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Title: Department of Transportation recommending the Board receive information and provide direction on the draft Public Facilities Financing Plan for the MC&FP Phase II (Attachment A). (Est. Time: 1 Hr.)

FUNDING: Missouri Flat Master Circulation and Financing Plan Phase I Funds

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Missouri Flat MC&FP Phase II PFP, 2. B - MCFP Phase II - Powerpoint, 3. Public Comments RCVD 02-11-20 BOS 02-11-20

Date	Ver.	Action By	Action	Result
2/11/2020	1	Board of Supervisors	Direction Provided (See Minutes)	

Department of Transportation recommending the Board receive information and provide direction on the draft Public Facilities Financing Plan for the MC&FP Phase II (Attachment A). (Est. Time: 1 Hr.)

FUNDING: Missouri Flat Master Circulation and Financing Plan Phase I Funds

DISCUSSION / BACKGROUND

The goals of the Missouri Flat Master Circulation and Financing Plan (MC&FP) Phase II are to:

- Accommodate the expansion of 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.
- Allow for discretionary approvals of commercial development in the Missouri Flat area.
- Alleviate existing/projected traffic congestion.

The Board approved the original Missouri Flat MC&FP in December 1998. The MC&FP is comprised of a policy and action framework intended to relieve existing road deficiencies and create additional capacity for planned commercial development in the commercial area surrounding the Missouri Flat Road and Highway 50 interchange (Project Area). The MC&FP incorporated the following objectives:

- Alleviate existing traffic congestion.
- Create adequate capacity to meet County General Plan Level of Service (LOS) policy.
- Establish a vital commercial center in the County.
- Improve the County's fiscal well-being.
- Establish the framework for revenue collection that would fund specific improvements identified in the Project Area.
- Construct improvements to Missouri Flat Road.

Originally envisioned as one funding plan, the MC&FP was subsequently divided into two phases

after the November 1998 passage of Measure Y, which excluded certain improvements contained in the funding plan. Approval of the initial phase of MC&FP (Phase I) coincided with the approval of a number of commercial projects proposed for the Project Area, including Walmart, the El Dorado Villages Shopping Center, and Sundance Plaza. Since 1998, a number of retail projects have been constructed in the Project Area, including Walmart and the El Dorado Villages Shopping Center.

MC&FP Phase I limits commercial development in the Project Area to about 730,000 square feet. With approximately 500,000 commercial square feet constructed in the Project Area to date, current approved and proposed commercial projects in the Project Area exceed remaining capacity in Phase I. In addition, further development in the Project Area would require an updated evaluation of requisite transportation improvements, including the need for an ultimate highway interchange solution at Missouri Flat Road. These two factors have triggered the potential implementation of MC&FP Phase II. Numerous Board meetings have been held on the progress of the MC&FP Phase II project including those held on February 6, 2018 (Item 22) and March 28, 2017 (Item 37).

The predominant proposed MC&FP Phase II transportation improvement is the Missouri Flat Road Interchange Phase 2. At the February 6, 2018 (Item 22), the Board selected as the preferred alternatives, the Diverging Diamond #1 and #2, and Hook Ramp options and directed staff to use these alternatives to develop the financing plan and allow these alternatives to be reconsidered during future studies. (See Attachment A for additional projects for MC&FP Phase II). Many of the proposed transportation improvements for MC&FP Phase II will be included in the updated Traffic Impact Mitigation (TIM) Fee program. Should the MC&FP Phase II not be approved, the TIM Fee program will increase predominantly in TIM Fee Zones 2 and 3, to cover the cost of these proposed improvements.

Economic & Planning Systems, Inc. (EPS) completed TM 1-9, Missouri Flat Master Circulation and Financing Plan (MC&FP) Phase II Fiscal Impact Analysis which examined whether the Project will generate adequate revenues to meet the cost of providing new development with County municipal services (e.g., general government, public protection, etc.). Additionally, the second objective was to quantify the net fiscal impacts to the County's General Fund net of a maximum percentage of property tax and sales tax revenues generated by retail/commercial uses. These revenues may be used to help fund requisite capital improvements to support new development. On November 5, 2019 the Board approved the draft TM 1-9 (Item 40).

EPS has completed the draft Public Facilities Financing Plan (Financing Plan) for the MC&FP Phase II project (Attachment A). The Financing Plan is the final technical analysis and sets forth a strategy to finance the backbone transportation improvements included in the MC&FP Phase II. The Financing Plan provides the background of the MC&FP, estimated costs and timing of the transportation improvements needed to serve new development within the project. It also describes the strategy to provide funding when required to construct the improvements. The financing strategy relies on a cash flow analysis that incorporates the following Financing Plan elements:

- Phase II development projections for the project.
- Phase II transportation improvements to be constructed to serve the new development.
- Cost estimates and phasing of the transportation improvements.
- Funding sources and amounts required to fund the improvements when needed.

The cash flow analysis results in a positive balance at the end of the timeframe in 2040. Staff and our consultants are requesting input on the document before it is put in the final format.

Ascent Environmental is continuing the preparation of an Initial Study comparing the updated Project land use and transportation projects in MC&FP Phase II against the Approved Environmental Document for the MC&FP Phase I to determine the scope of CEQA review necessary to proceed with implementing Phase II. Some additional analysis was required to complete the Initial Study. This additional analysis is generally a function of CEQA requirements that have been added since the approval of the MC&FP Phase I EIR.

ALTERNATIVES

Transportation offers the following options for direction to staff:

- 1) Keep the 85% of incremental sales tax and property tax revenue for the MC&FP project area, as a continuation of the current program and outlined in the draft Public Facilities Financing Plan, Alternative 1;
- 2) Direct staff and their consultants to use another percentage, as outlined in the draft Public Facilities Financing Plan, Alternative 2; and
- 3) Direct staff to discontinue the Phase II project and adjust Traffic Impact Mitigation Fee Program to account for the loss of this revenue source.

PRIOR BOARD ACTION

Outlined in the Discussion / Background section above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Planning and Building Department
Economic Development Division
CAO

CAO RECOMMENDATION / COMMENTS

It is recommended the Board receive and file the information and provide direction to staff.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this agenda item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Economic Development and Infrastructure. The Phase II Study will determine the extent of additional demand for retail development in the Project Area and the necessary roadway infrastructure to support economic growth.

CONTACT

Rafael Martinez, Director
Department of Transportation