



Memorandum

Date: March 1, 2024
To: Nick Pappani, Raney Planning & Management
From: Robert Del Rio, T.E., Luis Descanzo
Subject: VMT Assessment for the Proposed 18590 Skipper Lane Raising Cane's in Morgan Hill, California

Hexagon Transportation Consultants, Inc. has completed a vehicle-miles traveled (VMT) assessment for the proposed Raising Cane's restaurant located at 18590 Skipper Lane (APN 726-58-001 and -002) in Morgan Hill, California (see Figure 1). The site consists of an undeveloped parcel and is located within the approved Evergreen Village commercial development. As proposed, the project would consist of a 2,899 s.f. Raising Cane's restaurant with two drive-through lanes. The purpose of this memorandum is to provide an assessment of the project's effect on VMT. The VMT assessment methodology and results are discussed below.

VMT Assessment Methodology and Results

Pursuant to Senate Bill (SB) 743, the California Environmental Quality Act (CEQA) 2019 Update Guidelines Section 15064.3, subdivision (b) states that VMT will be the metric in analyzing transportation impacts for land use projects for CEQA purposes. VMT is the total miles of travel by personal motorized vehicles a project is expected to generate in a day. VMT measures the full distance of personal motorized vehicle-trips with one end within the project.

The City of Morgan Hill, at the time of this report, is undertaking a process of updating its transportation policies to incorporate VMT methodologies and significance thresholds to be consistent with SB 743 but has not adopted thresholds to date. The new policies will replace the City's current transportation policies that are based on levels of service¹. In the absence of an adopted City policy with impact standards and thresholds, this assessment relies on the Governor's Office of Planning and Research (OPR) *Technical Advisory on Evaluating Transportation Impacts in CEQA*, December 2018 in analyzing the project's effects on VMT.

OPR Screening Recommendations

The *Technical Advisory on Evaluating Transportation Impacts in CEQA* published by OPR in December 2018 provides recommendations regarding VMT evaluation methodology, significance thresholds, and screening thresholds for the evaluation of land use projects. The OPR provides screening threshold recommendations that are intended to identify when a project can be determined to cause a less-than-significant impact without conducting a detailed VMT evaluation. The OPR screening thresholds recommendations are based on project size, maps, transit availability, and provision of affordable housing. The OPR recommendations include the screening threshold criteria listed below:

¹ For non-CEQA related purposes, local agencies may continue to evaluate adverse effects to intersection operations based on level of service.

Figure 1
Site Location

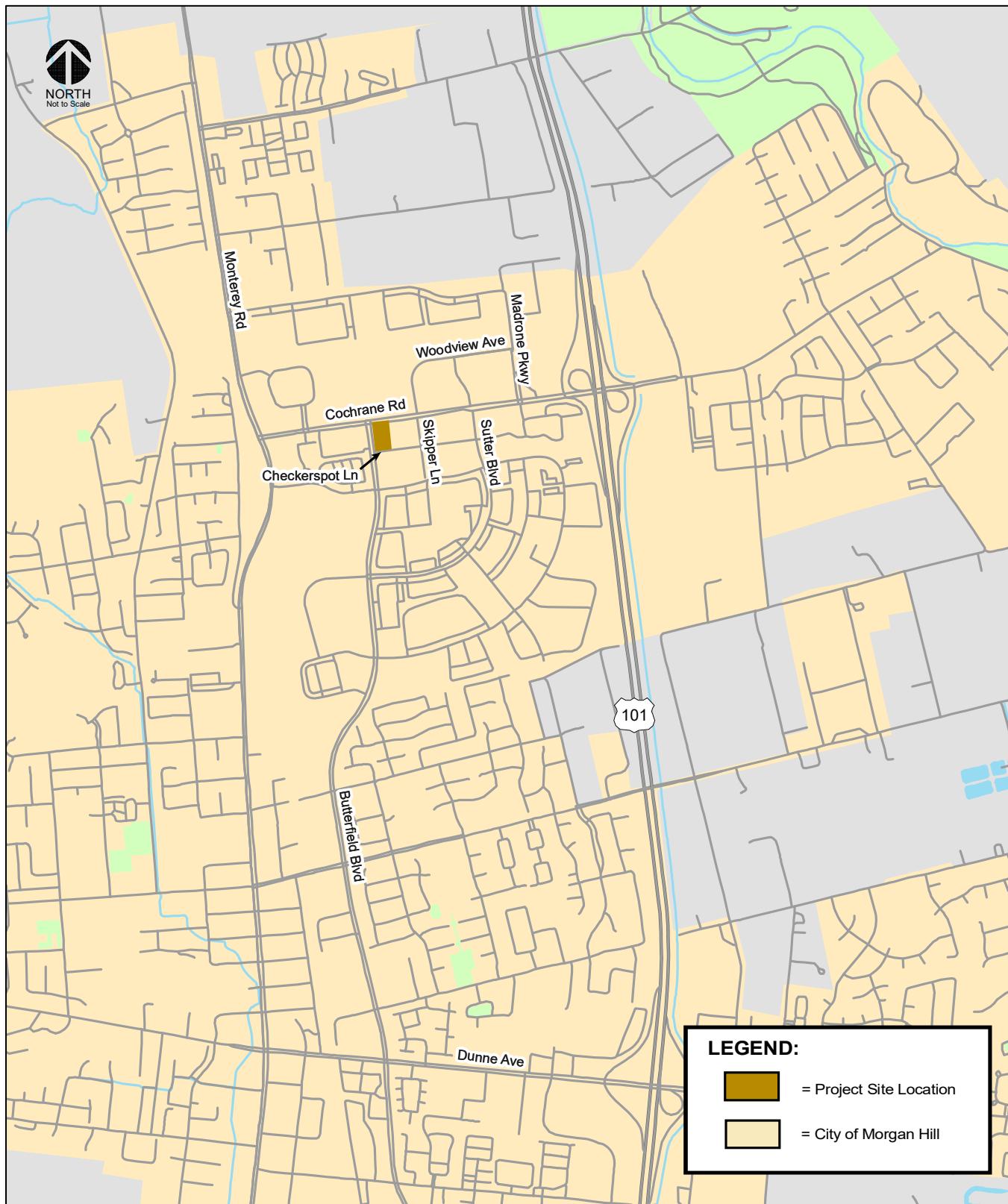
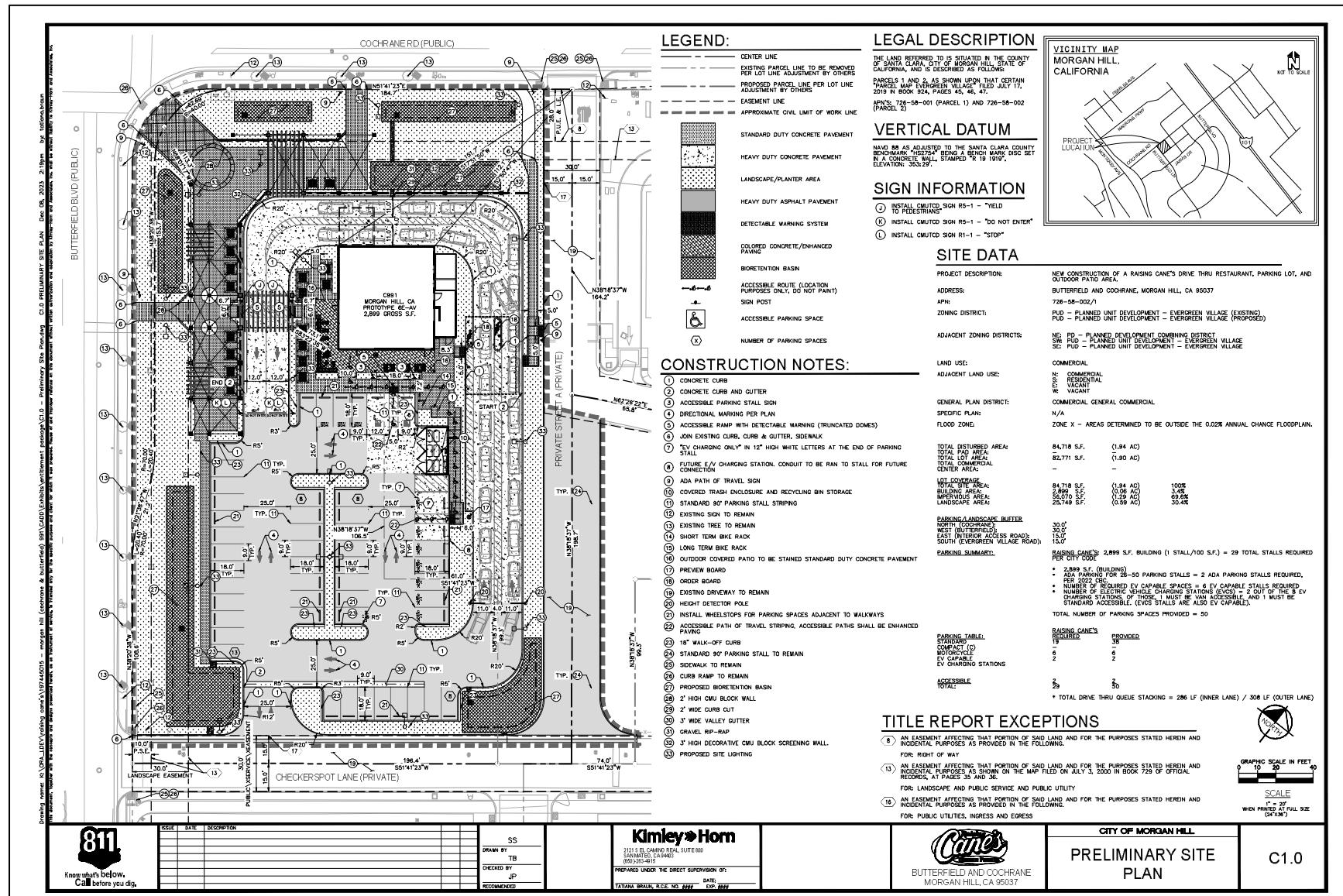


Figure 2 Site Plan



- OPR recommends that office or residential projects not exceeding a level of 15 percent below existing VMT per capita and employee may indicate a less-than-significant impact on VMT.
- OPR recommends that projects (including office, residential, retail, and mixed-use developments) proposed within $\frac{1}{2}$ mile of an existing major transit stop or within $\frac{1}{4}$ mile of an existing stop along a high-quality transit corridor may be presumed to have a less-than-significant impact on VMT.
- OPR recommends that 100 percent affordable residential development in infill locations be presumed to have a less-than-significant impact on VMT.
- OPR recommends that projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less-than-significant impact on VMT.
- ***OPR recommends that local-serving retail developments (considered to be less than 50,000 s.f. in size) may be assumed to cause a less-than-significant impact on VMT.***

However, the guidelines for the evaluation of VMT for development projects is limited to general land use categories such as residential, office, industrial, and retail. Therefore, the assessment of VMT for the proposed fast-food restaurant required a conversion to an equivalent amount of one of the general land uses that has similar trip generating and trip origin/destination characteristics. The number and origination/destination of daily trips and resulting VMT generated by the proposed fast-food restaurant available within the City would be similar to that of local-serving retail since there is not another Raising Cane's restaurant located within the City. As such, the proposed project would provide service to City residents that does not exist today. Therefore, the proposed fast-food restaurant was converted to an equivalent amount of local-serving retail space based on a comparison of estimated daily trips using ITE trip rates for the proposed fast-food restaurant and typical retail uses.

Daily Trip Generation Estimates

Through empirical research, data have been collected that indicate the amount of traffic that can be expected to be generated by common land uses. Project trip generation was estimated by applying to the size and use of the development the appropriate trip generation rates. The average trip generation rates for Fast-Food Restaurant with Drive-Through Window (Land Use 934) as published in the Institute of Transportation Engineers (ITE) *Trip Generation Manual, 11th Edition* (2021) were applied to the proposed project size of 2,899 square feet. Based on the trip generation rates and the project size, it is estimated that, prior to any trip reductions, the proposed development would generate 1,355 daily trips.

Fast-food restaurants with drive-through windows attract a substantial number of pass-by trips, which are trips made by drivers who already pass by the project site on an adjacent street en route to another destination, such as work to home. In contrast, primary (non-pass-by) trips are new trips made for the sole purpose of visiting the project site. Thus, pass-by trips are not considered new trips that are generated by the project site. However, the attraction of pass-by trips does result in a reassignment of existing through traffic (i.e. along Cochrane Road, Butterfield Boulevard and Sutter Boulevard) at intersections immediately adjacent to the project site. A 50 percent pass-by reduction was assumed for the estimated daily trips.

After subtracting pass-by trips, the project is expected to generate 677 primary vehicle trips per day. Trip generation estimates for the proposed project are shown in Table 1.

Table 1
Trip Generation Summary

| Land Use | Size (sf) | Daily | | PM Peak-Hour | | | Total |
|--|-----------|--------|------------|--------------|-----------|-----------|-----------|
| | | Rate | Trips | Rate | In | Out | |
| Proposed Project | | | | | | | |
| Fast-Food Restaurant with Drive-Through Window | 2,899 | 467.48 | 1,355 | 33.03 | 50 | 46 | 96 |
| <i>Pass-by Reduction (50%)¹</i> | | | -678 | | -25 | -23 | -48 |
| Net Project Trips | | | 677 | | 25 | 23 | 48 |
| Source: ITE <i>Trip Generation Manual, 11th Edition</i> 2021. | | | | | | | |
| Notes: | | | | | | | |
| ¹ Pass-by trip reduction percentage is assumed to be 50% of daily and PM peak-hour trips. | | | | | | | |

VMT Assessment Results

VMT Evaluation Using OPR Screening Criteria

The proposed project consists of a 2,899 s.f. fast food restaurant. The proposed project was converted to an equivalent amount of retail/commercial use for the purpose of the VMT assessment since the OPR screening criteria outlined above are not directly applicable to fast food restaurant uses. The results of the conversion of the proposed fast-food restaurant to an equivalent amount of retail/commercial space, shown on Table 2, indicate that the proposed fast-food restaurant would generate net new daily trips equivalent to that of an approximately 18,500 s.f. retail development. If no pass-by reduction is applied, the proposed fast-food restaurant would generate daily trips equivalent to that of an approximately 37,000 s.f. retail development.

Table 2
Conversion to Equivalent Retail Space

| Land Use | Size | Daily | |
|--|---|-------|-------|
| | | Rate | Trips |
| Proposed Restaurant (with pass-by reduction) ^{1, 2} | | | 677 |
| Retail (ITE #820) ³ | Equivalent Retail Space⁴ = 18,500 Square Feet | 37.01 | 677 |
| Proposed Restaurant (without pass-by reduction) ¹ | | | 1,355 |
| Retail (ITE #820) ³ | Equivalent Retail Space⁴ = 37,000 Square Feet | 37.01 | 1,355 |

Notes:

¹ Daily trips are based on daily rates published in the ITE Trip Generation Manual, 11th Edition for Land Use Code 934: Fast-Food Restaurant with Drive-Through.

² Pass-by trip reduction percentage is assumed to be 50% of daily and PM peak-hour trips.

³ ITE *Trip Generation Manual*, 11th Edition 2021.

⁴ The equivalent retail space were rounded up to the next 500 square feet.

Since the project's converted retail size, with or without pass-by reductions, would be less than 50,000 s.f., the proposed project may be presumed to be a local-serving facility and would therefore have a less-than-significant impact on VMT. The OPR guidelines suggest that by adding retail opportunities into the urban fabric and thereby improving retail destination proximity, local-serving retail development tends to shorten trips and reduce VMT. Raising Cane's, in particular, does not have a significant presence in the Bay Area, with restaurants in Oakland and Modesto being the closest to Morgan Hill. The proposed new Morgan Hill location will provide a proximate location for City residents to a Raising Cane's restaurant, thus resulting in shorter trips and subsequent reduction in VMT generated by Morgan Hill residents for the purpose of visiting a Raising Cane's location. Moreover, the trip generation estimates assume a significant number of trips will be pass-by trips. As discussed above, pass-by trips are not considered new trips and merely result in a reassignment of existing through traffic (i.e. along Cochrane Road and Butterfield Boulevard) at site driveways and intersections immediately adjacent to the project site. These pass-by trips are already accounted for in the baseline VMT and are not new VMT generated by the proposed project.

As a result of the project's trip-making characteristics of a local-serving retail facility, it can be presumed that the proposed project would have a less-than-significant impact on VMT based on OPR's VMT screening criteria.

Quantitative VMT Evaluation

For informational purposes, the VMT assessment was supplemented with a quantitative analysis of the project's effects on VMT. The VTA Countywide transportation model was used to estimate VMT for the proposed retail/fast-food use of the project site since it can estimate the diversion of traffic and change in traffic patterns due to land use changes/additions like those proposed by the project. The VTA model is a mathematical representation of travel within Santa Clara County and is mainly composed of four components: 1) trip generation, 2) trip distribution, 3) mode choice, and 4) trip assignment. The model uses socioeconomic inputs (i.e. households, number of jobs, travel mode-share defaults) to estimate travel within Santa Clara County. Socioeconomic inputs are aggregated into geographic areas or traffic analysis zones (TAZs). The underlying premise of the VMT evaluation is that the proposed retail/fast-food uses would not cause an increase in trips but rather result in a change in trip-making characteristics because some people would visit the proposed project instead of other nearby fast-food establishments. The VTA model is general in its categorization of commercial, restaurant, retail type of land uses. Therefore, in order to estimate the effects on VMT for the fast-food use of the proposed project with the model, the qualitative evaluation utilizes a converted square footage of 37,000 s.f. of commercial space (based on 1,355 daily trips) as described previously. The equivalent retail space was then converted to 93 retail jobs using a ratio of one retail job per 400 square feet.

Hexagon selected Traffic Analysis Zones (TAZ) within the model that included fast-food uses similar to the proposed project (see Figure 3). For the purpose of modeling VMT, some employees were assumed to leave their jobs at these nearby shopping centers and instead work at the proposed project site. In order to reflect this, an equivalent number of retail jobs from TAZs (334, 332, 358, 348, 345, 347, 354) were shifted to the project TAZ (336). These job changes were made in the 2015 base year land use file. The VTA model was then used to generate projected daily VMT without and with the project for the selected TAZs to estimate the change in daily VMT (see Table 3). The analysis includes an estimate of home-based work VMT (VMT generated by restaurant employees) and home-based shopping VMT (VMT generated by customers) of 178,223 and 122,170, respectively, for the selected TAZs.

Table 3
Retail VMT Analysis

| VMT Analysis | No Project | Project | Project - No Project |
|---------------------------|------------|---------|----------------------|
| Home-Based Work VMT | 178,223 | 178,373 | 150 |
| Home-Based Shop/Other VMT | 122,170 | 121,693 | -477 |
| Total VMT | 300,393 | 300,066 | -327 |

Source: VTA Travel Demand Model (2015)

The model results show that the proposed project would result in an increase of 150 home-based work VMT and a decrease of 477 home-based shopping VMT, resulting in a net decrease of 327 daily VMT. The net reduction in VMT is the result of the project providing a new fast-food option in northern Morgan Hill proximate to nearby residents and employment areas, thus resulting in shorter trips and subsequent reduction in VMT generated by customers.

The thresholds of significance for retail development projects, as recommended in the OPR technical advisory, are based on the existing regional average total VMT. Per the technical advisory, projects that include retail uses are said to create a significant adverse impact on VMT when the project results in any increase in the total VMT. The project would not have an impact on the transportation system based on OPR's recommended VMT impact criteria since the VMT analysis shows that the proposed project would result in a reduction in total daily VMT.

Figure 3
Similar Land Uses in the Project Vicinity

