# VMT Fee: Request for Proposals (RFP)

Below are recommendations for content to consider including in the RFP for a VMT Fee:

* Project Description/Introduction
* Scope of Work & Deliverables

Example language and additional information pertaining to each item is provided below.

## 1. RFP Project Description/Introduction

This section includes sample language for a VMT Fee project description that can be adapted to suit the unique context of a planning jurisdiction.

#### Project Description

The Consultant will help [jurisdiction] develop a VMT fee that is intended to provide [jurisdiction] and developers of land use projects in the city with a method of funding city infrastructure projects that will reduce the growth of VMT and contribute to safety and multimodal accessibility co-benefits in the city. It is anticipated that these mechanisms will apply to all development in [jurisdiction] to maximize the benefits of a more multimodal transportation system that promotes a shift to more sustainable modes of travel.

The Consultant will prepare a nexus study to develop a VMT Fee Program. Local agencies may charge development impact fees pursuant to the Mitigation Fee Act (California Government Code §66000 et seq.) to fund the cost of public facilities or services needed to serve or mitigate the effects of development. Alternatively, agencies may establish “in-lieu” fee programs that provide a mechanism for applicants to offset their significant impacts through payment of a fee. There is no state statute outlining specific requirements for in-lieu fee programs; such programs are developed by agencies to promote the public welfare and satisfy regulatory requirements through compensatory mitigation mechanisms.

The study process will be similar to that used to develop a traditional transportation impact fee, with two key differences: first, the projects to be funded must be demonstrably VMT-reducing, and second, the nexus for calculating the fee amount for each land use category will be VMT generation as opposed to vehicle traffic generation. It will be important that the City Attorney or their designee be involved throughout the fee study; all references to City staff should include staff from Planning, Public Works, and the City Attorney’s office.

## 2. Sample Scope of Work

The sample scope of work includes common tasks and deliverables required for VMT Fee development. It is intended to serve as a reference and be revised by each local agency to meet current VMT Fee requirements and serve the unique needs of the agency.

See the City of Vallejo VMT Fee for a sample work product developed using this scope of work.

#### Task 1. Project Management and MeetingS

The Consultant shall be responsible for overseeing all aspects of project development and coordination, including coordination with [City/County] Staff, deliverables, submissions, and other coordination efforts consistent with the scope of work. A kickoff meeting and subsequent bi-weekly meetings will be conducted to maintain regular and consistent communication on upcoming tasks, identifying and proactively addressing potential risks and challenges to success. For each meeting, the Consultant shall develop agendas and prepare meeting summaries. The meeting notes will include a list of decisions, actions, and responsible party. These meetings may be done via an online format.

The Consultant shall work with City staff to identify the stakeholder group who will provide input on the VMT Fee. This may include elected officials, transportation partners, real estate and planning professionals, and City staff. The Consultant shall organize and facilitate up to [#] stakeholder working meetings. The timing of stakeholder meetings and level of stakeholder involvement will be discussed during the project kick-off meeting.

##### Deliverables:

* Meeting schedule
* Meeting agendas and minutes for all meetings
* Project schedules and timeframes
* Preparation for and attendance of up to [#] stakeholder meetings

#### Task 2. Existing Conditions Review

The Consultant shall conduct a comprehensive review of the existing technical and policy considerations that will inform the development of the VMT Fee. The following documents, data and information will be summarized, and key content relevant to the Task work will be concisely summarized. Additional programs or documents will be reviewed as directed by [Jurisdiction] staff.

* The extent to which [Jurisdiction] development fees are typically directed to transportation impact mitigation.
* Survey of VMT mitigation fee programs in other Bay Area or statewide jurisdictions.
* Potential VMT reduction projects and how the mitigation fee would help reduce VMT by contributing to these projects.
* A description of the nexus of a VMT mitigation fee in relation to potential development, including potential thresholds or triggers and appropriate fee scales, CEQA requirements for adequate mitigation, and fee implementation considerations such as fee administration, allocation to projects and programs, and monitoring.
* Existing transportation infrastructure and service conditions (using existing documentation).
* Recommendations identified in UC Berkeley Terner Center for Housing Innovation’s 2019 report on Residential Impact Fees in California and other studies related to mitigation fee creation.

The Consultant shall document the above work in a Draft Technical Memorandum and respond to one round of consolidated comments to prepare the Final Technical Memorandum.

##### Deliverables:

* Existing Conditions Technical and Policy Review Memorandum

#### Task 3. Project List

In consultation with City staff, the Consultant will develop a list of specific VMT-reducing capital projects, drawing from the City’s PTDM Policy and previous capital improvement project planning. The VMT and VMT per capita reduction effects of each project will be defined, including specific values related to the location and size of the project where appropriate. Planning-level cost estimates will be developed for each project, using industry standard estimating factors and other available data.

##### Deliverables

* Project List for Impact Fee Program

#### Task 4. Nexus Analysis

The Consultant will describe the citywide baseline and cumulative VMT and VMT per capita and will conduct a nexus analysis to relate the needs for improvement projects to the new development in the city. This study will establish a reasonable relationship between new development, the proportion of expected VMT contribution attributable to new development by land use type, and the necessary transportation improvements that will be funded by the VMT Impact Mitigation Fee Program. This work will utilize the [applicable regional travel model] to get VMT generation rates, then refine these using an appropriate trip generation analysis tool so rates are reflective of the [Jurisdiction’s] unique land use and transportation context. In addition, this work shall involve application of off-model techniques to estimate the trip-reducing effects of bicycle and pedestrian infrastructure investments, which are typically not adequately reflected within a regional travel model.

##### Deliverables

* Nexus Analysis

#### Task 5. Maximum Allowable Fee Calculation

Based on the above inputs, the Consultant will calculate the maximum allowable fee level by land use. The maximum allowable fee will be reviewed by City staff and may be adjusted based on staff direction to align with development market conditions. If desired, development pro-formas can be developed to assess the effects of the preliminary mitigation fees on overall development costs and economics for different development typologies. City legal counsel will review the calculations and advise the team on topics related to legal framework and risks.

##### Deliverables

* Preliminary Fee Calculation

#### Task 6. Documentation

The Consultant will prepare the Draft VMT Impact Mitigation Fee Program report, which will include an implementation plan, annual monitoring report template, and methods for regular updates of the Program.

##### Deliverables

* Draft VMT Impact Mitigation Fee Program report

#### Task 7. City Review and Adoption

The Consultant shall coordinate with [Jurisdiction] staff for decisionmaker review of the VMT Impact Mitigation Fee Program and help guide the adoption of the Program by the [Jurisdiction] Council. To facilitate this review, the Consultant shall conduct a study session with the Council or appropriate committee to discuss the process, findings, and deliverables of Tasks above.

Based on feedback received in this study session, the Consultant shall update the draft version of the Program and present the Final VMT Impact Mitigation Fee Program to the [Jurisdiction] Council for adoption.

##### Deliverables

* Study session, including meeting notes
* Final VMT Impact Mitigation Fee Program
* Hearings, including meeting notes