

COUNTY COUNSEL
LOUIS B. GREEN

CHIEF ASS'T. COUNTY COUNSEL
EDWARD L. KNAPP

PRINCIPAL ASS'T COUNTY COUNSEL
PATRICIA E. BECK

DEPUTY COUNTY COUNSEL
JUDITH M. KERR
REBECCA C. SUDTELL
PAULA F. FRANTZ
MICHAEL J. CICOZZI

**EL DORADO COUNTY
OFFICE OF
THE COUNTY COUNSEL**



COUNTY GOVERNMENT
CENTER
330 FAIR LANE
PLACERVILLE, CA
95667
(530) 621-5770
FAX# (530) 621-2937

DEPUTY COUNTY COUNSEL
BETH A. MCCOURT
DAVID A. LIVINGSTON
SCOTT C. STARR
TERI M. MONTEROSSO
LESLEY B. GOMES

September 5, 2008

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

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

Honorable Supervisors:

Recommendation:

County Counsel recommends that the Board of Supervisors re-introduce the attached Ordinance Providing For Annual Contributions Towards Missouri Flat Roadway Improvements, read the ordinance by title only and waive further reading of the ordinance. County Counsel also recommends that the Board make a finding that no supplemental environmental analysis is required.

Reasons for Recommendation:

On August 26, 2008, the Board of Supervisors introduced the attached ordinance and scheduled it for adoption on September 16, 2008. County Counsel has made a slight change to the ordinance to deal with the shift of sales tax revenue pursuant to the "triple flip" legislation that was adopted in 2003. The amendment allows the property tax to be tracked and captured for purposes of the County's contribution to the MC&FP financing despite its having been transformed from sales tax revenue to an adjustment in the ERAF shift. The change in the ordinance is highlighted at page 6. An ordinance which is amended after introduction must be re-introduced before adoption.

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.

Board of Supervisors

September 5, 2008

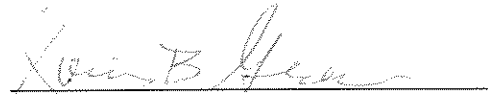
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Actions to Be Taken After Approval:

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,



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 #	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			
	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	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	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	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	502,638
	Total Completed Projects		26,892,000	41,098,000		31,772,012	46,528,196	1,351,849
	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	252,280
	Total with Next Phase		54,082,000	76,008,000		58,962,012	81,438,196	1,604,130

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	280.6
2007	261.1

MC&FP Project Cost Summary

Project #	Project Description	Year	Project Deliver Cost	Construction Cost	Total Cost
7131771336	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 *
	Missouri Flat Road / US 50 Interchange - Phase 1	see below	\$20,975,000	\$51,662,000	\$72,637,000 **
GP-165	Pleasant Valley Connector Roadway - Missouri Flat Road to Hwy 49/Fowler Lane Intersection	future	\$567,000	\$1,047,000	\$1,614,000 ***
73125	Missouri Flat Road at Headington Road - Intersection Improvements and Signalization	future	\$415,000	\$710,000	\$1,125,000 *
	Missouri Flat Road at El Dorado Road - Intersection Improvements and Signalization	2006			
	Total		\$22,493,000	\$58,079,000	\$80,572,000

* 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 auxiliary 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