

**MISSOURI FLAT**  
**MASTER CIRCULATION &**  
**FINANCING PLAN PHASE II:**  
**COUNTY BOARD OF SUPERVISORS**  
**STUDY SESSION**  
**FEBRUARY 11, 2020**

**Draft Financing Strategy and  
Cash Flow Analysis Overview**



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# PRESENTATION OVERVIEW

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- Phase I Overview (County)
- Phase II Overview (EPS)
- Financing Strategy Overview (EPS)
- Next Steps (EPS)

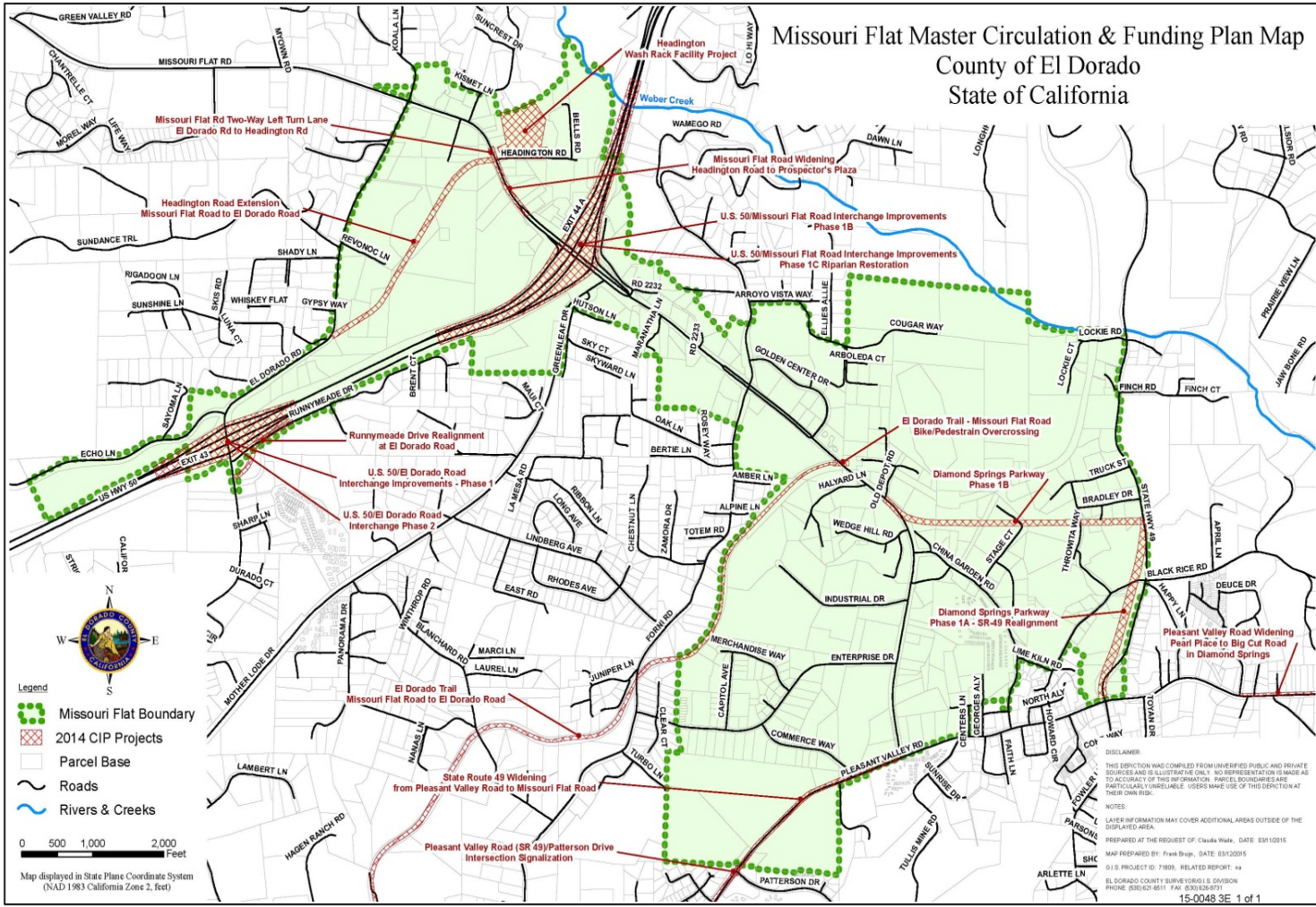
# PHASE I PROJECT OVERVIEW

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## BACKGROUND

- In the late 1990's, County was processing applications for new retail in Missouri Flat corridor: Walmart, El Dorado Villages (Safeway center) & Sundance Plaza (now Crossings, not yet constructed)
- Due to existing traffic congestion, road capacity was insufficient to meet Level of Service (LOS) standards; County unable to approve new commercial
- MC&FP created to: alleviate existing traffic congestion, establish a vital commercial center in El Dorado County, improve the County's fiscal well-being, establish the framework for revenue collection that will fund specific improvements identified in the Missouri Flat area, and allow for discretionary approvals of commercial development in the Missouri Flat area

# Missouri Flat Master Circulation & Funding Plan Map County of El Dorado State of California



# PHASE I PROJECT OVERVIEW

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## PHASED APPROACH

- MC&FP was developed anticipating two phases of development; because of Measure Y (approved Nov. 3, 1998), only Phase I of MC&FP approved (Dec. 15, 1998)
- Phase I anticipated transportation improvements to address existing LOS deficiencies and allow for approximately 732,278 square feet of additional commercial development
- Phase II to determine funding for the improvements that were recognized but stricken from MC&FP Study (i.e., SPUI & Headington Road)
- Phase II allowed for an additional 767,722 square feet, for a total of 1,500,000 square feet with both Phases

# PHASE I PROJECT OVERVIEW

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## PHASE I FUNDING SOURCES

- The MC&FP planned to use a range of funding sources for needed transportation improvements, including:
  - Private Financing (developer constructed facilities)
  - Traffic Impact Mitigation (TIM) Fees
  - MC&FP incremental sales and property taxes (85% of new property and sales tax), approved in 1998 (estimated implementation in 2001)
  - Mello–Roos Communities Facility District (CFD) established in 2002; to date, no bonds have been issued and no special tax rates have been levied on property owners
  - State and federal transportation grants; County received substantial state funding for interchange improvements

## PHASE II PROJECT OVERVIEW

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- In 2014, the County BOS approved the EPS–led consulting team’s (EPS Team) technical analysis scope of work, which included the following analyses:
  - retail market and initial financial feasibility analysis;
  - traffic analysis, determination of required infrastructure, and cost estimates;
  - California Environmental Quality Act (CEQA) review;
  - a fiscal impact analysis; and
  - a public facilities financing plan (Financing Plan).
- Scope of work also included public outreach to key stakeholder groups and study sessions with the BOS.
- The EPS Team’s contract was extended in 2018, following a lengthy hiatus, primarily stemming from the County’s priority to adopt an updated Traffic Impact Mitigation (TIM) Fee and the passage of voter initiative, Measure E.

# PHASE II PROJECT OVERVIEW

## SUMMARY OF ANALYSES PREPARED TO DATE

Analysis	Date Prepared
Retail Market and Initial Feasibility Analysis Memorandum	October 2015
Traffic Analysis Locations, Methodology & Assumptions Memorandum	April 2016
Existing Traffic Analysis Results and Findings for the MC&FP Phase II Study Area Memorandum	May 2016 (Revised August 2018)
Missouri Flat Road Interchange Capacity Threshold Phasing Analysis and Alternative Screening Evaluation Memorandum	January 2018
Draft Fiscal Impact Analysis Technical Analysis Table Set	May 2018
Future Traffic Analysis Results Memorandum	June 2018
MC&FP Screencheck Checklist Memorandum	July 2019
Fiscal Impact Analysis Memorandum	September 2019
<b>Draft Public Facilities Financing Plan</b>	<b>January 2020</b>



# MISSOURI FLAT APPROVED AND PROPOSED LAND USES

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## SUMMARY OF RETAIL PROJECTS IN MISSOURI FLAT AREA

- Constructed Projects – Approximately 321,000 sq. ft.
- Approved but not yet built:
  - Sundance (Crossings) Phase 1 – 120,000 sq. ft.
  - Creekside Plaza – 30,560 sq. ft.
- Other Proposed:
  - Diamond Dorado Retail – 241, 515 sq. ft. (conceptually approved on 9/11/12, an approval of the final PD is needed for project)
  - El Mirage Plaza – in process
  - Harrington Business Park – map has expired
- The Sheriff Safety Facility and the El Dorado Community Health Center are not included as they are not Commercial Projects.

# MISSOURI FLAT PROJECTED LAND USES THROUGH 2040

## SUMMARY OF CUMULATIVE EXISTING AND PROJECTED MISSOURI FLAT LAND USES ABSORBED THROUGH 2040

Item	Existing	Land Use Projections		
	Land Uses 2017	2020	2035	2040
<b>Residential Uses</b>				
		Units		
Single-Family	257	258	263	265
Multifamily	217	237	366	423
<b>Total Residential</b>	<b>474</b>	<b>495</b>	<b>628</b>	<b>687</b>
<b>Nonresidential Uses [2]</b>				
		Building Square Feet		
Retail	766,980	808,114	1,049,335	1,144,796
Office [3]	161,708	168,872	209,746	225,461
Industrial	1,411,480	1,424,867	1,493,731	1,517,418
<b>Total Nonresidential</b>	<b>2,340,168</b>	<b>2,401,853</b>	<b>2,752,812</b>	<b>2,887,675</b>

Source: El Dorado County General Plan projections, amended June 2015, El Dorado County; Kittelson Associates, Inc.; EPS.

# MISSOURI FLAT PROJECTED LAND USES THROUGH 2040

## SUMMARY OF INCREMENTAL, NEW PROJECTED MISSOURI FLAT LAND USES ABSORBED THROUGH 2040

Land Use	New Nonresidential Building Square Feet		
	2020-2030	2031-2040	Total
Retail	195,000	183,000	378,000
Office	33,000	30,000	63,000
Industrial	59,000	47,000	106,000
<b>Total</b>	<b>287,000</b>	<b>260,000</b>	<b>547,000</b>

Note: Residential development is excluded because there is very little projected new residential development in the Project and the financing mechanisms do not rely on new residential development to generate revenues.

# PHASE II PROPOSED IMPROVEMENTS

## SUMMARY OF PROPOSED ROADWAYS AND ESTIMATED COSTS

Item	Total Cost [1]
<b>Roadway Improvements</b>	
1 U.S. 50/Missouri Flat Road Interchange - Phase 1C [2]	\$345,000
2 U.S. 50/Missouri Flat Road Interchange - Phase 1B.2 [2]	\$3,000
3 Missouri Flat Road/Industrial Drive	\$2,195,000
4 Missouri Flat Road/Enterprise Drive	\$2,812,000
5 Diamond Springs Parkway Phase IA [2]	\$10,554,000
6 Diamond Springs Parkway Phase IB [2]	\$23,605,000
7 SR-49/Forni Road	\$3,500,000
8 SR-49/Pleasant Valley Road	\$700,000
9 U.S. 50/Missouri Flat Road Interchange (Ultimate Solution)	\$17,515,000
10 U.S. 50/El Dorado Road Interchange Phase 1 [2]	\$5,491,000
11 U.S. 50/El Dorado Road Interchange Phase 2	\$11,555,000
12 Headington Road Extension/Missouri Flat Widening [2]	\$6,254,000
<b>Total Roadway Improvements</b>	<b>\$84,529,000</b>

Source: El Dorado County; Quincy; Kittelson & Associates, Inc.; EPS.

[1] Excludes administrative costs and consultant expenses.

[2] Originally in Phase 1 and moved to Phase 2 because they either were not begun or not completed during Phase I.

# PHASE II PROPOSED FINANCING STRATEGY

## SUMMARY OF FUNDING SOURCES

Funding Source	Funding Amount	% of Total
County TIM Fee	\$28.3 Million	33%
County, State, and Federal	\$18.1 Million	21%
Other Identified Sources	\$3.9 Million	5%
MC&FP Project Funding	\$34.2 Million	40%
<b>Total</b>	<b>\$84.5 Million</b>	<b>100%</b>

Source: El Dorado County; Quincy; Kittelson & Associates, Inc.; EPS.

# PHASE II PROPOSED FINANCING STRATEGY

## DETAILED SOURCES AND USES AT BUILDOUT (2040)

Item	Total Cost	Funding Sources				Total
		MC&FP Project Funding [1]	County TIM Fee	County, State, and Federal [2]	Other [3]	
<b>Roadway Improvements</b>						
U.S. 50/Missouri Flat Road Interchange - Phase 1C [4]	\$345,000	\$345,000	-	-	-	\$345,000
U.S. 50/Missouri Flat Road Interchange - Phase 1B.2 [4]	\$3,000	\$2,000	-	\$1,000	-	\$3,000
Missouri Flat Road/Industrial Drive	\$2,195,000	\$1,000,000	-	\$1,195,000	-	\$2,195,000
Missouri Flat Road/Enterprise Drive	\$2,812,000	\$1,000,000	\$317,000	\$1,495,000	-	\$2,812,000
Diamond Springs Parkway Phase IA [4]	\$10,554,000	\$300,000	-	\$10,161,000	\$93,000	\$10,554,000
Diamond Springs Parkway Phase IB [4]	\$23,605,000	\$7,796,000	\$6,789,000	\$5,219,000	\$3,800,000	\$23,604,000
SR-49/Forni Road	\$3,500,000	\$3,500,000	-	-	-	\$3,500,000
SR-49/Pleasant Valley Road	\$700,000	\$700,000	-	-	-	\$700,000
U.S. 50/Missouri Flat Road Interchange (Ultimate Solution)	\$17,515,000	\$17,515,000	-	-	-	\$17,515,000
U.S. 50/EI Dorado Road Interchange Phase 1 [4]	\$5,491,000	-	\$5,491,000	-	-	\$5,491,000
U.S. 50/EI Dorado Road Interchange Phase 2	\$11,555,000	-	\$11,555,000	-	-	\$11,555,000
Headington Road Extension/Missouri Flat Widening [4]	\$6,254,000	\$2,070,000	\$4,184,000	-	-	\$6,254,000
<b>Total Roadway Improvements</b>	<b>\$84,529,000</b>	<b>\$34,228,000</b>	<b>\$28,338,000</b>	<b>\$18,071,000</b>	<b>\$3,893,000</b>	<b>\$84,529,000</b>

Source: El Dorado County; Quincy; Kittelson & Associates, Inc.; EPS.

[1] MC&FP funding sources may include: property and sales tax increment from existing development, sales tax increment from new development, current fund balance, one or more bond issuances, possible private capital, state/local/federal funding, and other sources.

See Appendix A for detailed cashflow analysis.

[2] Currently projected funding is from County General Fund, County Road Fund, and local tribes.

[3] Currently projected funding is from utility agencies (PG&E, AT&T and Comcast).

[4] Originally in Phase 1 and moved to Phase 2 because they either were not begun or not completed during Phase I.

# PHASE II CASH FLOW SUMMARY

## SUMMARY OF MC&FP PHASE II COSTS AND FUNDING

Item	Alternative 1: Continuation of MC&FP Phase 1 [1]		Alternative 2: Minimum MC&FP Fund Surplus [1]	
	2019 \$	Inflated \$	2019 \$	Inflated \$
<b>MC&amp;FP Funded Costs</b>				
Infrastructure	\$34,228,000	\$46,760,000	\$34,228,000	\$46,760,000
County Administration	\$172,000	\$242,000	\$172,000	\$242,000
MC&FP Phase II Administration	\$268,000	\$276,000	\$268,000	\$276,000
Consultant Expense	\$125,000	\$129,000	\$125,000	\$129,000
<b>Subtotal</b>	<b>\$34,793,000</b>	<b>\$47,407,000</b>	<b>\$34,793,000</b>	<b>\$47,407,000</b>
<b>MC&amp;FP Funding Sources</b>				
Existing Fund Balance	\$7,290,000	\$7,290,000	\$7,290,000	\$7,290,000
Annual Property Tax Increment	\$1,941,000	\$2,431,000	\$1,751,000	\$2,153,000
Annual Sales Tax	\$30,556,000	\$44,255,000	\$26,896,000	\$37,822,000
Interest Earnings	N/A	\$307,000	N/A	\$243,000
Other	N/A	\$88,000	N/A	\$88,000
<b>Subtotal</b>	<b>\$39,787,000</b>	<b>\$54,371,000</b>	<b>\$35,937,000</b>	<b>\$47,596,000</b>
<b>Surplus/Deficit</b>	<b>\$4,994,000</b>	<b>\$6,964,000</b>	<b>\$1,144,000</b>	<b>\$189,000</b>

Source: El Dorado County; Quincy; Kittelson & Associates, Inc.; EPS.

[1] Represents a summation of the cash flow analysis from 2020-2040 in 2019 and inflated dollars.

# PHASE II FEASIBILITY ANALYSIS

## SUMMARY OF FINANCIAL FEASIBILITY METRICS

Feasibility Method	Feasibility Finding
Total Infrastructure Cost Burden of Major Infrastructure	Feasible
Total Taxes and Assessments as a Percentage of Sales Price	Feasible

Note: This Financing Plan does not propose any new infrastructure fees and special taxes or assessments to fund Project improvements. This information serves to document the existing infrastructure burden (i.e., existing fees imposed on new development) and the existing tax and assessment burden (i.e., annual ad valorem and special taxes and assessments levied on existing and new development) in the event a new financing mechanism is necessary to supplement the proposed financing strategy outlined in this report.



# NEXT STEPS

## PROJECT SCHEDULE AND DELIVERABLES

