

STAFF REPORT

City of Lancaster

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03/25/08
MVB

Date: March 25, 2008

To: Mayor Hearn and City Council Members

From: James R. Williams, Director of Public Works

Subject: **Congestion Mitigation Fee Feasibility Report**

Recommendation:

Receive report, discuss, and file

Fiscal Impact:

None

Background:

The Los Angeles County Metropolitan Transportation Authority (LACMTA) implements the Congestion Management Program (CMP) for the County and the cities within it. The CMP became effective with the passage of Proposition 111 in 1990. The City must be in conformance with the Program to receive gas tax subventions along with other state and federal transportation funds. Lancaster is in conformance with the CMP through a series of actions that mitigate regional traffic congestion.

The LACMTA Board of Directors conveys that the county is faced with significant transportation funding challenges due to the uncertainty of funding from the state and federal governments. In order to generate local transportation funds, the Board in 2003 authorized a nexus study to implement a congestion mitigation fee. On January 11, 2008, LACMTA published a Draft Congestion Mitigation Fee Feasibility Study Report. LACMTA staff requests jurisdictions review and submit comments on the report by April 25, 2008.

Staff has concerns about the implementation of this countywide fee. As Lancaster and Palmdale are two of the remaining cities in Los Angeles County with a significant amount of vacant and relatively low-cost land, a minimum fee could be set that could significantly increase the cost of new development and therefore, slow development. This would, in turn, reduce other development fees the City collects.

As staff recognizes that a housing/jobs imbalance exists in the City, staff wants to encourage LACMTA to allow the mitigation fee to create incentives for business to locate in Lancaster and therefore reduce the number of vehicles that travel on State Route 14 and connecting arterials. Investigation of this matter reveals that state law must be modified to allow for this use of fees.

The City expects the LACMTA Board of Directors to adopt the Congestion Mitigation Fee Program around July 2009. While the comment period is open on the Draft Study, staff desires to provide meaningful comments and actions that represent our interests. Lancaster is unique among cities in Los Angeles County. The Congestion Mitigation Fee program should fairly represent the interests of our City.