

# Appendix H-2

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Vehicle Miles Traveled Analysis



## Technical Memorandum

*Date:* March 20, 2023

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*Jurisdiction:* City of Monterey

*Subject:* **2101 N Fremont Street Hotel VMT Analysis**

TJKM conducted a VMT (Vehicle Miles Traveled) analysis for the proposed 2101 N Fremont Street Hotel project. The project is located on the east side of the City of Monterey and consists of demolishing an existing 18 room motel and constructing a new three story 42 guest room branded hotel (thus a net increase of 24 hotel rooms). For consistency purposes, TJKM utilized the 42 guest room project as the baseline rather than the net increase

### **Vehicle Miles Traveled (VMT) Impact Assessment for the Fremont Street Hotel Project**

The City of Monterey passed a VMT policy on January 2021 regarding SB 743, which was signed into law by Governor Brown in 2013 and codified in Public Resources Code 21099, tasked OPR with establishing new criteria for determining the significance of transportation impacts under CEQA. SB 743 requires the new criteria to “promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” SB 743 changes the way that public agencies evaluate the transportation impacts of projects under CEQA, recognizing that roadway congestion, while an inconvenience to drivers, is not itself an environmental impact (see Pub. Resource Code, § 21099, subd. (b)(2)). In December 2018, OPR circulated its most recent Technical Advisory on Evaluating Transportation Impacts in CEQA (OPR) that provides recommendations and describes various options for assessing VMT for transportation analysis purposes. The VMT analysis options described by OPR are primarily tailored towards single-use development residential, office or office projects, not mixed use projects and not hotel projects. OPR recommends the following methodology and criteria for specific land uses:

- For residential projects, OPR recommends that VMT impacts be considered potentially significant if a residential project is expected to generate VMT per Capita (i.e., VMT per resident) at a rate that exceeds 85 percent of a regional average.
- For office projects, OPR recommends that VMT impacts be considered potentially significant if a residential project is expected to generate VMT per Employee at a rate that exceeds 85 percent of a regional average.
- For retail projects, OPR recommends that VMT impacts be considered potentially significant if a project results in a net increase in total VMT. This approach takes into account the likelihood that retail developments may lead to increases or decreases in VMT, depending on previously existing retail travel patterns. This approach may also be used for other types of projects with customer components.
- OPR does not provide specific guidance on evaluating other land use types, such as hotels, except to say that other land uses could choose to use the method applicable to the land use with the most similarity to the proposed project.
- For mixed-use projects, OPR describes several options that include (1) evaluating each land use separately; or (2) evaluating mixed-use projects based on the method applicable to the dominant land use. Evaluating each land use separately would potentially fail to measure the positive effects of mixed-use projects in reducing VMT.

OPR also recommends exempting some project types from VMT analysis based on the likelihood that such projects will generate low rates of VMT. OPR recommends that projects generating less than 110 trips per day generally may be assumed to cause a less than significant transportation impact.

Potentially relevant to the analysis of VMT attributable to employee VMT: OPR's Technical Advisory also notes that "low wage workers in particular would be more likely to choose a residential location close to their workplace if one is available."

Section 15064.3 of the State CEQA Guidelines describes the requirements for assessing transportation impacts based on vehicle miles traveled (VMT) that apply statewide. As described in Section 15064.3:

- "Vehicle miles traveled" refers to the amount and distance of automobile travel "attributable to a project." Other relevant considerations may include the effects of the project on transit or non-motorized travel. As described separately in the Technical Advisory on Evaluating Transportation Impacts in CEQA (OPR, December 2018), VMT re-routed from other origins or destinations as the result of a project would not be attributable to a project except to the extent that the re-routing results in a net increase in VMT. For example, OPR guidelines note that retail projects typically re-route travel from other retail destinations, and therefore a retail project may lead to increases or decreases in VMT, depending on previously existing travel

patterns. Similarly, a large share of retail trips are “pass-by trips” that would not be considered attributable to a retail project.

- Lead agencies have discretion to choose the most appropriate methodology to evaluate a project’s vehicles miles traveled, including whether to express the change in absolute terms, per capita, per household or any other measure.
- If existing models or methods are not available to estimate the vehicle miles traveled for the particular project being considered: a lead agency may evaluate the project’s vehicle miles travelled qualitatively.
- A lead agency may use models to estimate a project’s vehicle miles traveled and may revise those estimates to reflect professional judgment based on substantial evidence.

**VMT Impact Criteria for Proposed Project**

Based on the City of Monterey recommendations, VMT impacts attributable to the proposed hotel may be considered potentially significant if:

- Home-based work VMT per Employee exceeds 85 percent of the average rate for Monterey County; or
- VMT attributable to hotel guests results in a net increase in total VMT. The analysis of net VMT takes into account that hotels attract guests already visiting Monterey County that would otherwise stay at another hotel, as well as “day trippers” already visiting the area that would otherwise not stay in the area overnight.

**Table 1** shows the impact threshold numbers for Monterey City. As shown, the impact threshold applicable to hotel employees (service type employment) for this analysis is 6.6 miles per employee (round-trip).

**Table 1 – Monterey City VMT per Employee Thresholds**

Employment Category	VMT/Employee Threshold	NAICS Codes
Agricultural	1.5	11
Construction	18.0	23
Industrial	16.9	21, 22, 31 - 33
Retail	18.1	42 - 45
Service (including Office)	6.6	48, 49, 51 - 55, 71 - 72, 81
Public	12.3	56, 61, 62, 92

**VMT Impact Findings: Hotel Employees**

The latest version of the Association of Monterey Bay Area Governments (AMBAG) Model was used to forecast the rate of VMT per Employee that would be generated by project employees. The project is located on Travel Analysis Zone (TAZ) #690. The project contains 42 hotel rooms; TJKM estimated that the project would generate 45 new employees in totality but only 5 employees will be on-site at any given period. **Table 2** shows the project model run VMT results. As shown: the AMBAG Model predicts that the additional hotel employees will generate VMT at a rate of 5.7 miles per employee, thus below the impact threshold. ***Based on the model forecast: VMT impacts attributable to hotel employees are less than significant. There will only be 5 employees on-site at any given time of the day during each calendar year moving forward.***

**Table 2 – VMT Per Employee for Proposed Project in TAZ #690**

	<b>Model Baseline Conditions</b>	<b>Model Baseline plus Hotel Conditions</b>	<b>Hotel Employee VMT</b>
Home-based Work VMT (round-trip miles)	4,770	4,942	+172
Number of Employees (Proposed Hotel)			45 (5 on-site)
VMT per Employee (Proposed Hotel)			5.7 miles (round-trip)
Source: AMBAG Travel Model Baseline (Year 2015)			

**VMT Impact Findings: Hotel Guests**

VMT attributable to hotel guests would be considered significant if it resulted in a net increase in total countywide VMT, consistent with the recommended method of evaluating VMT for customer-serving retail uses. The assessment of the net change attributable to hotel guests was conducted qualitatively.

The proposed hotel would serve to provide lodging to accommodate tourists in the Monterey area. The analysis of VMT takes into account that hotels attract guests already visiting Monterey County that would otherwise stay at another hotel, vacation rental, or an AirBnB. Over 70% of visitors to Monterey County are “day trippers”. Day trippers are potentially more likely to travel on Monterey County roads during peak hours, especially during summer months, while hotel guests tend to arrive and depart outside of peak traffic hours. The San Francisco Bay Area is a source of frequent day-trippers to the Monterey area.

The Monterey County Hospitality Association reports that on average, the occupancy rate of hotels and motels in the area is 71%. There are a total of 12,000 hotel rooms in the county, with 4,664 hotel rooms in the City of Monterey. Taking into account the occupancy rate, there are



about 1,300 empty rooms on a typical night. Thus, the proposed 42 room hotel will not lead to an increase in visitors due to surplus rooms for visitors. With the pandemic, one can expect future years that hotel occupancy rates will decrease for 2021-2022, but most likely will trend back to the 71% average by 2023. Based on these trends, the proposed hotel will unlikely result in an increase in the number of visitors to Monterey County. ***VMT impacts generated by hotel guests are anticipated to be less than significant.***