



Legislation Text

File #: 22-0423, **Version:** 1

Department of Transportation recommending the Board approve the attached budget amendment transferring \$1,850,000 from the Silva Valley Special Revenue Fund to the Capital Improvement Program to allow for reimbursement to West Valley, LLC., per the approved Funding, Credit, and Reimbursement Agreement. (4/5 vote required)

FUNDING: Traffic Impact Fees - Silva Valley Set Aside.

DISCUSSION / BACKGROUND

The Department of Transportation (Transportation) and West Valley LLC (Developer), entered into a Funding, Credit, and Reimbursement Agreement, as approved by the Board of Supervisors on November 8, 2005 (Item 21). Under this agreement, the Developer advanced funding to construct portions of the Silva Valley Interchange project as conditioned by the West Valley residential development project. The Developer advanced those funds, and the County constructed the interchange improvements. The reimbursement agreement stipulated that the Developer would be reimbursed certain costs for the project on an annual basis as Traffic Impact Fees accumulate in the Silva Valley Set Aside account. These funds are to be distributed annually, no later than March 1st of each year, based on available funding as of December 31st of the previous year, until full reimbursement has been made, per section 6 of the agreement.

On November 16, 2021 (Legistar 21-1763, Item 24), the First Amendment (Amendment) to the Agreement was approved by the Board, changing the reimbursement schedule for funds owed to the Developer from an annual payment to a quarterly payment. The amount of each payment is to reflect the balance of the set-aside reserves as of the end of the preceding quarter. The Fiscal Year 2021-22 budget was prepared prior to this amendment, with an anticipated reimbursement of \$1,670,567 and the projected payments will total \$3,465,213. The amounts budgeted in the Silva Valley Special Revenue Fund and the Capital Improvement Program need to be increased by \$1,850,000 to ensure there are sufficient funds available for the payment.

ALTERNATIVES

The Board could choose not to approve the budget transfer. The Developer payment would be paid out of the Road Fund, which could negatively impact operating revenues for Transportation.

PRIOR BOARD ACTION

See Description/Background section above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is no change to Net County Cost as a result of this item. The budget amendment is decreasing the Silva Valley Special Revenue Fund contingency budget by \$1,850,000 and increasing operating transfers out by the same amount. Operating Transfers In is increasing by \$1,850,000 in Road Fund Capital Improvements, and Infrastructure Acquisition Fixed Assets is increasing by the same amount. This transfer allows the payment to be made to the developer. The payment to the Developer is contractually required, and if the budget transfer is not approved, the funds will be paid from the Road Fund instead of the Silva Valley Set Aside Fund.

CLERK OF THE BOARD FOLLOW UP ACTIONS

The Clerk of the Board will obtain the Chair’s signature on the original budget transfer and will forward the budget transfer to the Auditor/Controller for processing.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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