

San Luis Obispo Council of Governments



Ronald L. DeCarli - Executive Director

Regional Transportation Planning Agency
Metropolitan Planning Organization
Census Data Affiliate
Service Authority for Freeways and Expressways

Atroyo Grande
Atascadero
Grover Beach
Morro Bay
Paso Robles
Pismo Beach
San Luis Obispo
San Luis Obispo County

July 14, 2006

Kami Griffin, Supervising Planner
County Government Center
San Luis Obispo CA 93408

Subject: Initiative Measure – Dalidio Ranch Proposal

Dear Ms. Griffin,

The San Luis Obispo Council of Governments (SLOCOG) staff has reviewed the Dalidio Ranch initiative petition and has prepared the following comments. While SLOCOG does not have permit or regulatory authority for land use proposals, we have the responsibility for planning the long-term viability of the regional surface transportation system, and for programming funds to achieve the objectives of the Regional Transportation Plan. SLOCOG staff does not have a position on the Dalidio Ranch development proposal, but is concerned that the initiative as currently written will result in very significant unmitigated traffic impacts. It is from this perspective that SLOCOG staff is providing the county input on the initiative proposal.

Our primary concern is with three aspects of the initiative's proposed conditions of approval (Appendix F). It is clear from the traffic analysis submitted to the County (*Dalidio Ranch Traffic Analysis* (DRTA), March 2006, W-Trans) that the proposed "fair share" contributions to traffic mitigation measures are not equivalent to project generated traffic impacts. Further, the proposed traffic mitigation plan puts the onus of implementing project-generated mitigation projects on the City/County of San Luis Obispo and Caltrans. If these agencies are collectively unable to provide the very significant funds for these projects in the short term, or encounter hurdles in implementation due to environmental, right-of way, litigation or other factors, the initiative is written to free the developer of the responsibility to mitigate its traffic impacts.

Traffic Impacts

As written, the initiative will lead to unmitigated traffic impacts, resulting in very significant impacts to the entire regional surface transportation system in the southern San Luis Obispo urban area, including US 101. In the absence of a viable finance plan to pay for the construction of the Prado Road Interchange, the Madonna Road and Los Osos Valley Road Interchanges will fail, ultimately degrading operations of US 101 mainline traffic through the area. Maintaining operations of the regional transportation system in the region's job center is critical in maintaining the quality of life in San Luis Obispo County.

The DRTA indicates that the Madonna Road Interchange will operate at an unacceptable level of service (D/E) in 2016 without Dalidio-generated traffic. It also indicates that the addition of Dalidio-generated traffic to the interchange will result in a near doubling of time delay through the interchange with a Level of Service of F (operational failure of interchange). The DRTA also finds that Madonna Road between the US 101 to Los Osos Valley Road will operate at Level of Service F in 2016, and Los Osos Valley Road between US 101 and Madonna Road will also fail at 3 intersections. Worse, these conditions assume full reconstruction of the Los Osos Valley Road Interchange and realignment of Calle Joaquin, as well as improvements the Madonna Road/Los Osos Valley Road intersection.

Inadequate funding currently exists for any of these interchange improvements. These impacts constitute a breakdown in the transportation system in the southern San Luis Obispo urban area including 2 interchanges, 2 regionally significant routes, and potentially the US 101.

Finance Plan and Implications

The Proposed initiative identifies the following funding to mitigate Dalidio generated traffic impacts:

- ❑ \$4 Million - Prado Road Interchange
- ❑ \$150,000 - Calle Joaquin Extension
- ❑ \$250,000 - Calle Joaquin/Los Osos Valley Road intersection
- ❑ \$20,000 – restriping Madonna Road/Los Osos Valley Road intersection.

These contributions are not sufficient to cover the fair share costs to mitigate the impacts noted above. The initiative's proposed contribution to the Prado Road interchange is significantly understated. It is based on an assumed 23% development-generated traffic contribution to the interchange. This level of utilization of the interchange assumes that Prado Road is not extended to Broad Street. If Prado Road is extended to Broad Street the interchange utilization of development-generated traffic more than doubles to 54%.

In addition, current cost estimates for similar projects in the region are significantly higher than identified in the initiative. Estimates for similar projects, as well as recent cost estimates for the Prado Road Interchange, put the project likely in the \$35-\$45 Million range (2006 dollars), not \$22 Million as implied in the initiative. The US101/SR41 interchange improvement project, which will require much less structural work and a footprint area compared with the Prado Road project, is estimated at \$30 Million. Other projects with equal or lesser scope than the Prado Road Interchange include US 101/SR 46 W Interchange (\$30-40 Million), Willow Road Interchange (\$30-\$40 Million), and El Campo Interchange (\$35-\$60 Million).

No funding is proposed in the initiative for the Los Osos Valley Road interchange or the Madonna Road interchange (which will operate at LOS F in 2016 and will be significantly impacted by the development).

Exacerbating the gap between the proposed contributions to improvements and total project cost is the lack of escalation over time of funding contributions. Recent years have seen very significant escalations (15-20%/Year) of construction costs which have been caused by a combination of issues including the costs of oil, concrete, steel and other building materials, lack of competition of building contractors, and increasing right of way costs. These factors have caused projects thought to be fully funded, to be dramatically underfunded once construction bids were received. A prime example is the US101/SR41 interchange project, which recently had its construction estimates raised from \$18 Million to \$30 Million. The only way to ensure the Dalidio project contributes its fair share of funding toward its traffic mitigation projects is to tie those contributions on a percentage basis, rather than a flat dollar amount.

One of the major departures from the Dalidio proposal that was approved by the San Luis Obispo City Council is the shifting of responsibility for mitigating the development's traffic impacts to public agencies. This provision requires the City of San Luis Obispo and Caltrans to allocate resources and defer critical safety and operational improvements on the transportation system that would otherwise take precedence. The previous agreement between the City and Dalidio Ranch would have required the development to acquire an encroachment permit from Caltrans to construct the improvements on their right-of-way. It is

standard practice for private developers to obtain encroachment permits from Caltrans in order to mitigate impacts. This approach provides for concurrent development of mitigation measures with overall construction of the development but there is no dedicated funding stream to make the improvements.

The initiative also includes time limits on these agencies to implement projects necessitated by development-generated traffic. This provision requires that the City, County, SLOCOG or Caltrans make these projects among the top priorities in their capital improvement programs, and fund these very costly projects in the short term. Due to the ongoing budgetary constraints of local, regional, and state agencies, it is unrealistic to believe these agencies will identify match funding of approximately \$30-\$40 Million in the near term for these projects. It is SLOCOG's experience that Caltrans does not contribute to local interchange projects. SLOCOG's adopted Capital Improvement Program assumes that the Prado Road interchange will be fully funded through local sources (developer/general fund/other). While the SLOCOG Board has the authority to amend the CIP to help fund the Prado Road Interchange, it would require the deferral of other planned regional interchange projects such as at SR 46W/101, Brisco Road, or Willow Road, among others. Assuming these agencies are unable to deliver these projects by the deadlines identified in the initiative, the funding will be returned to the developer, project impacts will be unmitigated, and the highway and off-highway transportation system will see a significant deterioration in the level of service for all users of these roadways.

In summary, it is SLOCOG staff's conclusion that the finance and implementation plan for traffic mitigation projects is infeasible and will fail to avoid very serious deterioration in the regional surface transportation system in the southern San Luis Obispo urban area. The initiative as proposed provides inadequate funding to mitigate development-generated traffic impacts, shifts responsibility of mitigating development impacts to the public, and will very likely result in unfunded mitigation projects and congested roadways.

We recommend that the initiative be rewritten to ensure that the development provides full funding for its fair share of traffic impacts, does not shift the burdens of mitigation to county and/or City residents, and provides a feasible cost sharing financial plan similar to the one agreed to by the City and Dalidio Ranch in the previous proposal. SLOCOG has not taken a position on either the previous or current development proposal, but is concerned with the current proposal for the above reasons. The previous proposal's financial plan married immediate implementation of mitigation measures by the developer with city contributions to improvements reimbursed over time through sales tax compensation. The failure to provide sufficient infrastructure to accommodate development-generated traffic will result in traffic delays for patrons of this development and all users of the transportation network in this area, with the future potential deferral of other regional projects to address these traffic impacts.

Please contact me (781-4219) with any questions you may have regarding these comments.

Sincerely,



Ronald L. DeCarli
Executive Director

Cc: David Edge, San Luis Obispo County Administrator