process is summarized in the graphic below.



RECOMMENDATION:

The staff recommendation is that the committee recommend to the SJCOG Board the adoption of the Jobs Balancing Investment Fund Guidelines as presented in the staff report and adoption of the Interim Implementation Addendum to the 2011 RTIF Update, included as Attachment 1.

FISCAL IMPACT:

The work required for the creation of the economic incentive program is being conducted in conjunction with the legislatively required AB 1600 update. FY 14/15 costs for this task will result in the expenditure of approximately \$6,000 in previously collected third-party costs. This carry-over will be exhausted this fiscal year. The remainder of the previously approved consultant contract for both this task and the full RTIF update will result in the billing of approximately \$93,000 in third-party costs to signatories to the RTIF Operating Agreement in June 2015 to cover tasks to be completed in FY 15/16. Other eligible billable third party costs such as legal and auditing fees will be estimated and also billed at that time. The creation of this program may result in the expenditure of up to \$1 million annually in regional share RTIF on eligible projects.

DRAFT GUIDELINES:

Background

Over the past several years the SJCOG Board of Directors has discussed the creation of a funding program to promote job development in San Joaquin County. The argument has been that the best way to reduce vehicle miles of travel by San Joaquin County residents is to have expanded employment opportunities within the county, thus reducing the length of trips. The argument is sound, but the existing and projected trend in San Joaquin County, as articulated by the University of the Pacific Business Forecasting Center, is a continuing deficit of jobs to population growth. Cities are taking steps to make their communities more attractive to potential employers looking to relocate or expand. However, the San Joaquin Council of Governments has not had such a program. While investments in transportation improvements through Measure K, Proposition 1B, and other funding sources are intended to attract economic growth, these are generally larger scale and not strategic in nature. In other words, their value is broad based and not specific to a particular potential employer. The RTIF Jobs Balancing Investment Fund provides an essential strategic funding mechanism to assist in attracting employers to the region and providing additional opportunities for San Joaquin County residents to both live and work in the same region, consistent with the policies and strategies in SJCOG's long-range transportation planning document, the Regional Transportation Plan.

These guidelines, the attached Jobs Balancing Investment Fund Interim Implementation Addendum to the 2011 RTIF Update, and concurrent revisions to the RTIF Operating Agreement, form the foundation of the interim implementation of the program.

Program Overview

Purpose: The purpose of the program is to provide transportation project funding that may serve as part of a package of economic incentives to encourage job-creating firms to locate in San Joaquin County. The new economic incentive program provides the SJCOG Board, in conjunction with the San Joaquin Partnership and other economic development specialists, with a more tactical tool to attract employers to the region. Investments in transportation infrastructure will be made from this fund in order to supplement or enhance capital or capacity enhancing operational improvements needed by firms to locate in the area.

Annual Program Maximum: \$1 million

Individual Project Maximum: \$500,000

Eligible Projects: A variety of projects meeting the specific criteria indicated in the Jobs Balancing Fund Interim Implementation Addendum may be funded. Examples include Intersection/Traffic Control Devices, Turn Lanes, STAA Truck Routes, Transit Facilities, Biking or Walking Facilities on or supporting congestion relief on the RTIF network.

Program Funding:

SJCOG oversees a “regional share” component of the RTIF funding. The “regional share” is further divided between transit and highway projects. Of the total 15%, 5% is designated for transit and 10% for highway, interchange, and regional roadway projects. The type of project proposed will dictate which category of funding is used. The San Joaquin COG Board has full discretion over the investment of these dollars in transportation projects based upon the adopted RTIF Operating Agreement among all member jurisdictions.

The maximum funding for any single project is \$500,000, up to \$1 million annually. Any funding not utilized during the year will remain in the regional share pool and be available for funding other projects meeting the inclusion criteria as designated in the RTIF Technical Report and the RTIF Operating Agreement.

Project Proposal: Project Eligibility

The projects proposed must meet the following criteria:

- (a) The project is on or supports (within a half-mile buffer) the adopted Regional Transportation Network;
- (b) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report;
- (c) If the project does not meet the criteria in the Operating Agreement for Highway, Interchange, and Regional Roadway Improvements or Public Transit Improvements, it must be screened against the additional specific criteria for the Jobs Balancing Investment Fund in the attached addendum to the 2011 RTIF Update and an appropriate finding made;

(c) The project has been reviewed and recommended for funding by the RTIF Project Selection Committee;

(d) The project is being funded by the SJCOG 15% regional share available to be programmed to eligible projects by the SJCOG Board of Directors

Project Proposal: Selecting Employment Opportunities

A committee of three professionals with economic development responsibilities and/or experience staffed by a COG staff member will review opportunities for investments brought forward for consideration. The committee chair will be the CEO of the San Joaquin Partnership. The other two members of the committee will be mutually agreed upon by SJCOG staff and the committee chair and confirmed by the SJCOG Board. The committee is known as the RTIF Project Selection Committee. Within the first 30 days of program implementation, the committee will meet and propose minimum economic development/job creation standards for reviewing project proposals. The selection of projects to be funded would proceed as follows:

- 1) Project proposal by the San Joaquin Partnership or other Economic Development Specialist
- 2) Project is screened by SJCOG staff for:
 - Consistency with the currently adopted Regional Transportation Plan
 - Consistency with the affected jurisdiction's currently adopted planning documents
 - Consistency with Mitigation Fee Act Fair Share and Nexus Findings as detailed in currently applicable RTIF Technical Report as amended.
- 3) Project proposal is reviewed by the Project Selection Committee and recommended for funding.
- 4) The SJCOG Board considers the project for incentive funding.

Interim Program Review

Besides the criteria contained in these guidelines and the accompanying technical documents, two additional criteria will be essential: 1) regional geographic diversity, and 2) well qualified and vetted proposals. As part of the pending 2016 Update to the RTIF, the extent to which the Jobs Balancing Investment Fund is meeting the SJCOG Board's expectations will be evaluated and any needed changes will be incorporated into the full implementation of the program as part of that update.

NEXT STEPS:

Prior to the SJCOG Board meeting in April, SJCOG staff will:

- Finalize selection committee membership
- Update program funding availability
- Finalize the attached Draft Addendum to the 2011 RTIF

- Finalize the Draft Revised RTIF Operating Agreement (also before the committee as a separate item)

Comments and actions of the standing committees will be reported to the SJCOG Board on April 30 when the Board considers the interim guidelines, the Jobs Balancing Investment Fund Interim Implementation Addendum to the 2011 RTIF Update, and Revised RTIF Operating Agreement for approval.

The full program implementation will occur as part of the ongoing second five-year update to the RTIF program to be completed in 2016.

Attachments:

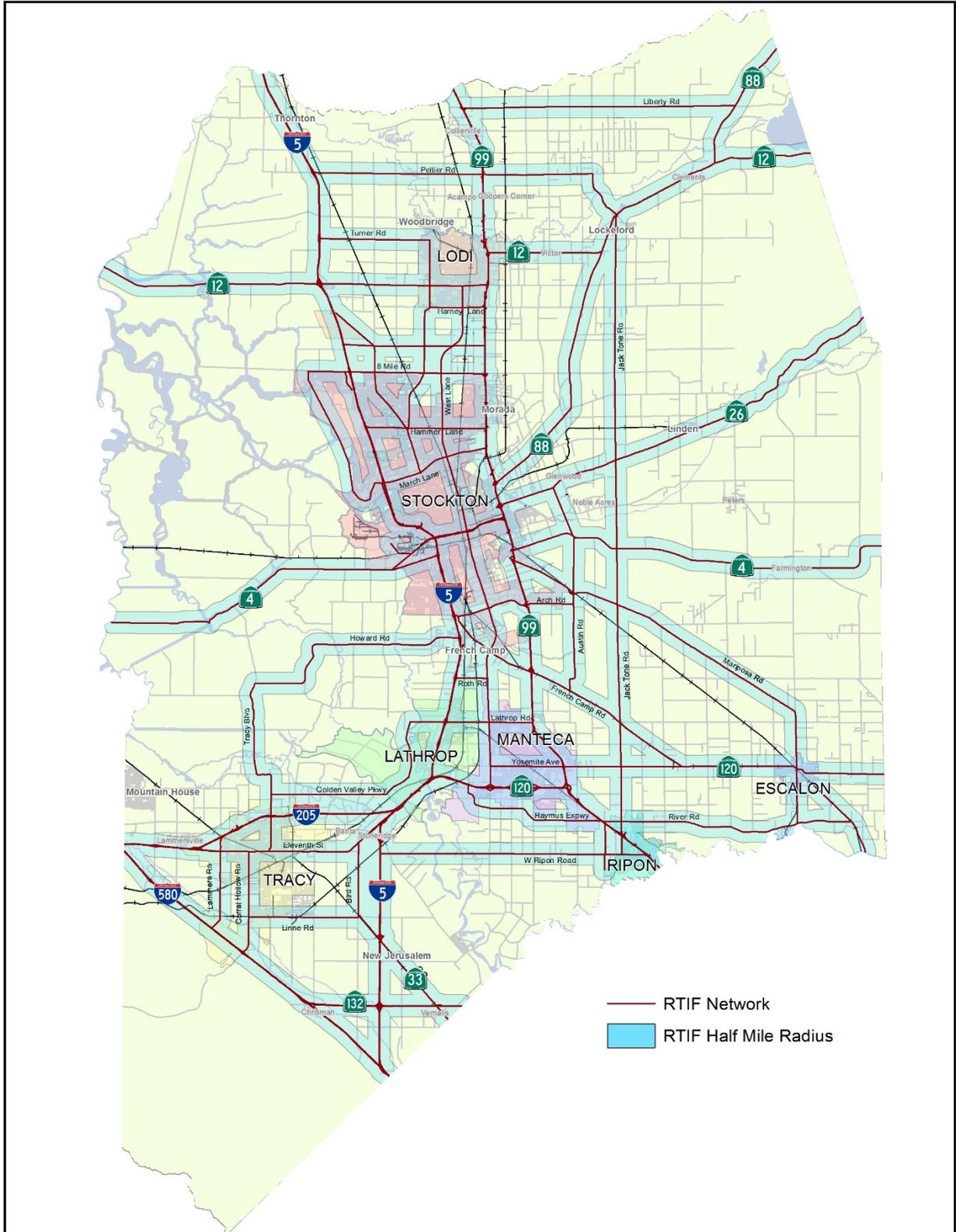
Attachment 1: Jobs Balancing Investment Fund Interim Implementation Addendum to the 2011 RTIF Update

Attachment 2: Map of Jobs Balancing Investment Fund Project Opportunity Areas

Prepared by: Kim Anderson, Senior Regional Planner and Andrew T. Chesley, SJCOG Executive Director

**ATTACHMENT 1: Jobs Balancing Investment Fund Interim
Implementation Addendum**

Attachment 2: Map of Jobs Balancing Investment Fund Project Opportunity Areas



STAFF REPORT

SUBJECT: Regional Transportation Impact Fee (RTIF)
Program Operating Agreement

RECOMMENDATION: Recommend Approval of the Revised RTIF
Operating Agreement for Adoption by
Resolution by SJCOG Member Agencies

SUMMARY:

There were several administrative changes to the RTIF program as the result of the 2011 program update and a subsequent addendum to the update in 2014. The majority of these changes were reviewed by the SJCOG standing committees and the SJCOG Board in September 2014; however the Operating Agreement was not finalized at that time pending additional technical analysis required to implement the new economic incentive funding program. That technical work has now been completed. This staff report highlights the changes to the Operating Agreement; a full copy of the document, with areas of substantive change highlighted, is included as an attachment to the staff report. Areas highlighted in yellow reflect administrative changes made and reviewed in September 2014; areas highlighted in green are new changes to the agreement to support implementation of the Jobs Balancing Investment Fund.

RECOMMENDATION:

Recommend that the SJCOG Board approve the revised RTIF Operating Agreement for release to SJCOG member agencies for adoption by resolution.

FISCAL IMPACT:

The changes to the operating agreement related to the annual adjustment of the fee schedule will cause an increase in the amount of RTIF revenue collected in the current fiscal year.

The revision of the RTIF Operating Agreement is being accomplished as part of a previously approved consultant contract that has been programmed into both the FY 14/15 and FY 15/16 Overall Work Program. Both the consultant contract and legal fees associated with the update are third party costs to the program. Since the previous carry-over of third party costs will be fully expended this fiscal year, per the Operating Agreement, SJCOG will estimate and bill signatories to the agreement for anticipated FY 15/16 third-party costs in June 2015.

BACKGROUND:

SJCOG conducted the first five-year review and update to the RTIF program as required by AB 1600 in 2011. Subsequently, in 2014, an addendum to the 2011 update was necessary to, among other items, clarify the language for the RTIF annual fee adjustment. Some of the changes in the technical analysis were put into place upon approval of the 2011 RTIF update and the subsequent 2014 Addendum by the SJCOG Board. For clarity, SJCOG legal counsel recommended that the changes be carried through to the Operating Agreement. A draft of the revised Operating Agreement was circulated for review in September 2014; however, it was not finalized at that time pending additional technical analysis for a new RTIF economic incentive funding program. The additional technical work has now been completed.

The Operating Agreement was last executed in 2005 and had not been amended. It requires re-circulation to all member agencies (signatories on the Operating Agreement).

The following is a list of the changes to the Operating Agreement. A full copy of the document with appropriate sections highlighted is included as an attachment to this staff report.

- Clarified language for the RTIF annual fee adjustment to specify use of a simple three-year rolling average based on the California Construction Cost Index (CCCI).
- Clarified the definition of the Warehouse and Industrial land-use categories.
- Added language clarifying the “per trip” calculation for trip generating land-uses that do not conform to other land-use categories as specified in the technical analysis.
- Clarification of language related to consistency with Regional Transportation Plan (RTP) and the certified Environmental Impact Report (EIR).
- Change in timing of program fee payments from quarterly to semi-annual, to be accompanied by semi-annual reporting by February 28th and August 31st of each year.
- Change in required reporting to SJCOG Board from semi-annual to annual, by October 15th of every year.
- Change in the project selection criteria for economic incentive funding to include the criteria for a new category of projects funded by the Jobs Balancing Investment Fund. These changes are based on a second technical addendum to the 2011 update that is included in a related item also before the committee – Regional Transportation Impact Fee (RTIF) Job Balancing Investment Fund.

If approved by the SJCOG Board, the amended operating agreement will be circulated to each member agency for review and potential adoption by the individual governing boards/city councils. Because this is an SJCOG effort, SJCOG staff will take the lead in reaching out to the local jurisdictions to get this calendared on the respective agendas and SJCOG staff will be presenting the item (if requested by the jurisdiction).

NEXT STEPS:

Should the SJCOG Board approve the changes, the revised RTIF Operating Agreement will be circulated to member agency governing boards/city councils for approval.

Staff Report prepared by: Kim Anderson, Senior Regional Planner

**SAN JOAQUIN COUNTY
REGIONAL TRANSPORTATION IMPACT FEE PROGRAM
OPERATING AGREEMENT**

THIS REGIONAL TRANSPORTATION IMPACT FEE PROGRAM OPERATING AGREEMENT (“Agreement”) dated as of the Effective Date is made by and between the San Joaquin Council of Governments (“SJCOG”), and the following eight public agencies located within San Joaquin County (collectively the “Participating Agencies”), including, the County of San Joaquin (“County”), the City of Escalon (“Escalon”), the City of Manteca (“Manteca”), the City of Lathrop (“Lathrop”), the City of Lodi (“Lodi”) the City of Ripon (“Ripon”) the City of Stockton (“Stockton”), and the City of Tracy (“Tracy”) (the identified cities are hereinafter collectively the “Cities”).

RECITALS

WHEREAS, SJCOG has the responsibility as the region’s designated Metropolitan Planning Organization and through its powers as specified in its joint powers agreement to maintain and improve the Regional Transportation Network; and

WHEREAS, the Participating Agencies and SJCOG find that future development within the County of San Joaquin will result in traffic volumes in excess of capacity on a regional system of highways, interchanges, and local roadways; and,

WHEREAS, the Participating Agencies and SJCOG find that failure to expand the capacity of the existing circulation system will cause unacceptable levels of congestion on the Regional Transportation Network; and,

WHEREAS, the Participating Agencies and SJCOG find that existing and future sources of revenue are inadequate to fund substantial portions of the Regional Transportation Network improvements needed to avoid unacceptable levels of congestion and related adverse impacts; and,

WHEREAS, SJCOG, following extensive analysis and consultations with the Participating Agencies and other stakeholders, has prepared a Regional Transportation Impact Program Fee Technical Report (“RTIF Technical Report”) that establishes a nexus between new development and its impacts (increased travel demand, reductions in service levels, and the need for capital improvements) upon the Regional Transportation Network; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that the RTIF Technical Report has determined the extent to which new development of land will generate traffic volumes impacting the Regional Transportation Network and have determined that the Regional Transportation Impact Fee Program (“RTIF Program”) establishes a fair and equitable method to fund costs of transportation improvements necessary to accommodate the traffic volumes generated by future development of land within each City and the County; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that the RTIF Program is necessary to help mitigate the impact of new development on the Regional Transportation Network and along with other transportation funding mechanisms, in providing for the construction of improvements to accommodate traffic generated by land development; and,

WHEREAS, the Participating Agencies and SJCOG have determined that it is in their best interest to join together to administer the funds provided by the RTIF Program and to authorize SJCOG to manage the RTIF Program for the San Joaquin County region; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that in order to serve the purposes described herein, additional funding, other than that received from the RTIF Program is necessary and must be obtained and each party agrees to cooperate in obtaining additional funding; and,

WHEREAS, the Participating Agencies and SJCOG find and declare SJCOG prepared, adopted and certified in July 2004 a Final Program Environmental Impact Report (“EIR”) for the 2004 Regional Transportation Plan, State Clearing House number 2003082053. , The RTIF Program, as adopted in 2005, relied on and was consistent with this previously prepared, approved and certified EIR.

WHEREAS, the Participating Agencies have adopted or will adopt a Regional Transportation Impact Program Fee (“RTIF Program Fee” or “RTIF Fee”) pursuant to their authority to protect the public health, safety, and welfare consistent with the provisions of California Government Code Section 66000 et seq.; and,

WHEREAS, the integrity and success of the RTIF Program is dependent upon all Participating Agencies and SJCOG working cooperatively with each other in order to fulfill their obligations faithfully and promptly; and,

WHEREAS, funds collected pursuant to the Participating Agencies’ ordinances and/or resolutions adopting the RTIF Program are to be held and expended by the Participating Agencies and SJCOG as specified herein.

AGREEMENT

Now, therefore, in consideration of the mutual promises and undertakings herein made and the mutual benefits to be derived therefrom, the parties hereto represent, covenant and agree as follows:

SECTION 1. PURPOSE

1.1. The RTIF Program requires management procedures that assure that the objective of the RTIF Program is achieved. Specifically, the RTIF Program objective is to obtain funding from development projects that have an impact upon the Regional Transportation Network and to integrate these funds with federal, State, and other local funding to fund transportation improvements identified in the RTIF Program. While the RTIF Program and the RTIF Program

Fee will be imposed and collected by the Participating Agencies, the RTIF Program will be managed by SJCOG for the benefit of the entire County region.

1.2. This Agreement defines the terms of the required management procedures for Participating Agencies and SJCOG including specifications regarding levy and collection, administration, project selection, fund management, appropriation of fee funds, and ongoing technical review and updating.

SECTION 2. DEFINITIONS

2.1. "Development Project" or "Project" means any project undertaken for the purpose of development including the issuance of a permit for construction or reconstruction, but not a permit to operate.

2.2. "Industrial Project" means any Development Project that proposes manufacturing, transportation or logistics as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference. Examples of the industrial land-use category are printing, material testing, assembly plants, manufacturing plants (where raw materials or parts are converted to finished products) and utilities.

2.3. "Measure K" means the San Joaquin County Transportation Authority Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance which establishes and implements a retail transactions and use tax, as may be extended from time to time.

2.4. "Multi-Family Residential Unit" means a Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.5. "Non-Conforming Land Use" is any Development Project not adequately represented by the six land use categories called out in this agreement. This is typically a non-retail, non-residential development project that has minimal or no building area and yet would generate impacts at a level that is significantly more than represented in the RTIF fee schedule. Examples of these are projects related to mining, intermodal facilities, agriculture, and outdoor recreation. For these projects a "per trip" calculation is included in the fee schedule.

2.6. "Office Project" means any Development Project that involves business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal and laundry services, or similar uses, and religious centers as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.7. "Warehousing Project" means any Development Project that is primarily devoted to the storage of materials. Examples of warehousing land-uses include self-storage facilities, distribution centers (used for storage of finished material prior to their distribution to retail centers or other storage facilities, data centers, agricultural storage, refrigerated/cold storage, and

wrecking yards. Other examples are contained in Exhibit “A” hereto and incorporated herein by reference.

2.8. “On-Going Third Party Costs” means costs to implement the program associated with outside professional services secured by SJCOG. Examples of third party professional services include, but are not limited to the following: a) Conducting RTIF program review every five years in accordance with California Government Code Section 66000 et seq.; b) Technical support (e.g., nexus analysis); c) Legal Fees; and, d) Annual fiscal audit.

2.9. “Participating Agencies” means the County of San Joaquin and each of the cities situated in San Joaquin County if such agencies have (1) adopted the RTIF Program Fee by ordinance and/or resolution and (2) entered into this Agreement.

2.10. “Regional Transportation Impact Fee Program” or “RTIF Program” is the regional program established by this Agreement by the Participating Agencies and SJCOG to impose, collect and distribute a RTIF Fee to assist in the funding of transportation improvements to the Regional Transportation Network.

2.11. “Regional Transportation Impact Program Fee” or “RTIF Program Fee” or “RTIF Fee” means the fee established by each Participating Agency consistent with this Agreement to implement the RTIF Program.

2.12. “Regional Transportation Network” means the regional network of highways and arterials as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG.

2.13. “RTIF Capital Projects” or “Capital Projects” or “RTIF Project List” is the RTIF Program improvements and projects as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG’s adoption and amendment of a “RTIF Capital Projects Report.”

2.14. “RTIF Capital Projects Report” means the report adopted by SJCOG annually which identifies the RTIF Capital Projects as amended from time to time consistent with Section 9 of this Agreement.

2.15. “RTIF Technical Report” means the San Joaquin County Regional Transportation Impact Fee RTIF Technical Report dated October 2005, and prepared pursuant to California Government Code, Section 66000 et seq., the Mitigation Fee Act.

2.16. "Residential Dwelling Unit" means a building or portion thereof which is designed primarily for residential occupancy by one family including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.

2.17. "Retail Project" means any Development Project that retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise at a fixed point of sale as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.18. "Single-Family Residential Unit" means the use of a parcel for only one residential dwelling unit as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

SECTION 3. FEE RATE

3.1. RTIF Program Fees and Annual Adjustment. The RTIF Program Fee shall be adjusted annually. Annual adjustments to the RTIF Program Fee shall be adjusted by each Participating Agency on an annual basis at the beginning of each fiscal year (July 1). The annual adjustment shall be calculated by SJCOG as the arithmetic average of the annualized percentage change of the Engineering News Record California Construction Cost Index (CCCI) for each of the three most recent years. For example, for the 14/15 fiscal year adjustment, the adjustment calculation would be:

<i>Year</i>	2014	2013	2012	2011
<i>CCCI Index (April)</i>	5956	5786	5740	5636
<i>Annual % Change</i>	2.94%	0.80%	1.85%	N/A

3-Year Average 1.86%

Changes to the annual adjustment methodology or index will be considered during each five-year RTIF review as specified in Section 8.1. However, changes to the annual adjustment methodology or index may be instituted as needed, with approval of the SJCOG Board of Directors, without necessitating a change in the operating agreement. Based on the annual adjustment methodology noted, the fee schedule for fiscal year 2014/2015 is as follows:

RESIDENTIAL		NON – RESIDENTIAL				
Single Family	Multi-Family	Retail	Office	Industrial	Warehouse	Non-Conforming
\$3,084.58	\$1,850.75	\$1.23	\$1.55	\$0.93	\$0.39	\$136.10
DUE	DUE	Square Foot	Square Foot	Square Foot	Square Foot	Per Trip

The RTIF fee collected is based on the predominant use of the project or addition. General definitions and examples for each land-use category are included in Section 2 and Exhibit "A" of

this agreement. Within these parameters, application of the appropriate fee is determined by the local agency at the time of permit issuance.

SECTION 4. COLLECTION OF RTIF PROGRAM FEES

4.1. Payment of RTIF Program Fees. Payment of the RTIF Program Fees shall be as follows:

- (a). The RTIF Program Fees shall be paid at the time of issuance of a building permit for the Development Project, or as otherwise required or permitted pursuant to Government Code section 66007.
- (b). The amount of the RTIF Program Fees shall be the fee amounts in effect at the time of payment.
- (c). RTIF Program Fees shall not be waived or subject to negotiation.

4.2. Payment by all Development Projects. Except as otherwise expressly provided by this Agreement, the RTIF Program Fee imposed by all Participating Agencies shall be payable by (1) all Development Projects within the jurisdiction of the Participating Agency for which building permits or other entitlements for Development Projects are issued on or after the effective date of the adoption of the RTIF Program Fee by the Participating Agency, and (2) all Development Projects within the Participating Agency for which building permits or other entitlements for Development Projects were issued prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency and which permits or entitlements were issued subject to a condition requiring the developer to pay a RTIF Program Fee to be imposed upon such Development Project within the jurisdiction of the Participating Agency.

4.3. Exemptions from the RTIF Program Fee. The following Development Projects shall not be subject to the RTIF Program Fee:

- (a). The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing legal dwelling unit, including an expansion of an existing dwelling unit that does not create an additional dwelling unit.
- (b). The rehabilitation and/or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
- (c). Development Projects for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete on or prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency.
- (d). Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq. prior to the effective date of the initial adoption of the RTIF Program Fee by the Participating Agency (2005),

wherein the imposition of new fees are expressly prohibited by the development agreement, provided, however, that if the term of such a development agreement is extended after the effective date of the adoption of the RTIF Program Fee, the RTIF Program Fee shall be imposed.

4.4. Future Development Agreements. All future development agreements entered into by the Participating Agencies shall require the full payment of the RTIF Program Fee.

4.5. Payments for non-residential projects. For non-residential projects the amount of the fee imposed on the entire Development Project shall be determined based upon (1) the gross floor area and (2) the predominant use of the building or structure as identified in the building permit.

4.6. Payment for mixed use projects. For mixed land use projects, which are projects that have both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the following:

- (a) The fee associated with the type of residence; and,
- (b) The predominant use of the non-residential portion of the project.

4.7. Previously Paid RTIF Program Fees. In the event that RTIF Program Fees have previously been paid for an existing building which is a new Development Project with a new or different RTIF Fee category, the previously paid RTIF Program Fees for that existing building shall be credited against the amount of the RTIF Program Fee attributable to the new Development Project, up to the amount of the previously paid RTIF Program Fee. A rebate will not be granted if the change in land use represents a lower fee.

SECTION 5. DISTRIBUTION OF RTIF PROGRAM FEES

5.1. Purpose of RTIF Program Fees. Except as otherwise provided in this Agreement, all RTIF Program Fees received by each Participating Agency or SJCOG shall be used solely for the purpose of funding Regional Transportation Network projects as specified in the RTIF Technical Report and which are included within the RTIF Capital Projects Report. Each Participating Agency and SJCOG may spend RTIF Program Fees held by that entity on RTIF Capital Projects at the discretion of that entity.

5.2. Distribution of Fee Revenue. All fees collected by each Participating Agency pursuant to the RTIF Program Fee shall be distributed as follows:

- (a). Ten (10) percent of the amounts collected by the Cities shall be paid directly to the County on a semi-annual basis for the purpose of funding RTIF Capital Projects within the County of San Joaquin.

(b). Ten (10) percent of the amounts collected by each Participating Agency shall be paid directly to SJCOG on a semi-annual basis for the purposes of funding state highway improvements on the RTIF Project List.

(c). Five (5) percent of the amounts collected by each Participating Agency shall be paid directly to SJCOG on a semi-annual basis for the purposes of funding transit improvements on the RTIF Project List.

(d). Semi-annual payments shall be received no later than February 28th and August 31st with a collection period of July 1st – December 31st and January 1st – June 30th ., respectively. Each payment shall be accompanied by a report that shall specify the amount of RTIF Program Fee revenue collected and the corresponding fee generating activity, including such information as the types of permits issued by land-use category, developer credits and reimbursements granted, RTIF Program revenue applied to RTIF Capital Projects, and the amount of RTIF Program fees forwarded to the County and SJCOG as appropriate.

(e). Seventy Five (75) percent of the amounts collected by each city shall be retained by each city collecting such funds for the purposes of funding RTIF Capital Projects, and Eighty Five (85) percent of the amounts collected by the County shall be retained by the County for the purposes of funding RTIF Capital Projects. In the event a Participating Agency determines it does not want to retain or manage this portion of the RTIF Program Fees, the Participating Agency may provide this portion of the RTIF Program Fees to SJCOG for administration to assist with the construction of Capital Projects on behalf of the Participating Agency.

SECTION 6. ADMINISTRATIVE COSTS

6.1. Participating Agency Administrative Costs. The amount of RTIF Program Fee funds that are permitted to be used by each Participating Agency to cover ongoing administrative costs of implementing the RTIF Program shall be limited to up to two (2) percent of the first one million dollars (\$1,000,000) retained each year by each City pursuant to subdivision (e) of section 5.2 of this agreement or received each year by the County pursuant to subdivisions (a) and (e) of section 5.2 of this Agreement. In addition, each Participating Agency may use up to one (1) percent of the amounts retained or received each year in excess of the initial one million dollars (\$1,000,000).

6.2. SJCOG Administrative Costs. The amount of RTIF Program Fee funds permitted to be used by SJCOG to cover ongoing administrative costs of implementing the RTIF Program shall be limited to up to two percent (2%) of the first one million dollars (\$1,000,000) received each year by SJCOG pursuant to subdivision (b) and (c) of section 5.2 of this agreement and up to one percent (1%) of the amounts received each year in excess of the initial one million dollars (\$1,000,000).

6.3. On-going Third Party Costs. On-going third party costs approved by the SJCOG Board of Directors to regionally implement the RTIF Program will be paid to SJCOG by each Participating Agency and SJCOG on an annual basis. The amount of on-going third party costs

each Participating Agency and SJCOG shall pay is based on percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. These payments for the on-going third party costs shall not be considered administrative costs and shall not be subject to the limitations provided in sections 6.1 and 6.2 of this Agreement.

6.4. Legal Challenges. In the event that any Participating Agency and/or SJCOG is subject to a legal challenge of the RTIF Program then all Participating Agencies and SJCOG will be responsible for the costs associated with such legal challenge. At the time of such legal challenge the Participating Agencies and SJCOG will coordinate the defense of such legal challenge and the costs incurred for such legal challenge will be the responsibility of the Participating Agencies and SJCOG based on percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. For the purposes of this section 6.4, a legal challenge of the RTIF Program is limited to a challenge to either (a) the legal ability to adopt or impose the RTIF Program; or (b) the validity of the RTIF Technical Report. This section 6.4. will not apply to any legal challenge due to the manner of implementation of the RTIF Program that is either unique to a Participating Agency or that is not consistent with the provisions of this Agreement.

SECTION 7. ADMINISTRATION OF THE RTIF PROGRAM

7.1. RTIF Account or RTIF Funds. All fees collected pursuant to the RTIF Program Fee by each Participating Agency shall be deposited in a RTIF account or RTIF fund and shall not be commingled with other funds of the Participating Agency. The contents of this RTIF fund shall be designated solely for the purpose of contributing to the financing of the RTIF Capital Projects included in the RTIF Capital Projects Report and for the funding of incidental administrative costs. Any interest income earned on the RTIF fund shall also be deposited therein and shall only be expended for the purposes as set forth in this Agreement.

7.2. Prohibition on Interfund Transfers or Loans. Notwithstanding subsection (b)(1)(G) of section 66006 of the Government Code there shall be no interfund transfer, grant or loan of the RTIF Program Fees or RTIF fund or RTIF account to other accounts, funds, programs or fees. However, a Participating Agency may provide loans, grants or transfers of RTIF Program Fees to other Participating Agencies or SJCOG provided that such funds are consistent with the RTIF Program and used for the development or construction of RTIF Capital Projects.

7.3. Annual Reports. By October 15th of each year, SJCOG shall prepare and deliver to the Executive Director of SJCOG an annual report consistent with the requirements of the Mitigation Fee Act (Gov. Code §§ 66000 et seq.) The annual report, which will be reviewed by the SJCOG Board of Directors, shall specify the amount of RTIF Program Fee revenue collected and the corresponding fee generating activity, including, such information as the types of permits issued by land use category, developer credits and reimbursements granted, RTIF Program revenue applied to RTIF Capital Projects, and the status of RTIF Program fees forwarded to the County and SJCOG by the Cities. For purposes of preparing the annual reports to satisfy the requirements of the Mitigation Fee Act, SJCOG and the County shall coordinate with and provide to each Participating Agency in a timely manner, and no later than August 31st of each

year, all necessary information regarding the RTIF Program funds held by SJCOG and the County that were distributed to the County and SJCOG from the Participating Agencies pursuant to section 5.2 of this Agreement.

7.4. Annual Audit. The RTIF Program financial activity for each Participating Agency and SJCOG shall be reviewed annually by **December 31st** of each year by an independent certified public accountant selected and retained by SJCOG.

7.5. RTIF Program Administrator. SJCOG is the monitor of the RTIF Program and will monitor all fee revenue generated pursuant to the RTIF Program as reported semi-annually by all Participating Agencies.

SECTION 8. PERIODIC REVIEW OF RTIF PROGRAM FEES

8.1. Except as otherwise provided in Section 3.1 of this Agreement, the RTIF Program Fee shall not be adjusted during the first five years following the Effective Date of this Agreement. Thereafter, the RTIF Program Fee shall be evaluated, and adjusted accordingly, by all Participating Agencies and SJCOG every five (5) years to reflect the projected revenues generated or any other local or new funding sources, and to reflect changes in actual and estimated costs of the RTIF Capital Projects including, but not limited to, debt service, lease payments and construction costs. This evaluation shall include the report required by the Fee Mitigation Act (Gov. Code §§ 66000 et seq.) which includes, but is not limited to, all of the following information:

- (a). Identifies the purpose (project need) to which the fee is to be put;
- (b). Demonstrates a reasonable relationship between the fee and the purpose for which it is charged;
- (c). Identifies all sources and amounts of funding anticipated to complete financing in incomplete improvements;
- (d). Commits RTIF Program funds to RTIF Capital Project(s) and indicates that such funds are expended or reimbursed within the time periods established by the Fee Mitigation Act requirements; and,
- (e). Identifies the RTIF Capital Projects to be constructed, the estimated costs of the RTIF Capital Projects, the costs to be funded by the RTIF Program Fee revenue, and the availability or lack thereof of other funds with which to construct the Regional Transportation Network.

8.2. If the periodic reports prepared pursuant to section 8.1 above demonstrates a need, the Participating Agencies, in coordination with SJCOG, may consider modifying the RTIF Program Fee amount to insure that it is a fair and equitable method of distributing the costs of the improvements necessary to accommodate traffic volumes generated by future growth.

8.3. SJCOG and the County shall coordinate with each Participating Agency in the preparation of the periodic reports required by Section 8.1 of this Agreement and the Fee Mitigation Act, and provide any and all information and/or commitments necessary regarding RTIF Program fees distributed to SJCOG and the County from the Cities. In the event RTIF Program fees must be refunded pursuant to section 66001 of the Government Code, SJCOG and the County will provide to each City for refund any proportional share of RTIF Funds that must be refunded that were distributed to SJCOG and/or the County by each City.

SECTION 9. SJCOG CAPITAL PROJECTS SELECTION.

9.1. RTIF Capital Projects Report. SJCOG will be responsible for establishing and maintaining the RTIF Project List. From time to time, at the request of a Participating Agency, and at least annually, SJCOG shall review the RTIF Capital Projects Report to add, modify, or remove RTIF Capital Projects. Each Participating Agency will have the opportunity to suggest changes to the Capital Projects within the RTIF Program at this time. SJCOG will make any and all changes to the Capital Projects Report annually taking into consideration the comments received from each Participating Agency consistent with the screening criteria contained within the RTIF Technical Report.

9.2. Project Inclusion Criteria. The technical basis of the RTIF Program is a list of road improvement projects identified as Capital Projects within the Regional Transportation Network which are eligible and appropriate for funding from the RTIF Program. The inclusion criteria used to select the RTIF Capital Projects are as set forth in the RTIF Technical Report. It is the application of these criteria that assure adherence to the required nexus principles. Modification to the inclusion criteria will require approval by resolution of all Participating Agencies and an update of the RTIF Technical Report.

9.3. Selection of New Capital Projects. Any new projects recommended for listing as a RTIF Capital Project must be modeled and screened consistent with the requirements of the Mitigation Fee Act (Gov. Code §§ 66000 et seq.) criteria for establishing a rational nexus. In addition, new projects added to the RTIF Project List must meet all of the following criteria:

9.3.1. Highway, Interchange, and Regional Roadway Improvements

- (a) The project is on the adopted Regional Transportation Network;
- (b) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report; and,
- (c) The project involves a capacity improvement of one or more through travel or passing lanes, or auxiliary lanes (i.e. turn lanes). This criterion shall not be applied to interchange improvement projects.

9.3.2. Public Transit Improvements

- (a) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report; and,

- (b) The project involves an improvement to an existing or a new service/facility which connects at least two (2) or more cities or regions.

9.4. Jobs Balancing Investment Fund Improvements. This category provides funding for transportation projects that support non-residential development projects considered a high priority to meet economic development policy objectives. Funding for these projects shall come from the “regional” share component of RTIF funding overseen by SJCOG. The maximum funding for any single project is \$500,000; the annual program maximum is \$1,000,000. Funding limits may be revised by the SJCOG Board. Use of these funds shall be consistent with the adopted RTIF nexus study and compliant with the Mitigation Fee Act. These improvements must meet the following criteria:

9.4.1. If the improvement is an RTIF Capital Project and is scheduled for delivery within the time frame evaluated in the RTIF Technical Report, the project may be funded with RTIF revenues up to the fair share total costs identified for the project.

9.4.2. If the improvement is not an RTIF Capital Project, the project must meet one or more of the following:

(a) The improvement is on the RTIF Network;

(b) The improvement provides a benefit to or supports improvement to the RTIF Network as set-forth in the currently adopted RTIF Technical Analysis.

(c) The RTIF Network is amended to include the improvement;

(d) If the improvement does not meet the criteria for 9.3.1., 9.3.2., 9.4.1. or 9.4.2, the improvement shall be screened against the criteria set forth in the Jobs Balancing Investment Fund Interim Implementation Addendum to the 2011 RTIF Update or currently adopted RTIF Technical Analysis, and appropriate findings made to support the adopted RTIF nexus study.

In addition to meeting at least one of the criteria set forth in (a) – (d), the improvement must be reviewed and recommended for funding by the RTIF Project Selection Committee.

9.5. Inclusion in Regional Transportation Plan. Prior to receiving any RTIF Program Fee revenue a project must be identified in the SJCOG Board approved Regional Transportation Plan (RTP) and the RTIF Project List.

9.6. RTIF Project Management. Each City is responsible for managing and delivering RTIF interchange and regional roadway projects located within its incorporated boundaries, except as otherwise specifically agreed to by such city. The County is responsible for managing and delivering RTIF Projects located within the unincorporated area of the county, except as otherwise specifically agreed to by the County.

SECTION 10. CREDITS AND REIMBURSEMENTS

10.1. Reimbursements and Credits. In the event that RTIF Capital Projects are constructed by a developer in excess of the Development Project's RTIF Program Fee obligation or in lieu of payment of RTIF Program Fees by a developer pursuant to an agreement between the developer and the Participating Agency, the developer may be reimbursed or credited for future application for any costs based on the actual costs of construction of the RTIF Capital Project incurred by the developer in excess of the amount the RTIF Program Fees that apply to the Development Project. Reimbursements shall be enacted pursuant to an agreement between the developer and the Participating Agency contingent on payment of funds when available for reimbursement to the developer. In all cases, however, reimbursements to developers pursuant to any agreement must be consistent with construction of the transportation improvements as scheduled in the RTIF Capital Projects Report.

SECTION 11. EXISTING REGIONAL TRANSPORTATION FEES

11.1. Each Participating Agency shall evaluate and adjust, if necessary, its existing local fee program(s), if any, associated with regional traffic impacts to determine continued compliance with the Fee Mitigation Act due to the adoption of the RTIF Program.

SECTION 12. WITHDRAWAL

12.1. For reasons pertaining to the lack of direct benefit, a Participating Agency may elect to withdraw from the RTIF Program upon providing one year written notice to SJCOG and each Participating Agency. If the Participating Agency has accrued RTIF Program Fee revenue, all funds plus interest earned shall be expended on RTIF Capital Projects by the Participating Agency or by any Participating Agency or SJCOG.

SECTION 13. MISCELLANEOUS

13.1. Effective Date. This Agreement shall be effective and all Participating Agencies and SJCOG shall be authorized to proceed under this Operating Agreement at the date in which

this Agreement has been executed by the San Joaquin County Board of Supervisors, the City Councils of each of the Cities, and SJCOG.

13.2. Partial Invalidity. If any one or more of the terms or provisions of this Agreement shall be adjudged invalid, unenforceable, void or voidable by a court of competent jurisdiction, each and all of the remaining terms and provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

13.3. Amendments. Any amendments to this Agreement shall be made by the SJCOG and all Participating Agencies.

13.4. Enforcement. It shall be the responsibility of the Participating Agencies and SJCOG to adopt, implement, and maintain the RTIF Program consistent with the terms of this Agreement.

13.5. Execution. The Board of Supervisors of the County of San Joaquin, the City Councils of the Cities, and the Board of Directors of SJCOG have each authorized execution of this Agreement as evidence by the authorized signatures below.

13.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

<u>PARTY</u>		<u>DATE OF APPROVAL</u>
Board of Supervisors, County of San Joaquin		
By		
Chair		Date
Attest:		
Clerk of the Board		
City Council, City of Escalon		
By		
Mayor		Date
Attest:		

City Clerk		
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City Council, City of Lathrop		
By		
Mayor		Date
Attest:		
City Clerk		
City Council, City of Lodi		
By		
Mayor		Date
Attest:		
City Clerk		
City Council, City of Manteca		
By		
Mayor		Date
Attest:		
City Clerk		
City Council, City of Ripon		
By		
Mayor		Date

Attest:		
City Clerk		

City Council, City of Stockton		
By		
Mayor		Date
Attest:		
City Clerk		
City Council, City of Tracy		
By		
Mayor		Date
Attest:		
City Clerk		
San Joaquin Council of Governments		
By		
Board Chair		Date
Attest:		
Interim Executive Director		

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DRAFT

EXHIBIT A

RTIF LAND USE FEE CATEGORY SUMMARY

RESIDENTIAL

Single-Family Dwelling

A single family dwelling is defined as a residence designed for or occupied exclusively as a residence for one family; including a vacation home or seasonal dwelling and is located on one parcel.

Multi-Family Dwelling

Multi-family dwellings are defined as single structures designed for and/or constructed to contain two (2) or more dwelling units which share common walls (i.e., rowhouse, townhouse, duplex, triplex, quadraplex, condominium, apartment complex). When an existing single-family dwelling is converted into two (2) or more dwellings, it will be reclassified and subject to the multi-family dwelling regional fee. As a planned development containing two (2) or more residences, mobile homes parks are considered multi-family dwellings. A “commercial apartment” dwelling located within a commercial building is classified as a multi-family dwelling.

NON-RESIDENTIAL

Relationship of businesses to RTIF non-residential land use categories are based on the North American Industry Classification System (NAICS)

Retail

Sector comprises establishments engaged in retailing merchandise, generally without transformation and rendering services incidental to the sale of merchandise—fixed point of sale location. NAICS Sectors 44 & 45 represents the retail industry. Examples of retail businesses include:

- Garden material and garden supply dealers
- Food and beverage stores (i.e., grocery stores, specialty food stores, beer/wine/liquor stores)
- Health and personal care stores
- Gasoline stations
- Motor vehicle and parts dealers
- Furniture and home furnishing stores
- Electronics and appliance stores
- Clothing and clothing accessories stores

- Sporting goods, hobby, book and music stores
- General merchandise stores
- Miscellaneous store retailers
- Non-store retailers such as electronic shopping and mail-order houses, direct selling establishments

Office/Service

Sector comprises finance, insurance, real estate professional, scientific and technical services, research and development, administrative & support services, education, health care and social assistance and other such as repair & maintenance, personal & laundry, and religious centers, including churches. NAICS Sectors 51 – 72, 81 & 92 represents the office industry. Examples of office related businesses include:

- Publishing industries, except Internet
- Motion picture and sound recording industries
- Broadcasting, except Internet
- Internet publishing and broadcasting
- Telecommunications
- Internet Service Providers, search portals, and data processing
- Other information services such as libraries and archives, news syndicates
- Monetary authorities such as banks, credit unions, credit card issuing services, sales financing, mortgage and non-mortgage loan brokers
- Securities, commodity contracts, investments
- Insurance carriers and related activities
- Funds, trusts, and other financial vehicles
- Real estate
- Rental and leasing activities
- Lessors of non-financial intangible assets
- Professional and technical services such as legal, accounting, engineering, design, consulting, research and development, advertising services
- Management of companies and enterprises
- Administrative and support services such as employment, business support (i.e., call centers, collection agencies), travel arrangement and reservation services, services to buildings and dwellings (i.e., janitorial, landscaping, pest control, carpet cleaning)
- Waste management and remediation services
- Educational services
- Health care and social assistance
- Hospitals
- Nursing and residential care facilities
- Social assistance (i.e., child/youth services, services for the elderly and persons with disabilities, shelters, food banks, vocational rehabilitation services, day care)
- Art, entertainment, and recreation
- Museums, historical sites, zoos, and parks
- Amusements, gambling, and recreation

- Accommodation and food services (i.e., traveler accommodations such as hotels and motels, bed-and breakfast inns, RV parks, rooming and boarding houses)
- Food services and drinking places (i.e., caterers, mobile food services, drinking places of alcoholic beverages, and full service restaurants)

Warehouse

The warehouse land use category should be applied to projects that are primarily devoted to the storage of materials, but they may also contain ancillary industrial, office, or maintenance areas. When the associated industrial, office, or maintenance area is primary rather than ancillary, the industrial or office categories should be used. NAICS sector 493 represents the warehouse land-use category. Examples include:

- Self-storage facilities
- Distribution centers (used for storage of finished material prior to distribution to retail centers or other storage facilities)
- Data centers (primarily used for off-site storage of computer systems, components, and data systems)
- Agricultural storage
- Refrigerated/Cold storage
- Wrecking yards

Industrial

RTIF land use category of industrial may be properly applied to a wide range of uses containing a mix of manufacturing, industrial, and warehouse. includes establishments engaged in the mechanical, physical, or chemical transformation of components into products to include construction engaged in buildings and other structures. The industrial land use category also includes establishments engaged in wholesaling merchandise, generally without transformation and rendering services incidental to the sale of merchandise including industries providing transportation of passengers and cargo, and scenic and sightseeing transportation. The NAICS Sectors 21, 22, 23, 31 through 33, 42, 48 & 49 (with the exception of NAICS 493 – warehousing and storage) represents the industrial land use category. Examples of industrial related businesses include:

- Utilities (i.e., power generation and supply, natural gas distribution, water treatment plants)
- Construction of buildings
- Heavy and civil engineering construction
- Specialty trade contractors such as roofing, sheet rock, framing contractors
- Building and equipment contractors
- Building finishing contractors
- Other specialty trades such as residential and non-residential site preparations
- Food manufacturing (i.e., animal, flour, rice, breakfast cereal, dairy products, bakeries, nuts)

- Beverage and tobacco product manufacturing
- Textile and textile product mills
- Apparel manufacturing
- Leather and applied product manufacturing
- Wood product manufacturing
- Paper Manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Nonmetallic mineral product manufacturing (i.e., glass, cement & concrete, clay, lime/gypsum)
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer and electronic product manufacturing
- Electrical equipment and appliance manufacturing
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing (i.e., medical equipment, jewelry, sporting goods, signage)
- Merchant wholesalers of durable and non-durable goods (i.e., motor vehicles and parts, furniture, lumber, paper, clothing, petroleum bulk stations and terminals)
- Electronic markets and agents and brokers
- Air, rail, water, truck, pipeline, scenic/sightseeing transportation
- Transit and ground passenger transportation
- Support activities for transportation

ANNUAL STATE OF THE REGION DEMOGRAPHIC UPDATE



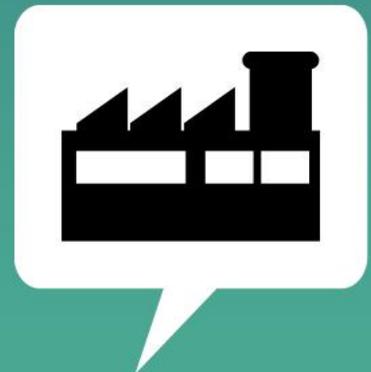
SAVE THE DATE! JUNE 24, 2015



HOUSING



POPULATION

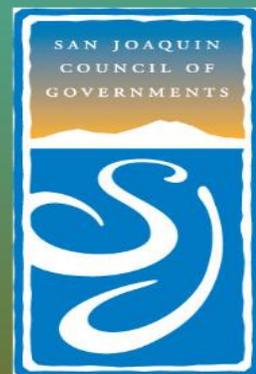


JOBS

Join the SJCOG Census Data Center and University of the Pacific Center for Business & Policy Research for a discussion of the latest trends and forecasts on topics such as commuting, population growth, job creation and more! This will be a MUST attend event...

Eberhardt School of Business

**Center for Business
& Policy Research**



Event will be held at the SJCOG Regional Center at 555 E. Weber Avenue, Stockton. Additional details coming soon! Contact SJCOG staff Kim Anderson (Anderson@sjcog.org) or David Ripperda (ripperda@sjcog.org) to be added to an email list.