

## **Explanation of the TIM Fee calculations**

1) The calculation of the TIM fees started with four sets of costs for a total of \$629,686,000 which was as follows:

- Local roads, HOV lanes and Interchanges = \$549,836,000
- Reimbursement Commitments = \$20,700,000
- Reimbursement Agreements = \$50,150,000
- Fee Program Updates and Transit costs = \$9,000,000

2) DOT next identified the projects as being either 100% funded in the first ten years or some proportional amount less than 100% for the ten years. For this program all the local road projects and two of the interchanges (Missouri Flat Road and El Dorado Road) were recognized as 100% of construction in the first ten years. Four of the interchanges were set at incremental delivery rates of 34% which are as follows:

- Bass Lake Road
- Cambridge Road
- Cameron Park Drive
- Ponderosa Road

Two of the interchanges were set at incremental delivery rates of 66% which are as follows:

- Silva Valley Parkway
- El Dorado Hill Boulevard

With the incremental delivery of the interchanges the total cost of the program is reduced \$128,321,600 dropping from \$629,686,000 to \$501,364,400.

3) Next the available credits were applied against the projects. The breakdown of the fund balances were as follows:

- County TIM = \$19,264,000
- State TIM = \$21,320,000
- Interim Highway 50 = \$14,756,000
- Silva Valley Set Aside = \$16,767,000
- RIF = \$2,035,000

Except for two of the funds (RIF and County TIM), all funds were applied directly against the projects intended for them in the existing programs.

Other projected sources of funds which were expected to be received over the next ten years and were applied against specific projects were the following:

- Missouri Flat MCFP = \$10,340,000
- Federal/State Funds = \$98,901,000

In the case of the MCFP, these funds were applied against the Missouri Flat Road Connector and the Missouri Flat Interchange.

With the Federal/State dollars, the funds were applied as follows:

- \$18,450,000 Missouri Flat Interchange (already committed)
- \$80,451,000 against the HOV lanes and interchanges

With the HOV lanes and other interchanges these dollars were applied based on the percentage cost of each project to the total cost of all the projects (HOV lanes and interchanges).

4) From there the “Net” cost (after deduction of all the above credits except for the RIF and County TIM funds) were broken up into three categories of project cost as follows:

- El Dorado Hills
- Local (County)
- Highway 50

El Dorado Hills’ component costs consisted of all the local road improvements within the El Dorado Hills area (zone 8) as well as one half of the El Dorado Hills Boulevard Interchange and the Silva Valley Parkway Interchange, along with one quarter of the Bass Lake Road Interchange.

The Local (County) component costs consisted of all the local road improvements outside of the El Dorado Hills area as well as one quarter of Bass Lake Road Interchange and one half of each of the following interchanges:

- Cambridge Road
- Cameron Park Drive
- Ponderosa Road
- El Dorado Road
- Missouri Flat Road

The Highway 50 component cost consisted of the one half of all the interchanges as well as all the HOV lanes.

5) The next step involved allocating the costs to the various zones for each component. This was done using the trip contribution rates. There were ten trip contribution rate percentages, one for each zone, for each project. They were each multiplied by the project cost to give the amount of the project cost to be allocated to each zone. From there the cost by project and by zone was summed up to give you the total cost by zone for all the projects.

6) These ten zone summary amounts were then rolled into the next set of spread sheets which perform several more sets of calculations.

For the Highway 50 component, the prorated Fee Program Updates cost (\$1.3M) and prorated Transit cost (\$3.4M) were allocated to all eight zones based on each zones total cost divided by the total of the eight zones costs.

For the El Dorado Hills component, the prorated Signal improvement costs (\$20M) and prorated Fee Program Updates cost (\$1.3M) were added to the total zone cost and the RIF fund balance of \$2.03M was deducted.

For the Local Road component, the prorated Signal improvements (\$40M) and the prorated Fee Program Updates cost (\$1.4M) were allocated to all seven zones based on each zones total cost divided by the total of the seven zones cost. After all the costs listed above were added to the seven zones, the County TIM fund balance (\$19.3M) was deducted from the seven zones using the same calculation formula as above (zone cost to total zone cost). Finally, the portion of the local road costs that would have been El Dorado Hills share (\$12.4M) was reallocated back to the seven zones using the same percentages developed above for the Signal improvements and Fee Program Updates cost.

For all three components this ended with a total net cost, by zone, to be divided by the total new trips in each zone, which gives the cost per trip. At this point these are different by zone, but the same for both residential and non-residential.

7) The next step is to calculate the draft of the fees to be charged, by zones and by category. This is done by multiplying the zone cost per trip (the output of step 6 above) times a multiplier (based on trip generation rates). This gives the draft fee by zone and by the five categories (Single Family, Multifamily, Retail, Service and Other). Note that the costs for the non-residential categories are by job at this point. An additional calculation is required for the cost per square foot. However, at this point in the calculation conversion to a square footage cost is not required. These five category amounts, which are different for each zone, are then multiplied by the projected new growth over the next ten years, by category and by zone. This gives the sum of the revenues to be generated by component, by category, and by zone, that is used for conformation of the calculations to this point.

8) The next step is to reallocate costs from non-residential to residential so that 84% of the fees are absorbed by residential and 16% are absorbed by non-residential. This is done by separating the total fees generated into two groups – residential and non-residential – by zones.

The sum of the non-residential categories, by zone, was multiplied by a set percentage resulting in the total non-residential amount, by zone, to be reallocated to residential. The sum of these non-residential reallocation amounts are then divided by the sum of the projected new residential trips to give you an average cost per trip, on a county wide basis, to be added to the original residential cost per trip in each zone. This gives the adjusted cost per trip for residential by zone.

For non-residential the same percentage used above was multiplied by the original zone cost per trip. These amounts are then subtracted from the original zone cost per trip. Note that the percentage used is the same in all zones but the amount is by zone and therefore different for each zone. This gives the adjusted cost per trip for non-residential by zone.

These different costs per trip for residential and non-residential are then multiplied by the various multipliers to give you the adjusted revenue by the five categories, by zones, for residential and non-residential for all three components.

9) These adjusted costs per trip are then transferred to the next set of component spread sheets which compare the total revenue generated, by zone and by category, to the revenue generated while holding the Retail category at existing fee rate levels and then setting Service and Other proportional to those new Retail rates (the proportions are based on the existing fee programs proportions).

There are two sub-elements in the Retail rate – the Highway 50 portion, and either EDH or the County depending on where the project is located. To calculate the portion of the Retail rate attributable to each component, the “Net Category Retail cost” (previous set of spread sheets), which is by component and by zone, is divided by the sum of the three components’ amounts. This gives you the percentage of the Retail fee that is attributable to sets of two out of the three programs (EDH and Highway 50, or County and Highway 50). The Service and Other rates are then set proportion to these.

10) From there, these new amounts are plugged back into the spreadsheet under “Revised Square foot cost” in order to show how much in revenue would be generated using the revised non-residential rates. The total amount, by zone, for the five categories is summed up under the original and revised rates, and the differences calculated to show how much cost is being transferred to residential. These amounts are deducted from non-residential, again by zone, and added to the residential in that zone. The revised zone amounts are then divided by the total new trips for residential and non-residential to give the final costs per trip rates for residential and non-residential uses.

These final costs per trip rate amounts are then rolled into the “Zone Summary” spread sheets which multiply these amounts by their multipliers to show the final fee rates by program, by category and by zone.