



Legislation Details (With Text)

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Title: Supervisor Knight recommending the Board approve a Traffic Impact Fee Deferral in line with Board of Supervisors Policy B-3 for Montano De El Dorado; and direct County Counsel and the Department of Transportation to work with El Dorado Hills Pavilion Venture, LLC to prepare the agreement and documents for recordation.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Policy B-3, 2. B - 10-1076. - Ltr support TIM deferral.PDF - Adobe Acrobat Standard.pdf

Date	Ver.	Action By	Action	Result
10/12/2010	1	Board of Supervisors	Approved	Pass

Supervisor Knight recommending the Board approve a Traffic Impact Fee Deferral in line with Board of Supervisors Policy B-3 for Montano De El Dorado; and direct County Counsel and the Department of Transportation to work with El Dorado Hills Pavilion Venture, LLC to prepare the agreement and documents for recordation.

On behalf of EDH Pavilion Venture, LLC, owners of Montano, I am requesting a deferral of TIM fees per county Policy B-3. By granting the deferral of these fees, it will ensure this project goes forward.

The request relates to approximately 12,000 square feet of retail space the Pottery World will occupy. The owners expect that by securing this tenant the following will occur:

- Create 10 to 12 new jobs
- Cost of the tenant improvement work will be approximately \$1,250,000 and have a supplemental increase in property tax revenue the first year of \$13,000
- Gross sales for the first year are estimated between \$3 and \$4 million with a store projection of \$15 to \$20 million in 5 years
- To date the owners have paid approximately \$175,000 in TIM fees
- The owners have already paid \$8,000 in TIM fees for this space, warehouse only, and are requesting a deferral on the remaining \$110,000

The deferral that I am recommending is as follows:

- Note signed by the owner, EDH Pavilion Venture, LLC and personally signed by two of the partners, secured by a second Trust Deed
- The note will be fully amortized over 18 months at a fixed rate of 3%
- Owners shall pay 20% of the fee due with the remainder deferred into the note
- Owners will pay all fees for document drawing, escrow and recording fees

The owners are now completing the most important, stabilizing tenant at Montano. Pottery World is the anchor that all other tenants draw from to survive. Synergy is a key component to the survival of all. Pottery World accounts for nearly 1/3 of Montano's retail space and is an attraction for more tenants in El Dorado Hills, and more business spending in our community. Pottery World's attraction is the reason our Art Gallery has located to Montano and the reason for BI Design Studio's recent expansion within the plaza. To date, this ownership group has paid 100% out of pocket all T.I.'s for Pottery World, Relish Burger Bar and Runway Boutique. Further, it has subsidized other tenants until Pottery World opens for business. Although Montano has been unstable since it opened in 2007, this ownership group has committed itself and paid out millions to date to keep this plaza alive through this recession and retail crisis.

Not included in any figures is the positive impact that Pottery World will have on all the other tenants thereby increasing sales tax at the other locations.

Recommendation: Approval of TIM Fee Deferral