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August 21, 2008

Board of Supervisors  
County of El Dorado  
330 Fair Lane  
Placerville, CA 95667

2008 AUG 21 PM 4:25  
RECEIVED  
BOARD OF SUPERVISORS  
EL DORADO COUNTY

**Re: Ordinance Providing for Annual Contributions Towards Missouri  
Flat Roadway Improvements**

Honorable Supervisors:

**Recommendation:**

County Counsel recommends that the Board of Supervisors introduce the attached Ordinance Providing For Annual Contributions Towards Missouri Flat Roadway Improvements. County Counsel also recommends that the Board make a finding that no supplemental environmental analysis is required.

**Reasons for Recommendation:**

In 1998, the Board of Supervisors adopted the Missouri Flat Master Circulation and Financing Plan ("MC&FP") which provided a plan for the financing of certain Missouri Flat roadway improvements. Generally, it specified that the County would contribute an amount equal to 85% of the incremental tax revenues from commercial development toward the projects. Incremental tax revenues are tax revenues generated by new development. The plan incorporated the possibility of issuing Mello-Roos bonds to be funded by these contributions, but ultimately secured by a special tax on properties in the district based upon their meeting taxable revenue goals. This plan was incorporated in development agreements for three projects.

The development agreements provide that the County shall make a binding commitment to contribute funds to the CFD annually to cover the debt service on the bonds and other costs of the CFD, up to an amount equal to 85% of the tax increment. The commitment is to be in such form as is recommended by bond counsel. This ordinance represents the binding commitment. It does not represent any greater obligations than are already provided in the development agreements. It merely represents a stand alone obligation to the bondholders and sets forth the parameters of the County's contribution in greater detail. It contains several limitations on the County's contributions.

The ordinance is being brought forward at this time in anticipation of selling bonds to finance a portion of the cost of Phase 1B of the Missouri Flat interchange. It will be the basis of a validation action to be filed in connection with the bond issuance.

Attached as Exhibit "A" is a spread sheet showing the present replacement costs of those MC&FP improvements, owned by the County, that have been completed or are intended to be financed in part by bond funds. The spread sheet also includes a calculation of present rental value for the improvements. This rental value is used as a limitation on the annual contributions to the CFD, and represents the annual value of the use and possession of such improvements to the County and its inhabitants.. This value will be updated at the time bonds are actually issued.

Adoption of this ordinance is part of the original MC&FP project. It is unchanged and largely mirrors terms of the originally adopted development agreements. It is recommended that the Board find that none of the circumstances listed in §15162 of the CEQA Guideline which would require additional environmental review has occurred, and utilize the original MC&FP EIR for approval of this ordinance.

**Fiscal Impact:**

The County is already obligated by the developments agreements to set aside an amount equal to 85% of incremental tax increment for the Missouri Flat roadway improvements, and is doing so. This ordinance does not represent any increase in cost over what the County is already obligated to pay.

**Actions to Be Taken After Approval:**

Staff will continue to set aside an amount equal to 85% of the incremental tax revenues for Missouri Flat roadway improvements and will make the contributions to the CFD called for in the ordinance once bonds are issued.

We would be pleased to respond to any questions the Board might have.

Respectfully submitted,



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LOUIS B. GREEN  
County Counsel

LBG/stl

Att.

cc: Chief Administrative Officer  
County Auditor  
Dir. of Transportation

s:/Missouri Flat/Contributions Ordinance trans v5

**Missouri Flat Circulation and Funding Plan (MC&FP)**  
**Estimate of Present Value of Completed Projects Owned by County (Collateral for Bond)**

#	Project Description	Original Cost			Adjusted to Present Value			Percent Owned by County	Present Value of Replacement Cost Owned by County	Annual Fair Rental Value (30 Yrs, 6%, Semiannual Compounding)
		Year	Construction Cost	Total Project Cost	Factor	Construction	Total Project			
	Missouri Flat Road Widening Phase A - Mother Lode Drive to Forni Road	1997	2,071,000	2,504,000	2.0921	4,332,837	5,238,737	100%	5,238,737	378,582
72140	Missouri Flat Road Widening Phase B - Forni Road to future Pleasant Valley Connector	1998	2,589,000	2,692,000	2.0303	5,256,516	5,465,639	100%	5,465,639	394,979
73125	Missouri Flat Road at El Dorado Road - Intersection Improvements and Signalization	2006	710,000	1,125,000	0.9305	660,659	1,046,819	100%	1,046,819	75,649
71317	Missouri Flat Road / US 50 Interchange - Phase 1A (County = 20% of total by area)	2007	21,522,000	34,777,000	1.0000	21,522,000	34,777,000	20%	6,955,400	502,638
	<b>Total Completed Projects</b>		<b>26,892,000</b>	<b>41,098,000</b>		<b>31,772,012</b>	<b>46,528,196</b>		<b>18,706,596</b>	<b>1,351,849</b>
	Next Phase to be constructed:									
71336	Missouri Flat Road / US 50 Interchange - Phase 1B (County = 10% of total by area)	2008	27,190,000	34,910,000	1.0000	27,190,000	34,910,000	10%	3,491,000	252,280
	<b>Total with Next Phase</b>		<b>54,082,000</b>	<b>76,008,000</b>		<b>58,962,012</b>	<b>81,438,196</b>		<b>22,197,596</b>	<b>1,604,130</b>

Caltrans Index	%
1987	100.0
1996	119.2
1997	124.8
1998	128.6
1999	139.2
2000	146.2
2001	154.1
2002	142.2
2003	148.6
2004	216.2
2005	268.3
2006	260.6
2007	261.1

**MC&FP Project Cost Summary**

Project #	Project Description	Year	Project Deliver Cost	Construction Cost	Total Cost
	Missouri Flat Road Widening Phase A - Mother Lode Drive to Forni Road	1997	\$433,000	\$2,071,000	\$2,504,000 *
	Missouri Flat Road Widening Phase B - Forni Road to future Pleasant Valley Connector	1998	\$103,000	\$2,589,000	\$2,692,000 *
71317/71336	Missouri Flat Road / US 50 interchange - Phase 1	see below	\$20,975,000	\$51,662,000	\$72,637,000 **
	Pleasant Valley Connector Roadway - Missouri Flat Road to Hwy 49/Fowler Lane Intersection	future			
GP-165	Missouri Flat Road at Headington Road - Intersection Improvements and Signalization	future	\$567,000	\$1,047,000	\$1,614,000 ***
73125	Missouri Flat Road at El Dorado Road - Intersection Improvements and Signalization	2006	\$415,000	\$710,000	\$1,125,000 *
	<b>Total</b>		<b>\$22,493,000</b>	<b>\$58,079,000</b>	<b>\$80,572,000</b>

- \* Project Complete
- Project Partially Complete
- \*\*\* Estimate Cost includes widening Headington to Prospector's Plaza

Assumption #1: Missouri Flat Road and it's Ramp connections to US 50 are County assets, as Caltrans owns US Highway 50 for through traffic, but does not own the local roadways (Hence the local funding requirements for improvements to interchanges). Under this assumption, all of the Phase 1A construction cost would be a County asset. If this logic follows through the Phase 1B ramp improvements and the auxillary lanes in Phase 1B would also be County assets as their purpose is to connect local traffic from Missouri Flat Road with Placerville Drive without impact to mainline thru traffic on US 50(Nexus that caused these elements to be a condition of these projects). Under this scenario it could be argued all of construction of 1B is a County asset, or 50% County and 50% City of Placerville, less the \$2.95 million Caltrans is contributing as SHOPP funds for correction of existing deficiencies on Weber Creek Bridges.

Missouri Flat Road / US 50 Interchange - Phase 1A	\$13,255,000	\$21,522,000	\$34,777,000
Missouri Flat Road / US 50 Interchange - Phase 1B	\$7,720,000	\$27,190,000	\$34,910,000

Assumption #2: Only those portions of the improvements within County Right-of-way are County assets, and all improvements within Caltrans Right-of-way are Caltrans assets.

Missouri Flat Road / US 50 Interchange - Phase 1A (County = 20% of total by area)	2007	\$2,651,000	\$4,304,400	\$6,955,400
Missouri Flat Road / US 50 Interchange - Phase 1B (County = 10% of total by area)	2008	\$772,000	\$2,719,000	\$3,491,000