Kern COG
Southeast Kern County
Regional Fee Nexus Study

Kern Council of Governments

Final Report
July 14, 2004

Prepared for
Kern COG

Prepared By

OMNI-MEANS, LTD.
Engineers & Planners
3530 W. Mineral King Avenue, Suite A
Visalia, California 93291
(559) 734-5895

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SOUTHEAST KERN COUNTY
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I. EXECUTIVE SUMMARY

OVERVIEW

As southeast Kern County continues to develop, several roadways are planned to be widened in order to support local growth in the immediate area to relieve congestion on transportation facilities located within the area of benefit. This *Southeast Kern County Regional Fee Nexus (Study)* describes the roadways that will have deficient capacity in the future due to continued growth in both local and regional travel. For these future deficient roadways, a fair share allowance of cost will be determined consistent with the requirements of Government Section Code 66000 (AB1600) so that new development can pay their fee for their fair shore of mitigation costs for the traffic impacts that they create. In addition, improvement of local transportation projects was considered. At this time, however, potential local transportation projects do not satisfy the statuary requirements of a Nexus finding (discussed below), but are included in a list of candidate projects to be considered in the future.

This Nexus Study establishes the connection between new development that is projected to occur in southeast Kern County and the portion of the necessary roadway improvements that will be funded by the transportation impact fee program. These transportation impact fee programs may be developed separately or in conjunction with one another. The County of Kern may choose to tailor an impact fee to suit each region in which it is implemented, again, in conjunctions with the neighboring city. The study area is shown on Figure 1.

Kern COG has retained consulting services to conduct this study. Once this Study is completed, Kern County, the City of California City, and the City of Tehachapi will receive this study to use in implementing a transportation impact fee program, if they so desire. Existing development would not be charged the Transportation Impact Fee unless a change in use or expansion occurs.

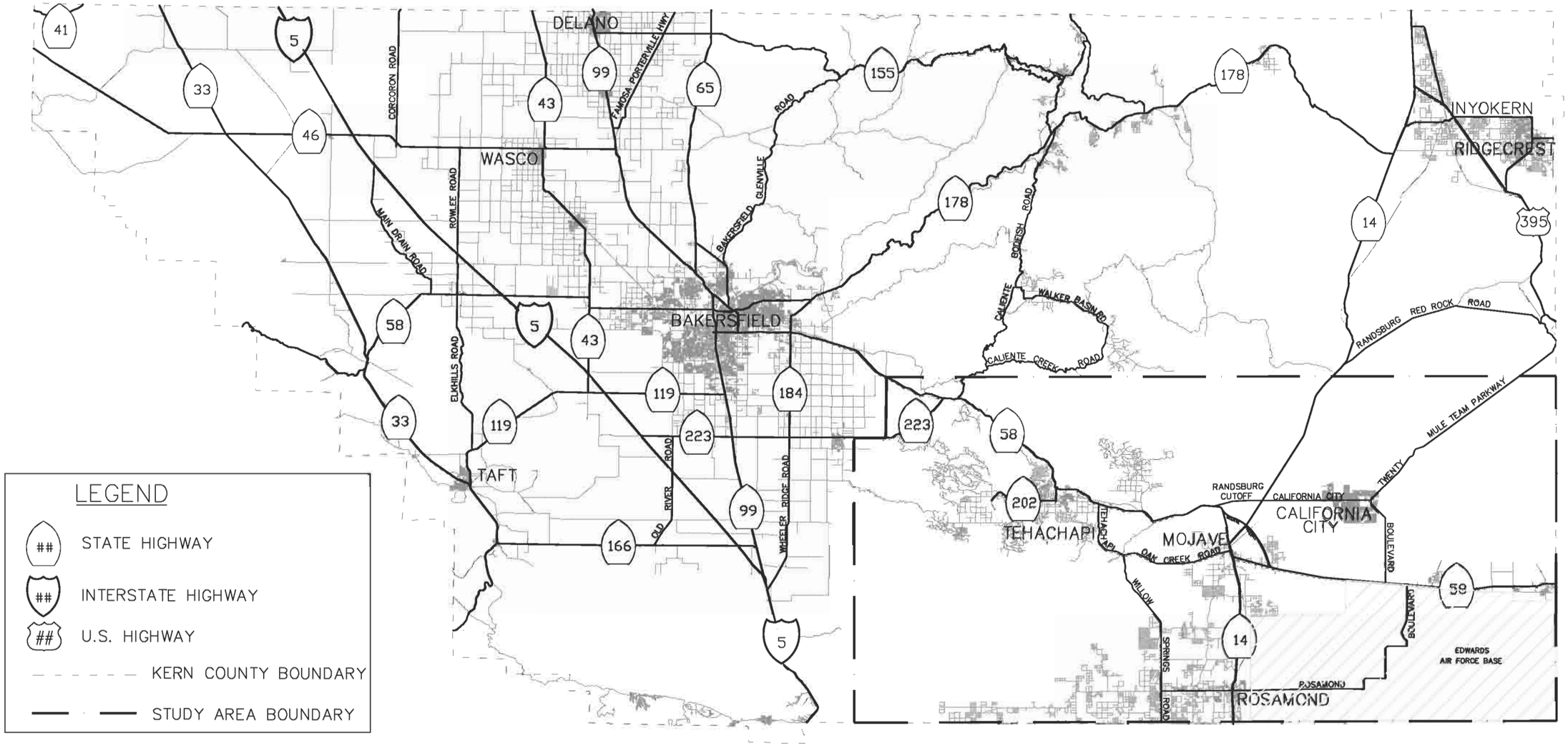
PURPOSE OF THE STUDY

The purpose of this Nexus Study is to identify the connection between new development (based upon the number of trips) that occurs within southeast Kern County and the need for improved roadway facilities within the area of benefit, for which Caltrans, Kern County, the City of California City, and the City of Tehachapi are the service providers. After establishing the nexus, this Study calculates the roadway transportation impact fees to be levied for each land use in the area of benefit based upon the proportionate share of the total facility use for each land use.

AUTHORITY

This Nexus Study has been prepared to develop ground work for a future transportation impact fee program pursuant to and in accordance with the procedural guidelines codified in California Government Section 66000 et seq. This code section set forth the procedural requirements for establishing and collecting development impact fees. These procedures require that "a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition." Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee;
- Identify how the fee is to be used;



KERN COG SOUTHEAST KERN COUNTY REGIONAL FEE NEXUS STUDY

Figure 1

Vicinity Map

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- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed; and
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

The transportation impact fees to be collected for each land use are calculated based upon the proportionate share of the total facility use that each land use represents based upon trip generation. The result of this calculation is the establishment of the proposed Transportation Impact Fee Program. Other revenue sources, which are not anticipated at this time, would result in adjustment of the fees.

FINDINGS AND NEW FEE RATES

Roadway improvements within the areas of benefit are needed that will benefit residents and business owners in southeast Kern County. The total cost of these improvements is estimated at $78,988,827. The portion attributable to the transportation improvements is $73,918,168 and that is the amount proposed to be funded by the new Transportation Impact Fee to be established by local jurisdictions. The balance of $5,070,659 is the portion attributed to regional through traffic that can not be assigned to local development within this area of benefit.

Based upon the analysis contained in this Nexus Study, the following major findings were reached:

- New development in southeast Kern County will require new roadway improvements that may not be included for funding by other sources of revenue.
- Funding of these facilities will require the establishment of transportation impact fees for the various land uses as summarized in Table 1.

TABLE 1
PROPOSED TRANSPORTATION IMPACT FEE

Land Use	Proposed Fee
Residential	
Single-Family Residential Units	$1,700 to $2,000 per dwelling unit
Multi-Family Residential Units	$1,100 to $1,300 per dwelling unit
Non-Residential	
Retail Commercial	$3,800 to $4,200 per 1,000 building sq. ft.
General Commercial	$1,500 to $1,800 per 1,000 building sq. ft.
Light Industrial	$1,200 to $1,500 per 1,000 building sq. ft.
Heavy Industrial	$200 to $400 per 1,000 building sq. ft.

The necessary findings and calculations for the Transportation Impact Fee are presented in the following chapters and appendices. In addition, the detailed fee calculations have been broken down into sub-areas to assist decision makers in ultimately determining what the fees will be. Calculation of fees within each

sub-area allows for local agencies to establish fees independently. Should the implementing agencies desire to establish transportation impact fees for local projects, these calculations serve as a useful tool to develop modified transportation impact fees.

Transportation impact fees presented in this Study are based on current cost estimates and land use information. If costs change significantly or if other funding to construct the facilities becomes available, the fees will be adjusted accordingly. Likewise, should planned land uses change significantly, the fees will be adjusted accordingly. The implementing agencies will periodically conduct a review of improvement costs and planned land uses and will make necessary adjustments to the Transportation Impact Fee, including applying an appropriate inflation adjustment factor to the fees to reflect changes in construction costs.

ORGANIZATION OF THIS REPORT

This report is divided into five chapters including the Executive Summary. Chapter II describes the future development and facility needs and discusses how the area of benefit boundary was created. Chapter III provides the cost allocation and the fee calculation for the improvement fees. Chapter IV provides the nexus finding for the improvement fees. Chapter V describes how the fees will be implemented. In addition, the following Appendices are provided as separate technical documents:

- Appendix 1 – Existing and Year 2030 Traffic Operations Analysis
- Appendix 2 – Kern COG Existing and Year 2030 Traffic Forecasts
- Appendix 3 – Detailed Roadway Improvement Cost Estimates and Typical Cross Sections
- Appendix 4 – Transportation Impact Fee Detailed Calculations
- Appendix 5 – Areas of Benefit and Select Link Analysis Plots
- Appendix 6 – Project Steering Committee Meeting Records
- Appendix 7 – AB1600 Nexus Findings

II. AREAS OF BENEFIT BOUNDARY, LAND USES, AND SOUTHEAST KERN COUNTY ROADWAY IMPROVEMENTS

"AREAS OF BENEFIT" BOUNDARY

In order to determine the areas of benefit, the Kern COG regional travel demand model was used to assist in development of the boundary through a tool identified as "select link" analysis. The term "select link" analysis refers to a technical analysis methodology applied within the context of the travel demand model based transportation planning analysis. In transportation planning, select link analysis procedures are commonly applied to identify the "traffic nexus" associated between a land development and the transportation infrastructure serving the land development. Traffic analysis zones (TAZ) define the boundaries in the model. TAZs contain employment and housing data that is used to forecast future traffic volumes in the Kern COG model. The group of TAZs used for analysis, then, makes up the "areas of benefit."

Technically, "select link" analysis refers to the traffic demand modeling procedure that would yield the origin/destination and/or the network-wide distribution of trips that appear on any particular network "link" that is "selected" for analysis. More specifically, the select link analysis procedures help identify all the TAZs that contribute to the traffic volume forecasted on the select link, as well as develop a breakdown of the forecasted trips on the select link by contributing TAZs. The select links were chosen as deficient segments identified in the Year 2030 traffic analysis.

Based upon the select link analysis (reference Appendix 5) and local geographical boundaries, such as valleys, mountain ranges, aqueducts, adjacent county lines, and existing fee areas, the following areas of benefit were chosen:

- Greater Tehachapi Area (generally consisting of the Tehachapi School District Boundary);
- Regional (including Mojave & California City); and
- Rosamond Area.

LAND USES

Existing land use information was obtained from the Kern County Assessor's parcel database. This database contains more than 500 land use categories. As a result, generalized categories were created that combine several zoning categories into a single category based upon trip generation characteristics. The generalized land use designations utilized are consistent with the County's General Plan Land Use Element. A summary of the land uses, the designated uses, and compatible uses are shown in the Table 2. As shown in Table 2, the 10 generalized categories include non-jurisdiction, physical constraints, public facilities, single family residential, multi-family residential retail commercial, general commercial, light industrial, heavy industrial, and resource land uses. The general categories were consolidated from the County's General Plan Land Use Element. Figure 2 identifies existing land uses in the study area.

TABLE 2
KERN COUNTY GENERAL PLAN LAND USES

Land Use (Code)	Designated Uses	Compatible Uses[1]
Non-Jurisdictional	State and Federal land Incorporated cities	Areas that contain military, US Forest Service, Bureau of Land Management, incorporated city lands, etc.
Physical Constraints	Seismic hazard Landslide Shallow groundwater Steep slope Flood hazard	Hazardous areas comprised of fault zones, landslides, shallow groundwater, steep slopes, and flood hazard areas.
Public Facilities	Public or private recreation area Educational facilities Other facilities Solid waste facilities Hazardous waste facilities	Public and private parks containing facilities for day use, hiking, camping, walking, picnicking, riding, and other recreational activities
Residential	Maximum 10 units/net acre Maximum 4 units/net acre Maximum 1 units/net acre Minimum 2.5 gross acres/unit Minimum 5 gross acres/unit Minimum 20 gross acres/unit	Single family homes with minimum lot size of 4,356 square feet. Mobile homes are included in this category.
Residential	Maximum 29 units/net acre Maximum 16 units/net acre	Multi family homes including apartments and condominiums.
Retail Commercial	Major commercial	Regional shopping centers and major central business districts (CBDs).
General Commercial	General commercial Highway commercial	Neighborhood shopping centers, convenience markets, restaurants, offices, wholesale business facilities, hotels, motels, restaurants, garages, service stations, and recreational vehicle parks.
Light Industrial	Light industrial Service industrial	Wholesale businesses, storage buildings and yards, warehouses, manufacturing, assembling, automobile and truck parking, storage and repair shops, freighting or trucking yards, bottling plants, breweries, welding shops, cleaning plants, and other manufacturing and processing activities.
Heavy Industrial	Heavy industrial	Manufacturing, assembling and processing activities, transportation facilities, material and equipment storage, sawmills, foundries, refineries, and petroleum product storage.
Resource	Resource	Irrigated cropland, orchards, vineyards, horse ranches, raising of nursery stock ornamental flowers and Christmas trees, fish farms, bee keeping, ranch and farm facilities, and related uses; allowance of one single-family dwelling unit.

General Plan.

Note: SFDU = Single Family Dwelling Unit; MFDU = Multi Family Dwelling Unit

[1] *This column does not represent a complete list of compatible land uses. For a complete listing, reference the Kern County*

Figure 2 - Existing Land Uses

Each parcel has an attribute that contains the value, in dollars, of the land and improvement value. Combining the land value and the improvement value yields total value. As a result, assumptions can be made regarding the growth potential of each parcel. If the parcel has an improvement value that is 50% or more of the total value, the parcel is assumed to be developed. Similarly, if the improvement value is 5–50% of the total value, it has been assumed that the parcel is partially developed. Finally, if the improvement is less than 5% of the total value, it is assumed to be vacant. Table 3 identifies projected new development within the areas of benefit.

TABLE 3
PROJECTED NEW DEVELOPMENT
EXISTING (2003) AND PLANNED 2030 LAND USES

Land Use	Existing Acreage	Planned 2030 Acreage	Projected New Acreage
Retail Commercial	9.1	16.8	7.7
General Commercial	1,188.0	2,567.3	1,379.4
Light Industrial	589.9	1,266.5	676.6
Heavy Industrial	175.4	334.2	158.8

As indicated in Table 3, retail commercial land uses contain the smallest acreages and general commercial land uses contain the most acreage. Overall, a 115% increase in commercial and industrial land uses is projected to occur over the next 27 years. Other land uses identified in this Nexus Study, such as non-jurisdictional, physical constraints, public facilities, resource, and vacant lands generally do not generate an appreciable number of trips and would be exempt from the proposed Transportation Impact Fee Program.

Table 4 identifies the number of new dwelling units for single and multi family land uses. The dwelling units represent projected new residential development between existing conditions and planned Year 2030 land uses.

TABLE 4
PROJECTED NEW DEVELOPMENT
DWELLING UNITS

Land Use	Existing Dwelling Units	Planned Dwelling Units	Projected New Dwelling Units
Single Family Residential	17,833	37,098	19,265
Multi Family Residential	4,742	9,763	5,021

As shown in Table 4, 19,265 single family units and 5,021 multi family units are projected between now and 2030. Cumulatively, this represents an increase of approximately 108% for residential land uses.

ROADWAY IMPROVEMENTS

Based on traffic forecasts for Year 2030, several roadways need to be widened to accommodate future traffic needs. This is based upon forecasted traffic volumes from the Kern COG regional travel demand model (reference Appendix 2). Roadway improvements generally consist of widening the existing roadway from 2 to 4 lanes or from 4 to 6 lanes. As identified in Appendix 3, the typical cross sections vary by location as identified for each roadway proposed to be funded through the proposed Transportation Impact Fee Program.

The cost estimates for roadway segment and funding sources are summarized in Table 5. Detailed cost estimates contained in Appendix 3 were prepared by the consultant.

TABLE 5
ROADWAY IMPROVEMENTS/COST ESTIMATES

Roadway Improvements	***Cost Estimate***
State Route 14: Widen from 4 lane freeway to 6 lane freeway between Los Angeles County line and Rosamond Boulevard	$6,252,354
State Route 202: Widen from 2 lane highway to 4 lane highway between California Correctional Institution and Woodford-Tehachapi Road	$22,731,832
State Route 202: Widen from 2 lane highway to 4 lane highway between Woodford-Tehachapi Road and Tucker Road	$6,544,297
Tehachapi Willow Springs Road: Widen from 2 lane roadway to 4 lane roadway between Backus Road to Highline Road	$28,658,327
California City Boulevard between State Route 14 and Neuralia Road	14,802,177
Total	**$78,988,827**

As shown in Table 5, the proposed transportation improvements will cost approximately $78,988,827. The portion attributable to local new development within the areas of benefit is $73,918,168 and that is the amount proposed to be funded by the new Transportation Impact Fee to be established by local jurisdictions. All of the projects, with the exception of State Route 14, are local in nature to residents of southeast Kern County. State Route 14, however, is projected by the Kern COG regional travel demand forecast model to contain a high percentage of interregional trips. In fact, the model estimates that 81% of the trips on State Route 14 travel though the study area. By statute, local development can not be responsible for paying the share attributable to these through trips and therefore, can not be included in the proposed Transportation Impact Fee.

The roadway improvements include widening existing roadways on State Route 14, State Route 202, Tehachapi Willow Springs Road and California City Boulevard. The proposed transportation impact fees presented in this Nexus Study are based upon current cost estimates and land use information. If costs change significantly in either direction, or if other funding to construct the facilities becomes available, the fees would be adjusted accordingly.

OTHER CANDIDATE PROJECTS

Beyond the projects identified in Table 5, other potential transportation projects in the Greater Tehachapi Area and in California City were considered. However, according to the procedural guidelines codified in California Government Section 66000 et. seq., a reasonable relation does not exist in that adequate capacity exists on the candidate projects identified below.

- Add two additional travel lanes on the recently constructed Tucker Road (State Route 202) Bridge, which is also known as the Tehachapi Creek Bridge.
- Widen the intersections of Highline Road with the following four urban arterial streets that intersect with Highline Road: Tucker Road, Curry Street, Dennison Road, and Stueber Road. The intersection widening is intended to accommodate an eastbound turn lane, westbound acceleration lane, and a westbound deceleration lane. Widen Tehachapi Boulevard to a four-lane facility from Hayes Street easterly to Dennison Road.
- Widen Valley Boulevard to a four-lane facility from Curry Street easterly to the intersection of Tucker Road.
- Various traffic signals in the Greater Tehachapi Area.

- Extend Twenty Mule Team Road southwest to connect to State Route 58 (Mojave Freeway) and construct future interchange.
- Extend Northgate Boulevard from California City Boulevard to North Edwards at State Route 58.

Should the proposed transportation impact fee be adopted, these potential projects should be monitored and considered to be included in the future program of projects if in fact deficiencies are projected.

OTHER FUNDING SOURCES

As part of this study, other potential funding sources were considered. Currently, funding for the improvements identified in this Study does not exist. Although some of these roadway segments are listed in Kern COG's Regional Transportation Plan (RTP), they are not programmed in the current State Transportation Improvement Program (STIP), which is necessary in order to advance a project using state and/or federal funds. Should state and/or federal funds become available for transportation improvements identified in this Study, the proposed fees would be adjusted accordingly.

Another potential funding source may be through local (city or county) sources. According to Kern COG, a measure to be placed on the ballot to raise additional transportation funds is being discussed by the local cities and Kern County. However, a sales tax measure was not currently in place. Should a transportation improvement measure be approved and contain one or more of the roadway segments identified in this Study, the proposed fees would be adjusted accordingly.

III. COST ALLOCATION AND PROPOSED TRANSPORTATION IMPACT FEE

This chapter describes the cost allocation methodology and calculations of a proposed Transportation Impact Fee Program. The proposed Transportation Impact Fee for any given parcel within the area of benefit would relate to roadway improvements from which that parcel will benefit.

The methodology for calculating the proposed Transportation Impact Fee is summarized below:

1. Determine how the proposed land use development will benefit from roadway improvements based upon the land use's trip generation (summarized in Chapter II);

2. Determine new improvements needed to serve the development (included in Chapter II);

3. Determine the cost of the improvements; then determine the development's fair share benefit of those roadway improvements based upon trip generation (summarized in Chapter II);

4. Determine net cost of the road improvements to be funded by the proposed Transportation Impact Fee after accounting for other funding sources, including state and federal funds (identified in Chapter II);

5. For transportation improvements that benefit new development:

    a. Determine the appropriate common use factor by which to allocate to different land uses the cost of the roadway improvements needed to serve the new development (presented in this chapter);

    b. Apply the appropriate common use factor to the land uses in order to determine the allocation of costs to each land use (shown in Chapter III);

    c. Divide the total cost allocated to each land use in the area of benefit: 1) by the number of dwelling units for residential land use to determine the cost per dwelling unit; or 2) by the building square footage for non-residential land uses to determine the cost per building square foot for most non-residential land uses (provided in Chapter III);

6. Add appropriate allowance for administration of the proposed Transportation Impact Fee Program to the allocated costs (shown in Chapter III); and

7. Determine the final impact fee rate for new residential development and new non-residential development (summarized in Chapter III).

COST ALLOCATION

The purpose of allocating certain improvement costs among the various land uses and their associated trip generation is to provide an equitable and economical method of funding required infrastructure. Such allocation also serves as a method of testing the reasonableness of the overall cost burden on proposed development within the area of benefit based upon trip generation of each land use.

The key to apportionment of the cost of transportation improvements to different land uses and their associated trip generation is the assumption that demands placed on transportation facilities are related to

trip generation of land use types and that such demands can be stated in relative terms for all particular land uses. Only by relating demand for improvements to trip generation of land use types can a reasonable relationship be established for the apportionment of costs to that land use. It should be noted that the list of trip generation rate common use factors is not a comprehensive listing and is shown in general land use types.

The improvement cost allocation to the land use categories within the area of benefit is based upon the percent share of total use of each type of facility that each land use represents. In order to calculate total use, common use factors are developed to relate relative benefits across different land uses. The common use factors used in this Study are discussed below.

"Common use factor" means the amount of facility use:

- Per residential unit for residential development; and
- Per 1,000 square feet of building for non-residential land uses.

Daily trip generation rates determine the usage of roadway improvements for each land use. These daily trip generation rates also determine the benefit each land use receives from roadways based on a standard unit of measure (number of dwelling units, square footage, acres, etc.) The trip generation rates are based upon the *Institute of Transportation Engineers (ITE) Trip Generation Manual (7th Edition).*

The trip generation rate common use factor for each land use is shown below:

- 9.57 trips per single family dwelling unit;
- 6.72 trips per multi-family dwelling unit;
- 11.10 trips per 1,000 square feet for commercial office at 0.25 Floor Area Ratio;
- 42.94 trips per 1,000 square feet for retail commercial at 0.25 Floor Area Ratio and 50% trip matching reduction;
- 11.10 trips per 1,000 square feet for general commercial at 0.25 Floor Area Ratio and 20% trip matching reduction;
- 14.50 trips per 1,000 square feet for light industrial at 0.25 Floor Area Ratio; and
- 13.27 trips per 1,000 square feet for heavy industrial at 0.25 Floor Area Ratio.

Total trips generated by land use are calculated by multiplying the daily trip generation rate use factor by the net new development. Each land use is then assigned a fair share of the percentage distribution of the total roadway improvement cost to be funded by the proposed Transportation Impact Fee Program based upon each land use's share of daily trips.

Taking the total roadway cost allocated to the trip generation of the land use and dividing that by the common use factor results in a roadway cost for each land use. A range of the resulting roadway cost per common use factor is shown in Table 6.

TABLE 6
ROADWAY COST PER COMMON USE FACTOR

Land Use	Total Estimated Trips	% Trip Distribution (Allocation Factor)	Cost Allocation based on % of Trips	Cost per Allocation Factor Used
Single-Family Dwelling Units	184,366	45.27%	$33,463,819	$1,700 to $2,000 per unit
Multi-Family Dwelling Units	33,741	8.29%	$6,124,266	$1,100 to $1,300 per unit
Retail Commercial	1,802	0.44%	$327,152	$3,800 to $4,200 per 1,000 building sq. ft.
General Commercial	133,389	32.75%	$24,211,025	$1,500 to $1,800 per 1,000 building sq. ft.
Light Industrial	51,354	12.61%	$9,321,087	$1,200 to $1,500 per 1,000 building sq. ft.
Heavy Industrial	2,594	0.64%	$470,820	$200 to $400 per 1,000 building sq. ft.
TOTAL	**407,246**	**100.00%**	**$73,918,168**	

** Errors due to rounding may occur*
Note: Deductions for floor area ratio and trip matching have been applied to commercial and/or industrial uses.

PROPOSED BASE LINE TRANSPORTATION IMPACT FEES

Table 6 indicates the proposed baseline Transportation Impact Fees for the various land uses, and indicates how the cost allocation for roadway improvements is increased by a 3.0 percent administrative cost to derive the fees. This administrative cost estimate includes the cost to administer the fee program, including periodic updates proposed Transportation Impact Fee Program(s), and the administrative costs associated with fee collection and accounting. The cost allocation, increased by the administrative cost, provides the total fees for roadway improvements.

If a proposed land use is different than the land uses identified in Table 6, it is recommended that the County and/or City calculate the fee for this land use by estimating common use factors for the relevant facilities and pro-rating the fees based on the relationship of the new land use's common use factor for improvements to an existing land use's common use factor.

The proposed Transportation Impact Fee Program may be reduced if federal or state grant funding, or additional funding from other sources is identified. Fees may be increased if a reduction in anticipated revenue sources occurs.

In the process of developing an actual Transportation Impact Fee Program, the implementing agencies would work with Caltrans' Districts 6 and 9, other agencies, and private sector to determine the best method for each new use to fund its fair share, whether from impact fees at building permit, construction in lieu of fee contribution, or in the form of a debt financing mechanism.

IV. IMPLEMENTATION

The purpose of the proposed Transportation Impact Fee Program presented in this Nexus Study is based on development cost estimates, administrative cost estimates, and land use information available at this time. If costs change significantly or if other funding becomes available, the proposed Transportation Impact Fees should be adjusted accordingly.

A proposed Transportation Impact Fee Program would be effective following its adoption by the implementing agency(ies), including the adoption of the ordinance authorizing collection of the fees, and adoption of the resolution establishing the fees. If the proposed Transportation Impact Fee Program is established, the County and the cities should conduct periodic reviews of the roadway improvements and costs. Based on these reviews, the County and cities should make necessary adjustments to their Transportation Impact Fee Program. Each year the County and cities should apply an appropriate inflation adjustment factor to the impact fees to reflect changes in construction and right-of-way costs.

FEE CREDITS OR ADJUSTMENTS

The purpose of a Transportation Impact Fee Program is to collect funds to build public infrastructure. Developers who construct facilities included in a proposed Transportation Impact Fee Program may receive credits against the appropriate fee or fees if defined in the final Program. Fee credits will be realized after the improvement has been constructed and accepted for maintenance by the implementing agency. Any reduction in impact fees would be based upon the County's and city's independent analysis and review of the subject project.

REIMBURSEMENT TO DEVELOPERS

Reimbursements would be provided under the following conditions:

- Developer-installed improvements should be considered for reimbursement. Only funds collected from the transportation impact fee are to be used to reimburse a developer who constructed the eligible roadway facility improvement identified in this report.
- The value of any developer-installed improvement for fee credit or reimbursement purposes should be based upon the cost estimates (as updated) used to establish the amount of the proposed Transportation Impact Fee Program.
- The use of accumulated fee revenues should be used in the following priority order: (1) critical projects, (2) repayment of inter-fund loans, and (3) repayment of accrued reimbursement to private developers.

A project is deemed to be a "critical project" when failure to complete the project prohibits further development within the area of benefit.

PERIODIC FEE REVIEW

The proposed Transportation Impact Fees would be automatically adjusted annually to account for the inflation of public facilities design, construction, installation, and acquisition costs. In July of each calendar year, the proposed Transportation Impact Fees would automatically increase by the average of the 20-city Construction Cost Index (CCI) as reported in the Engineering News Record (ENR) for the twelve-month period ending December of the prior year.

The proposed Transportation Impact Fee Program would be subject to adjustment based on changes in developable land, cost estimates, or outside funding sources. The County and cities would review the Transportation Impact Fee Program on a periodic basis to determine if any adjustments to the fees are warranted. This review would include:

- Changes to the adopted General Plan;
- Changes in costs due to inflation or changes in roadway facility cost estimates; and,
- Changes in other roadway funding sources.

Any changes to the Transportation Impact Fee Program based on the periodic review would be presented to the Kern County Board of Supervisors, the City of California City, and the City of Tehachapi prior to any adjustment.

FEE ADMINISTRATION

The proposed Transportation Impact Fees would be collected from new development within the area of benefit at the time of the building permit issuance; however, funds will not be used until a sufficient fund balance can be accrued. Per Government Code Section 66000, the County and cities are required to deposit, invest, account for, and expend the fees in a prescribed manner.

Five Year Review

The fifth fiscal year following the first deposit into the fee account or fund, and every five years thereafter, the County and cities would be required to make all of the following findings with respect to that portion of the account or fund remaining unexpended:

- Identify the purpose of the fee;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete study are improvements; and,
- Designate the approximate dates that the funding, referred to in the above paragraph, will be deposited in the appropriate account or fund.

The implementing agencies must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings, unless the administrative costs exceed the amount of refund.