



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: April 22, 2025

SUBJECT: SAN DIEGO ASSOCIATION OF GOVERNMENTS
("SANDAG") ANNUAL ADJUSTMENT TO THE
REGIONAL TRANSPORTATION CONGESTION
IMPROVEMENT PROGRAM ("RTCIP") DEVELOPMENT
IMPACT FEE

ISSUING DEPARTMENT: Public Works

SUMMARY:

Issues:

Should the City Council approve the resolution adopting the SANDAG annual adjustment to the RTCIP development impact fee for the fiscal year 2025/2026?

Recommendation:

Staff recommends that the City Council approve the resolution adopting the SANDAG annual adjustment to the RTCIP development impact fee for the fiscal year 2025/2026.

Fiscal Impact:

The current fee is \$2,875.06. Effective July 1, 2025, the City would collect \$3,047.57 per dwelling unit for each new residence constructed in La Mesa. If the City does not comply with the RTCIP adjustments, La Mesa may lose its TransNet funding for improvements to local roads for the following fiscal year.

City's Strategic Goals:

- Invest in infrastructure to serve the needs of the community.

BACKGROUND:

The TransNet Extension Ordinance and Expenditure Plan, also known as SANDAG Commission Ordinance 04-01, requires each local San Diego County agency to collect fees from private sector development to the RTCIP for each newly constructed residential unit beginning July 1, 2008. The program aims to ensure that new development invests in the region's transportation system to offset the impact of growth on congestion and mobility.

In compliance with the TransNet Extension Ordinance and Expenditure Plan and the RTCIP Impact Fee Nexus Study, the City Council adopted Ordinance 2008-2791 on May 13, 2008, establishing the City's residential traffic impact mitigation fee program and authorizing the collection of RTCIP fees. Revenue collected through the residential traffic impact mitigation fee program must be used on the regional arterial streets in La Mesa to construct transportation improvements such as new roadways, turning lanes, traffic signal coordination, bike lanes, sidewalks, and other transportation improvements.

The regional transportation system is comprised of streets that create vital links through communities to freeways. This system of streets is defined as the Regional Arterial System. The following La Mesa streets are classified as regional arterials: 70th Street, El Cajon Boulevard, Fletcher Parkway, Grossmont Center Drive, Jackson Drive, La Mesa Boulevard from the eastern intersection with University Avenue to I-8, Lake Murray Boulevard, Massachusetts Avenue, Spring Street, and University Avenue.

DISCUSSION:

The Transnet Extension Ordinance requires that the RTCIP fee charged by local jurisdictions be adjusted every year on July 1 to ensure the RTCIP retains its purchasing power to improve the regional arterial system. The adjustment shall not exceed the percentage increase set forth in the construction cost index published by the Engineering News Record or a similar cost of construction index. In no event, however, shall the increase be less than two percent per year.

SANDAG staff evaluated construction cost trends and relevant indices, and based on this analysis, a 6% fee adjustment was approved by the SANDAG Board of Directors at its meeting on February 28, 2025, raising the minimum RTCIP fee from \$2,875.06 to \$3,047.57, effective July 1, 2025.

CONCLUSION:

Staff recommends that the City Council approve SANDAG's annual adjustment to the development impact fee for the Regional Transportation Congestion Improvement Program, setting the fee at \$3,047.57 to be collected for each newly constructed residential unit for the fiscal year 2025/2026.

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Reviewed by:



Greg Humora
City Manager

Respectfully submitted by:



Michael Throne, PE
Director of Public Works

Attachments: A – Resolution FY26 RTCIP Fee Adjustment