

**FIX 5 EXECUTIVE COMMITTEE MEETING
WEDNESDAY, AUGUST 2, 2006
2:00 P.M.
CITY OF REDDING COMMUNITY ROOM**

MEETING NOTES

The following Executive Committee members were present:

Scott Morgan	City of Anderson
Kurt Starman	City of Redding
John Blacklock	City of Red Bluff
Gary Antone (for Bill Goodwin)	Tehama County Public Works
Dan Kovacich (for Larry Lees)	Shasta County
Dennis Daily (for Carol Martin)	City of Shasta Lake Public Works
Steve Kimbrough	City of Corning

The following people were present:

Dan Little	Shasta County RTPA
Dan Wayne	Shasta County RTPA
Janie Coffman	Shasta County RTPA
Patrick Minturn	Shasta County Public Works
Glenn Hawes	Shasta County Board of Supervisors/RTPA Chair
John Mathena	Redding City Council
Barry Tippin	City of Redding
Brian Crane	Caltrans District 2
Tim Huckabay	Caltrans District 2
Scott White	Caltrans District 2
Kathy Grah	Caltrans District 2
Mark Barthel	City of Red Bluff
Robert Christianson	City of Tehama
John Brewer	City of Corning

The meeting was called to order at 2:07 p.m.

Introductions were made all around the room.

Dan Little explained the history of the Fix 5 Partnership. Meetings were held in Shasta County with the City Managers and CAO, and presentations were made to the City Councils and Board of Supervisors. Dan noted that the grant has been secured and that this was the first meeting moving forward.

Dan continued to explain that the agenda has background information reflecting earlier discussions that RTPA staff has had with Caltrans. It also has questions that this committee can help answer. Dan noted that the Executive Committee consists of the City Managers and CAOs within Shasta and Tehama Counties.

Dan explained there has been a climate change of conditions that has brought us to where we are with Interstate 5 (I-5). The congestion on I-5 is building and if you drive it you can start to see it – not only on I-5 but on local roads as well. Dan continued to note that there are major building projects that will be adding to the change and accelerating the congestion on I-5.

There are also California Environmental Quality Acts requirements for projects concerning I-5 and litigation is becoming more common when there is no real comprehensive program in place. In addition, there are funding issues to address. Dan continued that I-5 is important to the state and federal government as it is the backbone of California and goods movement.

Dan explained that Caltrans applied and secured a \$585,000 grant to be used over two years. There was a lot of competition for the grants; however, Caltrans was able to get the grant because of the partnership developed between agencies in Shasta and Tehama counties.

Brian Crane noted that I-5 is the backbone of interregional travel and goods movement on the west coast. State and federal interest is high. It has become a regional and local tool of mobility in this area. Congestion is being experienced in a number of different areas and it is going to get worse. Traffic volumes south of Red Bluff is somewhere in the neighborhood of 29,000 cars a day. North of Red Bluff it jumps to 38,000, Cottonwood is 45,000, Anderson is 50,000, Bonneyview is 59,000, Cypress jumps up to 70,000 cars a day then starts to drop down at Oasis with 50,000 and 24,000 north of Shasta Lake. Brian continued to note that interregional travel is a big part of what is happening on I-5. With development happening and on the horizon it is just going to get worse. As development progresses it is estimated that more than 100,000 cars a day will travel on I-5.

Brian continued to state that the level of service is being affected. Sometimes the speed limit drops to 10 miles below the speed limit largely because of congestion. More than that, if a truck pulls into the fast lane, it slows everyone down. There are level of service problems between Bonneyview and downtown Redding.

Brian explained level of service (LOS) A, B, C, D, E and F. Level A, people are driving at 70 mph with plenty of capacity. As there are more vehicles the speed starts to slow down. When capacity is reached it gets to service of level E. When the speed decreases, the capacity also decreases. Once a point is reached of stop and go traffic the whole system backs up as the speed and capacity drops to zero. LOS F will be experienced in Shasta and Tehama counties within the next 20 years.

Dan Little provided background information on funding and how things got to where they are today. He explained the flat gas tax, highway maintenance costs, escalated project costs, construction costs, lack of local dedicated revenue sources for I-5, local growth, and changes in commute patterns. All of this added together contributes to the present condition on I-5.

Dan explained the mission statement and asked the Executive Committee if it was the direction that the study should go.

Dan Kovacich asked about traffic impact fees (TIF) in the mission statement.

Dan Little explained that they are trying to develop a fee that everyone is on board with, to have full participation.

Steve Kimbrough noted that it would help if everyone would buy into the traffic impact fees.

Dan Little reviewed the goals: Level of service, economic opportunity, safety, engage the public, fair share funding, leverage of state and federal funds, framework for partnership, CEQA reviews, and data gathered from the study. Dan asked if there were any comments or anything needing to be added.

Kurt Starman inquired about the private sector being involved.

Dan Little answered that the private sector would be involved at several levels, such as the Technical Advisory Committee.

Dan Little explained the grant study scope and asked two questions – what to be studied and what to be funded. He noted that obviously the mainline of Interstate 5 needs to be studied. It was suggested to limit the scope, by not studying all the interchanges, just the areas that impact I-5 mainline traffic. Local roads also need to be looked at, such as Airport Road, Hwy. 273 and 299; these are part of the solution in reducing congestion on I-5.

Dan continued to state that in the recommendation for funding, it is recommended that interchange improvements that help the mainline be the only ones funded. If a financial plan were done including traffic impact fees and state and federal funding – it would focus on I-5 mainline improvements and interchange improvements to reduce mainline congestion.

Dan continued to state that another question is what to fund as far as local roads, such as Airport Road, Highway 99 West, and Highway 273. It is recommended to keep the scope of study manageable and keep any kind of traffic impact fee amount manageable. This program is meant to fund projects that slip through the cracks of local transportation impact fees. None of the local impact fees address I-5 mainline improvements - they address local roads. Dan suggested that local roads not typically covered by a local TIF could be included in the I-5 TIF. A test was suggested to determine if something should be funded with the I-5 TIF. It should be funded if 1) it substantially alleviates I-5 mainline congestion, 2) it serves regional traffic and is not strictly a local road and 3) the improvement would not typically be funded by local programs.

Steve Kimbrough stated that as they get closer to an understanding on what supporting roads would fit these criteria, it would be good to look at the same kind of share basis that we have with the state and feds and see what the local governments are doing to alleviate problems on that road.

Steve noted that he would not want to see local roads or collectors or arterials built in the county areas, like Tehama County, where right now they have no fees at all. Steve stated that in Corning their economy is dependent on I-5. I-5 is the key economic feature for the local government in Corning. It gives them the highest per capita sales tax in the north state.

John Mathena noted that he found it hard to charge an impact fee to a new house that may not impact I-5.

Dan Little noted that there will be zones of benefit that will rely on the traffic model. Some areas would have lower fees and other areas would have no fee.

Discussion was held concerning traffic impact fees.

Steve Kimbrough noted that an advantage is each of the agencies has a set development fee that helps cover the cost of the impact of development. The nice thing about this process is that they are not expecting to foot the full bill for I-5 improvements. They have the ability of using this money to leverage state and federal funding.

Patrick Minturn noted that he envisioned each jurisdiction collecting the fees that would be

dedicated for use on the I-5 corridor. They could only be used for that purpose, otherwise it would not be lawful to collect the fee. Once the fee is collected, it stays in the pocket of that agency, so there would have to be some negotiation beyond that. Patrick continued to note that this is only a way to collect these fees initially. Maybe there would be negotiated agreements whereby the Bonnyview interchange would be proposed as a project and perhaps the City of Redding would step up and say we have two million dollars in our traffic impact fee for I-5. We are willing to put in a million dollars of our local traffic impact fee, and we think the county may have some benefit out of this and perhaps even the City of Anderson. Patrick noted that he does not see this going into a single pot and does not see the local agencies giving up all control. Local agencies would just be saying in effect that they acknowledge there is this need. It is a way the local agencies can resolve the issue in their environmental documents for each project to say the money is being set aside. But the actual nuts and bolts of exactly what will get built is deferred to another day and would still be under the control of each elected body.

Dan Kovacich asked what the current view is on the statewide perspective on funding interchange improvements.

Brian Crane answered that has to do with interregional STIP dollars. A small amount of money is for congestion improvements – 25% of it is for Caltrans. There are so many needs statewide. Using that money to solve mainline congestion problems when the interchange is more for access to our local facilities becomes a local problem not a statewide interregional problem. The state is in a position where it is not using that 25% to do interchange improvements unless it can be shown to benefit some interregional needs.

Dan Little noted that there are jurisdictions now that have programs for interchanges or are developing programs for interchanges.

Barry Tippin discussed smoothing the CEQA review process. He noted that anytime you have a development that may trip the threshold on a ramp or impacts, not because they added substantial volume, but because they took a threshold by litigation perspective, they would have to do fairly substantial improvements to an interchange. There is no mechanism for reimbursement without a fund source. Otherwise, it would fall through the cracks because there is a huge infrastructure cost and most development won't be able to swallow that.

Dan Little stated that given limited funding from the grant, staying within the budget is one of the big considerations.

Barry Tippin asked if there could be a mechanism by which they could attach the general fee to interchange usage within a jurisdiction. A specific interchange would have to be used throughout that jurisdiction for uses to improve the interchange. Barry noted that the I-5 corridor does not matter if they cannot improve the interchanges so that when a project gets approved they can get the traffic on I-5.

Tim Huckabay noted that one of the things that is needed in the nexus study is to define what the improvement is and how much the improvement would cost. To do that for all the interchanges is very heavily tied to what kind of development and how intense development is going to be to trigger the need. He noted that if you go into a very detailed study on the interchanges; that could take up most of the grant resources available.

Barry Tippin noted that the fee does not necessarily have to cover the entire cost of the improvement. It could be established as a match or a portion of an improvement, providing other sources come forward - such as other development monies.

Steve Kimbrough noted that other counties have been successful in addressing the issue of the freeways and the interchanges. They used consultants and did a lot of work in-house. Steve continued to note that the interchanges need to be included in the study. Whether or not to be able to afford to fund them is another issue that will be for the part of the study that includes the financial experts.

Dan Little noted that there is no harm in including the studying of the whole interchange if it can fit in under the price tag of the grant.

Steve Kimbrough noted that at least it would be known that if there is no longer going to be STIP funding, what could be done about it? Can it be addressed by other means? Can enough money be collected to at least be able to attract and leverage state and federal money? A little bit of money might go a long way.

Patrick Minturn noted that on the Cottonwood study Gas Point, Main Street and Deschutes interchanges were done. Between the three, \$50,000 or more was spent on each one to study. Patrick stated that there was some question in his mind if the study can broaden out to encompass more than one or two specific, strategic interchanges.

Tim Huckabay stated that he thought it was not to necessarily include the interchanges in the study or do the detail work, but get the consultant on board and ask how to include the interchanges - not necessarily to do the studies, because all the interchanges cannot be studied.

Dan Little noted that the study will try to do as much as possible given the grant money that they have.

Tim Huckabay noted that staff would do the technical studies, like traffic volumes. The consultant would be doing public awareness, polling and helping to put together the funding side of the packet. Traffic projections and similar things would be done in-house including the engineering work required to come up with some reasonable estimates.

Dan Little discussed the financing plan, a quick overview of the state and federal funding sources – STIP, SHOPP, state bonds and federal earmarks.

John Mathena asked about lobbying the federal government. He noted there is a lot of money to be had that is being missed out on.

Dan Little discussed needing local sources for leveraging. The local options for funding are TIF's and sales tax.

Dan Kovacich stated that he raised the possibility of a sales tax measure at an RTPA meeting a few years ago and it got thrown out for a lack of a motion.

Dan Little noted that TIF's cannot be used for maintenance, etc, however, sales tax could be. However the reality is a sales tax won't pass until congestion gets bad enough.

Dan Little stated that a traffic impact fee program is the best immediate solution. Traffic impact fee fair shares will vary by jurisdiction. TIF is only one part of the whole funding strategy; it is not the end all. The TIF shows a partnership, a commitment to participate in Interstate 5. Dan continued to note that the timing is good for a TIF – congestion is high, the economy is turning around creating funding opportunities and large projects are being proposed. The Governor's bond has money for a Corridor Mobility Improvement Program. Shasta and Tehama County have a good chance to compete for that money. Dan continued to note that there is talk about not funding the environmental component. The TIF would be needed to help fund environmental work.

Dan Little discussed an interim fee. He noted that one issue that he has run into when developing local traffic impact fee programs is interim development happening in the meantime. The developers themselves are struggling with how to pay for their fair share. A simple traffic impact fee program could be adopted in nine months based on the traffic model. Dan continued to state that the interim fees could help with leveraging right away. If we waited three years, the economic pendulum could shift and the leveraging opportunity would be missed.

Dan Kovacich asked if the interim fee would just apply to the mega projects or to an individual house being built as well.

Dan Little answered that it would be for all in order to be fair and equitable.

Steve Kimbrough noted that it's unfair to the larger developers if you don't apply to all.

Discussion was held concerning vesting maps.

Discussion continued concerning an interim fee.

Dan Little noted that if interim fees are to be pursued, it cannot just be thrown on the elected officials laps cold turkey. More information would need to be provided. Dan suggested that it be presented to the RTPA to see if they are interested in pursuing it.

John Mathena stated that the developers are going to look at it as just another fee and balk at it.

Scott Morgan noted that there has to be something in it for the developers.

Steve Kimbrough asked at what point does the development industry come into the process so the building industry is included. If elected officials balk at it right now, saying they're not ready for it, the answer for staff members would be that they don't have all the answers yet. If they had the answers, they would be able to sell it.

Dan Little noted that it is a gradual process and it's possible to back out of an interim fee if it's not working and pursue the long-term fee.

Steve Kimbrough asked if instead of wanting it in place by 2007, set a date when they want to reach an objective, when there is enough information for the executive committee to consider an interim fee and at that point to take the show on the road and see if it can sell.

Patrick Minturn stated that even if the interim fee was implemented, it does not raise an instant \$10

million dollars.

Discussion continued concerning an interim fee.

Steve Kimbrough stated that the interim fee would at least be a start.

Scott Morgan noted that if the Governor's bond does pass, the interim fee would enable us to compete for funding. He noted that it is worth putting in the RFP.

Dan Little concluded that they would take it a step at a time and there would be more information at the next executive committee meeting.

Dan Little discussed the organizational chart showing the roles of the city councils, Board of Supervisors, RTPAs, executive committee, TAC and core staff. Dan asked if this was giving stakeholders enough opportunity to participate, if elected officials should be on the executive committee, and if the private sector should be on the executive committee or at the TAC level.

Steve Kimbrough stated that the private sector should be at the TAC level.

Dan Little discussed public outreach, noting that a little bit of everything would be tried, including some polling efforts. There are some parallel efforts like the blueprint grant coming up in both Tehama and Shasta Counties; there are some coordination opportunities there.

Steve Kimbrough asked what the purpose of polling was if there is not going to be a public vote.

Tim Huckabay answered that it targets some of the public awareness that needs to be done. When it goes to the elected bodies to vote on a TIF then they need to know that.

Dan Little noted that we won't walk away from the sales tax completely. We are always going to try to keep it in the public eye, so they are aware of it. The polling is to see how the public feels about the TIF and the sale tax measure.

Dan Little reviewed the study schedule, noting it will be a 2 ½ to 3 year study.

Dan Little noted there would be an assembly of this core group of public works and planning staff to plan future meetings and develop and circulate the RFP based on the input given here. Dan continued to note that at the next executive committee meeting there will be a review of the participation plans, TAC, public meetings, a more detailed scope of work to show and, hopefully, a consultant on board.

Steve Kimbrough asked if the RFP was going to have both a transportation planning engineering element and a finance plan element.

Tim Huckabay answered that staff would do the planning engineering side. The financial side and public involvement would be done by contract.

There being no further business to conduct, the meeting was adjourned at 4:21 p.m.

Respectfully submitted,

Fix 5 Executive Committee Meeting
August 2, 2006
Page 8

Janie Coffman, Recording Secretary