



## Legislation Text

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**File #:** 20-0328, **Version:** 1

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Department of Transportation recommending the Board authorize the Chair to sign Amendment I to the Credit and Reimbursement Agreement for the Construction of Saratoga Way between the County and Elliott Homes, Inc. (AGMT 19-54934).

**FUNDING:** Traffic Impact Mitigation Fees.

### **DISCUSSION / BACKGROUND**

On May 14, 2019 (Item 25), the Board approved a "Credit and Reimbursement Agreement" (Agreement) between the County and Sunset Tartesso, LLC, a subsidiary of Elliott Homes Inc. (Developer) for the construction of Saratoga Way extension connecting to Iron Point Road in Folsom. The Agreement defined the terms for which the Developer would receive Traffic Impact Mitigation (TIM) Fee Credits and Cash Reimbursements for the eligible costs of constructing the road which fall under the County's Capital Improvement Program and TIM Fee programs.

Subsequent to execution of the Agreement an error in the methodology used to calculate the Fee Credits was discovered. This error incorrectly overvalued each Fee Credit by \$6,477, and a total of \$1,054,009 when applied to all 317 homes within the Saratoga Estates subdivision, based upon current TIM Fees. Conversely, this error undervalued the Cash Reimbursement due to the Developer by \$1,054,009 based upon current TIM Fees. While the net total reimbursement due to the Developer remains correct, the discrepancy requires correction to comply with TIM Fee program guidelines.

Upon identifying the issue, staff notified the Developer. The Developer evaluated the matter and concurs that this Amendment is necessary and correct. This Amendment documents the issue and amends the agreement.

### **ALTERNATIVES**

N/A

### **PRIOR BOARD ACTION**

Outlined in the Discussion / Background section above.

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel

### **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

### **FINANCIAL IMPACT**

The current estimated cost of completing the Project is \$11,352,342.66. The projected Cash Reimbursement amount is \$6,885,496. Eligible Reimbursement Costs shall be reimbursed only from the TIM Fee Zone 8 Local Road Account of the 2004 General Plan TIM Fee Program or its

successor, excluding the thirty percent (30%) portion reserved for the Silva Valley Interchange set-aside.

The Developer will receive a credit against the TIM fee payable at the time of issuing each building permit within the Saratoga Estates Project in an amount equal to seventy percent (70%) of the Local Road TIM fee then due and payable. At this time, this credit is projected to be \$14,091 per residential unit (Current fee \$20,130.00 x 0.70), or a total of \$4,466,847.00 (317 residential units x \$14,091). There is no Net County Cost.

#### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) The Clerk of the Board will obtain the Chair's signature on three (3) originals of the subject Amendment.
- 2) The Clerk of the Board will forward two (2) fully executed original Amendments to Transportation, attention Julie Millard, for further processing.

#### **STRATEGIC PLAN COMPONENT**

Infrastructure

#### **CONTACT**

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