

MAR 25 2016

Humboldt Community Services District

Dedicated to providing high quality, cost effective water and sewer service for our customers

March 24, 2016

Robert Morris, Chair
Humboldt County Planning Commission
825 Fifth Street
Eureka, CA 95501

Subject: Humboldt County Traffic Impact Fee

Dear Commissioner Morris:

The Humboldt Community Services District (HCSD) Board of Directors has great concerns with regard to the current process that the County and City of Eureka (City) staff have followed to draft a Traffic Impact Fee proposal.

We understand this proposal will be presented to the Board of Supervisors and City Council in the very near future. Thus, we feel it critical that we bring the matter to the Humboldt County Planning Commission's attention as the Traffic Impact Fee affects land use issues.

It is widely acknowledged that the reason the County and City are looking at establishing a traffic mitigation fee is because the Martin Slough Interceptor (MSI) Project Environmental Impact Report (EIR) Mitigation Measure 11-3.1 requires such. It is unfortunate that this fee process was not performed years ago as dictated by the Martin Slough EIR adopted in 2004. Now the County and City find themselves in an emergency situation to push through the process.

The City and County recently presented their draft interim traffic impact fee report at two Greater Eureka Area Municipal Advisory Committee (GEAMAC) meetings. At both meetings, the recommendations were passionately contested by the public as well as HCSD. Based upon the first GEAMAC presentation, HCSD's Board of Directors submitted a comment letter detailing specific concerns and requests to be included in the Traffic Interim Fee process (attached). Even with HCSD's input, it appears that the County and City staff, along with their consultant, is proceeding with their plan as they initially envisioned it.

It is our understanding that there must be a direct nexus between an impact fee imposed for development and the use of such funds collected. We are concerned that County and City staffs are getting away from the intent of the MSI Project traffic impact fee by addressing traffic impacts from an area far larger than the MSI project area. From our perspective, it is not the responsibility of the MSI to mitigate issues not associated with the Martin Slough basin nor is it prudent to have areas that have nothing to do with the Martin Slough basin, such as development in Freshwater or

Robert Morris, Chair
Humboldt County Planning Commission
March 24, 2016
Page Two

Humboldt Hill, associated with this Martin Slough traffic mitigation measure. If the County and City want to address traffic issues beyond the Martin Slough Project area, that traffic impact fee program should be separate from Martin Slough.

The HCSD Board feels it is imperative that the Martin Slough basin is treated as a standalone mitigation area. We took on 64% of the approximate \$20 Million MSI Project costs based upon assurances that any development within the Martin Slough basin would drive a mitigation fund to deal with necessary traffic improvements within the Martin Slough basin.

The City and County's current proposal expands the scope of the boundary that will be included in the traffic mitigation fee to address long standing traffic issues beyond the Martin Slough project area. Let it be clear that HCSD is not against the idea of a larger traffic study area. However, we do feel that all fees collected from development within the Martin Slough basin must be utilized within the Martin Slough Project area to mitigate potential traffic impacts. Further, this is the approach that both HCSD and the City presented to the public when garnering support for the Martin Slough Interceptor project.

In conclusion, we are not contesting the necessity for a traffic mitigation fee. In fact, we are very supportive of the creation and implementation of a Traffic Impact Fee that achieves compliance with the MSI Mitigation Measure 11-3.1. However, we are concerned about the proposed fee as presented. We feel the funds generated within the Martin Slough basin need to be used to mitigate the impacts of growth in the Martin Slough basin. As we mentioned in our February 26, 2016 letter, the District feels that it is important that the fee process must be as transparent as possible and include definable parameters. Mitigation measure 11-3.1 was solely based upon Martin Slough. Therefore, it is our opinion that the traffic fee should also represent the same area.

Thank you for the opportunity to present this matter for your review and consideration. Should you have any question or require additional information, please feel free to call me.

Sincerely,

HUMBOLDT CSD



David Hull
General Manager

c: HCSD Board of Directors

Humboldt Community Services District

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February 26, 2016

Tom Matson
Director of Public Works
County of Humboldt
1106 Second Street
Eureka, CA 95501

Brian Gerving
Director of Public Works
City of Eureka
531 K Street
Eureka, CA 95501

Subject: Comments Regarding the Greater Eureka Area Interim Traffic Impact Fee

Dear Msrs. Matson and Gerving,

On February 9, 2016, the Greater Eureka Area Municipal Advisory Committee (GEAMAC) hosted a presentation by the County of Humboldt and the City of Eureka entitled *Informational Meeting Regarding the Development of the Greater Eureka Area Traffic Impact Fee (GEATIF)*. The Board of Directors of the Humboldt Community Services District (District) reviewed and discussed the information presented at the GEAMAC meeting at their regular Board meeting of February 23, 2016. At that meeting, the Board took action to provide you with the following comments.

District's Interest in the Interim GEATIF Process

The District's interest in the Interim GEATIF process stems from the District's role in the Martin Slough Interceptor project (MSI). The MSI was a joint project between the District and the City of Eureka to construct new wastewater collection and conveyance components that include new collection lines connecting up to 16 existing lift stations to a new gravity wastewater collection pipeline; a new pump station; and new force main and appurtenant improvements. Although many of the lift station improvements tying into the main interceptor are still under construction, the main interceptor was completed in 2014. The City of Eureka now owns and operates the system with a 36% allocated volumetric capacity and the District pays for and receives the remaining 64% of the volumetric capacity. The 36% City of Eureka Project cost-share was approximately \$6 million and the 64% HCSD cost-share was approximately \$11 million.

The Environmental Impact Report certified by the City of Eureka and the District for the MSI project contained a mitigation measure that reads:

Mitigation Measure 11-3.1 states:

"The City (of Eureka) shall cooperate with local governments in the Project area to enter into a Memorandum of Agreement (MOA) to develop and implement a suitable "Cumulative Traffic Assessment and Mitigation Program" (Program). The aim of the MOA, and of the resulting Program, will be to

formally identify indirect or cumulative traffic and circulation impacts, and the required improvements necessary to offset indirect or cumulative impacts, within the areas of the City of Eureka and the County of Humboldt that will be served, whether directly or indirectly, by the Martin Slough Interceptor Project.

The City shall prohibit connections to the Martin Slough Interceptor or to any part of the City's wastewater collection system that will develop additional conveyance capacity as a result of the Martin Slough Interceptor Project, until the MOA and the Program are in place and appropriate funding has been secured for improvements identified in the Program. The methodology for creating the Circulation Improvement Fund Program shall be identified as part of the MOA and the Program. Payments to the circulation improvement fund shall be secured for each connection to the wastewater collection system prior to the authorization by the City of that connection.

Therefore, since the District is responsible for the majority of the cost of the Martin Slough Interceptor project and since that project cannot be fully utilized until the Cumulative Traffic Assessment and Mitigation Program is in place and appropriate funding has been secured for improvements identified in the Program (i.e. the Interim GEATIF) mandated as a part of Mitigation Measure 11-3.1 is completed, the District is extremely interested in the expedited completion of an Interim GEATIF.

Open and Transparent Process

The District's Board of Directors is very supportive of the GEATIF and is committed to ensuring the process is open and transparent. The Board believes that the GEAMAC is an appropriate venue to hold presentations and stakeholder input meetings on the proposed GEATIF. In addition, the Board encourages the City and County to continue to involve the District's General Manager in the GEATIF planning process.

Support the Establishment of an Interim GEATIF to Move the Process Forward

The District's Board of Directors is supportive of the establishment of an Interim GEATIF. The District believes that an Interim fee is the most expeditious method to obtain compliance with the Martin Slough EIR's mitigation requirement.

The Interim GEATIF Should be Based Upon the Information Generated from the Forster Gill Traffic Study, Which is Presumably Supported by TJKM Engineers.

The District believes that utilizing existing relevant traffic studies and traffic mitigation information is the quickest way to establish the interim GEATIF and gain compliance with the requirements of the Martin Slough EIR Mitigation Measure 11-3.1. A 2009 traffic study

created for the Ridgewood Village Development (aka Forster Gill) appears to not only cover the Martin Slough Basin, but also includes traffic mitigation projects and costs and was created by the same consultant that is presently contracted to produce the Interim and Final GEATIF. The District requests that the information and traffic study boundary used in the Traffic Impact Study for the Ridgewood Village Development to be used to craft the Interim GEATIF.

Funds from the Interim and Final GEATIF Should be Spent Within the Martin Slough Basin Boundaries.

As previously noted, the need for an Interim GEATIF arises from Mitigation Measure 11-3.1 contained in the Martin Slough Interceptor EIR. The District's Board of Directors concluded that, in consideration of its constituents best interests, and to meet the nexus criteria that charges on new developments have a relationship to that development, any funds accumulated as the result of development projects within the Martin Slough Basin boundary (as identified by SHN City of Eureka Martin Slough Interceptor Project Map dated January 2004) be applied toward traffic mitigation projects within that same specified area for both the interim GEATIF and final GEATIF. Similarly, it may be logical for the City and County to treat projects in other geographic basins in a similar manner i.e., funds generated in those geographic basin areas be applied to traffic mitigation projects in those specific geographic basin areas.

It is not the District's intent to hinder the development of a comprehensive traffic study for the City of Eureka proper and/or the County of Humboldt. We are, however, committed to ensuring that promises made to our community to gain their acceptance and assume 64% of the debt of the Martin Slough Interceptor project are fulfilled.

The District appreciates the opportunity to participate in, and comment on, the Draft Greater Eureka Area Interim Traffic Impact Fee and fee development process. The District sincerely hopes that the City of Eureka and County of Humboldt understand the necessity to not delay in the establishment and implementation of an interim GEATIF. We look forward to continuing to work with the City and County to quickly resolve this issue.

Very truly yours,

HUMBOLDT CSD,

Alan Bongio
President, Board of Directors

C: Paul Brisso, District Counsel
HCSD Board of Directors

