File #: 16-0846, **Version:** 1

Community Development Agency, Administration and Finance Division, recommending the Board receive and file a Traffic Impact Mitigation Fee Program Report, providing an update on the annual revenues and expenditures of the Program, the Capital Improvement Programs funded with Traffic Impact Mitigation Fees, and costs associated with administering the Program (est. time: 20 min).

FUNDING: Traffic Impact Mitigation Fees (No Federal Funds)

DEPARTMENT RECOMMENDATION

Community Development Agency (CDA), Administration and Finance Division , recommending the Board receive and file the Traffic Impact Mitigation (TIM) Fee Program Report.

DISCUSSION / BACKGROUND

On June 15, 2016, there was a full page advertisement in the Mountain Democrat (Ad) from “Friends of El Dorado County,” comparing TIM fees collected in TIM Fee Zones 1-7 with staff labor costs over a five-year time period (Fiscal Year 2010/11 [FY10/11] through Fiscal Year 2014/15). The purpose of the ad appears to be to show that an excessive percentage of the TIM Fee revenue is spent on staff costs.

On August 2, 2016 (Item 9), the Board directed CDA to provide an update on the TIM Fee Program (Program), including annual revenue and expenditures, capital improvement projects funded by TIM fees, and costs associated with administration of the Program.

The purpose of the Program is to provide funding for projects to mitigate roadway impacts associated with development related growth. Project costs funded by TIM fees include planning, design/engineering, necessary studies, right-of-way acquisition, environmental review, legal review, and construction. These phases can be completed by staff, consultants, or a combination of both. Staff labor is necessary to achieve all of these phases, including Program administration.

There are several items of note with the aforementioned Ad in the Mountain Democrat. First, only TIM Fee Zones 1-7 were shown, which represent a very small percentage of the overall Program. To provide a more complete picture, CDA is providing information that includes the entirety of the Program, including other (non-TIM fee) revenue that was leveraged by the Program (Attachment A). It is also noted that the figures shown in the Ad coincide with the recession, when TIM fee revenue was relatively low; staff costs during that time period, therefore, represented a higher percentage of fee revenue than in normal years (Attachments B and C).

Zones 1-7

FY10/11 started with a fund balance of $12 million, $4.3 million in TIM fee revenue in Zones 1-7 was leveraged with nearly $16 million in other funding for project design and construction during the five-year period noted above. **The result is that $2.8 million of staff cost supported $19.0 million in construction and related costs.**

Hwy 50
FY 10/11 started with a fund balance of $8 million; $6.2 million in TIM fee revenue was collected and $7.7 million of other revenue leveraged over the five-year time frame. **Staff costs of $1.4 million supported $12.1 million of construction, right-of-way, professional services, and other related costs.**

Zone 8
FY 10/11 started with a $32.8 million fund balance. TIM fee revenue of $12 million (not including the $17 million loan for Silva Valley Parkway Interchange); other revenue of $3 million was leveraged over the five-year time frame. **Staff costs of $2.5 million supported $37.9 million in construction and related costs.**

Total Program Costs
To summarize the overall Program, FY10/11 began with a total fund balance of $52.8 million. Total TIM fee revenue for the five years was $39.5 million, which was used to leverage $26.4 million in other revenue. **Total staff costs of $6.6 million were used to support $69 million in construction and related costs.**

Capital Improvement Projects
Listed in Attachment D are major projects utilizing TIM fee funding that were in some phase of design and construction during the referenced five-year time frame.

ALTERNATIVES
N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT
None

CAO RECOMMENDATION
Chief Administrative Office concurs with staff's recommendations.

FINANCIAL IMPACT
N/A

CLERK OF THE BOARD FOLLOW UP ACTIONS
The Clerk of the Board to receive and file the Traffic Impact Mitigation Fee Program Report.

STRATEGIC PLAN COMPONENT
Infrastructure

CONTACT
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