

Johnson Drive EDZ
Use of TIF for Traffic Impact Mitigation
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The city is proposing to use the TIF fund to mitigate the “direct” roadway improvements needed for the JDEZ project. They are proposing to utilize \$6.4 million from the existing fund for the new I-680 NB onramp lane from Stoneridge Drive, and a \$3.7 million TIF payment from Costco to offset Johnson Drive direct roadway improvements.

Analysis of this proposal follows.

1998 TIF Study (attached):

From page 1:

“Recognizing these changes, the proposed traffic fee will require that each new development pay its fair share through *fees for needed City-wide traffic improvements*, while still requiring that individual development projects *construct those improvements which are directly related to their project.*”

From page 3:

“Those street improvements which are directly adjacent or related to serving a specific new development are designated as “*Direct Development*”, and are not included in the proposed fee. These *costs are assigned directly to the specific development responsible for its construction.*”

The current city proposal is to use the *fees* to offset *direct* improvements. Per this statement the development should pay both fees and fund the direct improvements.

From the 2006 General Plan Circulation Element, Policy 1:

Program 1.1: Require new developments to pay for their fair share of planned roadway improvement costs.

Program 1.2: Update the Traffic Development Fee study consistent with improvements needed to implement the General Plan circulation system.

This again indicates that the development should pay their share of direct improvement costs, and contribute to a fee for city-wide circulation improvements.

2010 TIF Nexus Study (attached)

From the Introduction:

“This report provides an updated Traffic Impact Fee (TIF) study for the City of Pleasanton. It provides the list of proposed projects and the technical basis for establishing the required nexus between anticipated future development in the City of Pleasanton and the need for local transportation facilities. The specific tasks performed in preparing this analysis and their results are summarized below. The City’s TIF program was established in 1998. The TIF program is updated periodically to respond to changing conditions and to assure that traffic impact fees support the transportation improvements necessary to accommodate new development.”

From Purpose of Study:

“The purpose of this study is to update the City’s current TIF and to demonstrate a reasonable relationship between the calculated fee amount and the development land uses on which the fees are imposed, as required by AB 1600. The bill requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

- Identify the purpose of the fee
- *Identify the uses to which the fee will be applied*
- Establish a reasonable relationship between the fee’s use and the type of development on which the fee is assessed
- Establish a relationship between the need for the facility and the type of development project on which the fee is assessed
- Establish a reasonable relationship between the fee amount and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.”

TIF funds can only be applied to projects listed in the nexus study. The Stoneridge NB I-680 lane is not listed in the 2010 study as an eligible project. It was included in the 1998 study, but a new nexus study was performed for 2010 which indicates it no longer qualifies. There is no mechanism for “rolling over” previously identified projects, except for Existing Deficiencies which are listed on page 3.

Conclusion

The city is proposing to use TIF funds that are intended for *needed City-wide traffic improvements* to fund *improvements which are directly related to their project*. This is an illegitimate use of TIF funds essentially diverting public money from needed city-wide projects to mitigate direct project impacts.

Italics mine.