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City Manager’s Report

February 27, 2024, City Council Meeting

Prepared by: Dave Warren, Assistant City Manager/Director of Finance

Item #: 7.8

Subject: Consider receiving and filing the annual report for the Traffic Impact Mitigation Fee for Fiscal Year 2017/2018.

Recommendation:

Receive and file the Fiscal Year 2017/2018 Traffic Impact Mitigation Fee report, and authorize staff to post it on the City’s website.

Purpose:

To fulfil the reporting requirements of the Mitigation Fee Act, which requires that certain financial information be made available to the public for each fiscal year in which fees are collected or fees disbursed.

Strategic Plan Strategy:

Fiscal Stability/Sustainability: 6) Strategy - Meet Financial Commitments and Reporting Requirements, b. Prepare financial reports as required by Federal and State laws and regulations

Background:

California Government Code Section 66006 imposes certain accounting and reporting requirements on every local agency that imposes development impact fees. Specifically:

§66006(a) requires that each fee, for accounting purposes, must be segregated from the general funds of the agency and from other funds or accounts containing fees collected for other improvements. Interest on each development fund must be credited to that fund or account and used only for the purposes for which the fees were collected.

§66006(b) requires that for each separate development impact fund that the local agency maintains, the local agency to make available to the public the following information for each fiscal year:

- (A) A brief description of the type of fee in the account or fund.
- (B) The amount of the fee.
- (C) The beginning and ending balance of the account or fund.
- (D) The amount of the fees collected and interest earned.
- (E) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.

- (G) A description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an inter-fund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

A recent provision that went into effect in 2022, §65940.1(a)(1), requires agencies to post the current and five previous annual fee reports on the agency's website, if it has a website.

Discussion:

The City's Traffic Impact Mitigation Fee (TIM) program has been in place since 1998. Section 8-15-5 of the City Code lists the amount of the fee by unit of development¹, which is periodically updated to account for inflation.

In accordance with §66006(a), the City maintains a separate account, the Development Impact Fees Special Revenue Fund, to handle fee payments and disbursements related to this program.

The annual report for Fiscal Year 2017/2018, required by §66006(b), is attached to this staff report. We request the City Council to receive and file the report and authorize staff to post it on the City's website in compliance with §65940.1(a)(1).

Options:

1. Receive and file the report, and authorize staff to post it on the City's website
2. Direct Staff to take other actions.

Environmental:

Not applicable to tonight's action.

Cost:

The report has already been prepared. A minor amount of staff time would be needed to file it and post it to the City's website.

Budget Impact:

Other than a minor amount of staff time, there is no budget impact associated with tonight's action.



M. Cleve Morris, City Manager



**Dave Warren, Assistant City Manager/
Director Finance**

Attachments:

A: TIM Annual Report for Fiscal Year 2017/2018

¹ Per dwelling unit for residential development, per square foot for commercial or industrial development, and per fuel position for gas stations.

**CITY OF PLACERVILLE TRAFFIC IMPACT MITIGATION FEE
ANNUAL REPORT, FISCAL YEAR 2017/2018**

Pursuant to California Government Code Section 66006(b)(1), the following information is made to the public regarding the Traffic Impact Mitigation Fee program for Fiscal Year 2017/2018:

- (A) **A brief description of the type of fee in the account or fund** - The Traffic Impact Mitigation Fee is imposed on new development to ensure that it pays its fair share of roadway improvements, the need for which is triggered in whole or in part by new development.
- (B) **The amount of the fee** – The fee schedule is found in Section 8-15-5 of the City Code and shown in Table 1 below.

Table 1: Current TIM Fee Schedule

| Development Category | Fee | Unit |
|-----------------------------|------------|-------------------|
| Single-Family Residential | \$15,532 | per dwelling unit |
| Multi-Family Residential | \$11,534 | per dwelling unit |
| Manufactured Home (in Park) | \$10,457 | per dwelling unit |
| Minor Commercial | \$8.45 | per square foot |
| Major Commercial | \$6.17 | per square foot |
| Gas Station | \$13,783 | per fuel pump |
| Industrial | \$2.02 | per square foot |

- (C) **The beginning and ending balance of the account or fund** – See Table 2.

Table 2: Account Balances and Flows

| Item | Amount |
|-----------------------------|---------------|
| Balance as of July 1, 2017 | \$1,490,606 |
| Developer Fees Received | 413,489 |
| Interest Income | 4,367 |
| Grant Revenue Received | 184,493 |
| Disbursements to Projects | (335,046) |
| Other Expenses | - |
| Balance as of June 30, 2018 | \$1,757,909 |

- (D) **The amount of the fees collected and the interest earned** – See Table 3 above.
- (E) **An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees** – Table 3 shows TIM expenditures by project for Fiscal Year 2017/2018 and cumulative TIM expenditures at the end of the reporting period.

Table 3: TIM Expenditures by Project

| Improvement | Estimated Project Total Cost | Total Project Expenditures to Date | TIM Contribution FY 2017/2018 | Previous TIM Contribution | Total TIM Contribution | Total TIM Contribution as a Percentage of Total Expenditures to Date | Project Status |
|--|------------------------------|------------------------------------|-------------------------------|---------------------------|------------------------|--|--------------------|
| | | (A) | (B) | (C) | (D) = (B) + (C) | (E) = (D) / (A) | |
| 1 Clay Street Realignment^ | \$ 3,110,000 | \$ 972,960 | \$ - | \$ 80,663 | \$ 80,663 | 8% | Ongoing |
| 2 Coleman Street Extension | 1,710,000 | - | - | - | - | 0% | Planned |
| 3 Immigrant Ravine Road Extension | 14,490,000 | - | - | - | - | 0% | Planned |
| 4 Ray Lawyer Drive Interchange | 18,830,000 | 13,759,491 | - | 223,332 | 223,332 | 2% | Under Construction |
| 5 Ray Lawyer Drive Extension | 8,450,000 | - | - | - | - | 0% | Planned |
| 6 Main Street Realignment | 4,780,000 | - | - | - | - | 0% | Planned |
| 7 Broadway Traffic Signals* | 1,070,000 | - | - | - | - | 0% | Planned |
| 8 Blairs Lane Bridge Widening^ | N/A | 4,515,118 | 11,344 | 155,264 | 166,608 | 4% | Completed |
| 9 Placerville Drive Interchange Upgrade | 23,480,000 | - | - | - | - | 0% | Planned |
| 10 Placerville Drive Widening Fair Lane to Ray Lawyer Drive | 5,050,000 | - | - | - | - | 0% | Planned |
| 11 Placerville Drive Bridge Widening | N/A | 649,828 | 706 | 73,829 | 74,535 | 11% | Ongoing |
| 12 Placerville Drive Widening Cold Springs Road to US 50 | 10,380,000 | - | - | - | - | 0% | Planned |
| 13 Schnell School Road Traffic Signal (Similar to Wiltse Road Alternative 4) | 550,000 | - | - | - | - | 0% | Planned |
| 14 Washington Street & Turner Street Widening | 11,490,000 | - | - | - | - | 0% | Planned |
| 15 Forni Road Realignment^ | N/A | 754,464 | - | 85,000 | 85,000 | 11% | Completed |
| 16 Point View Drive Extension^ | N/A | 1,843,800 | - | 1,015,513 | 1,015,513 | 55% | Completed |
| 17 TIM Fee Studies | N/A | 140,617 | 21,461 | 119,156 | 140,617 | 100% | Ongoing |
| 18 Total | \$ 103,390,000 | \$ 22,636,278 | \$ 33,511 | \$ 1,752,757 | \$ 1,786,268 | 8% | |

^TIM contribution derived from associated development agreement.

- (F) **An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete** – Sufficient funds have been collected to complete Project No. 4, the Ray Lawyer Drive Interchange. Construction of this project has just begun and is expected to be completed in 2020.
- (G) **A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan** – No interfund transfers or loans were made from the Development Impact Fees Special Revenue Fund during Fiscal Year 2017/2018.
- (H) **The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001** – No refunds were made during Fiscal Year 2017/2018 pursuant to §66006(e), nor were any funds allocated pursuant to §66006(f).