

**Meeting Date:** 6/10/2014

**Report Type:** Consent

**Report ID:** 2014-00415

**Title: Private Development – Collection of Funds for Mitigation of Fair Share of Future Infrastructure Needs – Creation of Fund, Fund Transfers, and Fund Closures**

**Location:** Citywide

**Recommendation:** Pass a Resolution 1) authorizing the City Manager to establish a new fund for Fair Share Contributions; 2) transferring \$3,564,637 from the Private Development Fund (Fund 2018) to the Fair Share Contributions Fund; 3) appropriating \$152,700 from the Private Development Fund contingency (Fund 2018) to the Fair Share Contribution Fund and then appropriating \$152,700 from the Fair Share Contribution Fund to the State Route 99/Elkhorn Boulevard Improvements Project (T15116400); and 4) closing Fund 2003, Fund 2004, Fund 2005, and Fund 2009.

**Contact:** Lucinda Willcox, Program Manager (916) 808-5052; Nicholas Theocharides, Engineering Services Manager (916) 808-5065, Department of Public Works

**Presenter:** None

**Department:** Public Works Department

**Division:** Engineering Services Admin

**Dept ID:** 15001111

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Exhibit A Fair Share Contributions

---

**City Attorney Review**

Approved as to Form  
Gerald Hicks  
6/4/2014 4:26:45 PM

**Approvals/Acknowledgements**

Department Director or Designee: Jerry Way - 6/2/2014 1:56:28 PM

## Description/Analysis

**Issue:** Proposed private development projects are sometimes required as a condition of approval to contribute funding toward that development's fair share of a future infrastructure project. Fair share funds are used when sufficient funding has been accumulated through other development or other sources of funding to construct the improvement. Creation of a single fund will make it more efficient to account for and transfer funds into appropriate CIPs. This report also requests approval to close fund accounts that will no longer be used. The appropriation of \$152,700 for the JMA Village 4 Subdivision's fair share contribution to the State Route 99/Elkhorn Boulevard Improvements Project (T15116400) is necessary to fully fund the project and complete construction.

**Policy Considerations:** The tracking of development contributions through a single account is supportive of generally accepted accounting principles, provides greater transparency and accountability in funding transactions, and supports fiscal responsibility.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Establishment of a new fund account and the appropriation of funds are not subject to the provisions of CEQA under the general rule (Section 15061) in that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The requested action is not a project under CEQA. Future projects funded with these revenues will be subject to individual CEQA review.

**Sustainability Considerations:** None.

**Other:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Creation of a single fund for fair share contributions and closure of obsolete fund accounts will improve fund management and tracking.

**Financial Considerations:** Based on analysis of funds collected in the Private Development Fund, a total of \$3,564,636.74 was identified as collected and unspent in fair share contributions, from many project numbers in the fund (see Exhibit A).

These revenues will be appropriated to a balance sheet in the new Fair Share Contributions Fund, and future fair share contributions will be added. Revenues will be appropriated to a CIP or other spending mechanism for design and construction of the identified improvements.

Staff will provide an annual report on the Fair Share Contributions Fund status.

The estimated total cost of the State Route 99/Elkhorn Boulevard Improvements Project (T15116400) is \$2,552,700. To date, \$613,096 has been expended and staff anticipates an additional \$1,939,604 will be needed to complete the project. As of May 15, 2014, the unobligated balance is \$1,786,904. Appropriation of \$152,700 for the JMA Village 4 Subdivision's fair share contribution will increase the unobligated balance to \$1,939,604, which is sufficient to complete construction and cover the remaining construction engineering costs.

There are no general funds planned or allocated for this project.

**Local Business Enterprise (LBE):** Not applicable as no goods or services are being purchased.

## **Background:**

**Fair Share Contributions:** Proposed development projects are reviewed for their potential to cause future impacts, and if appropriate are conditioned to provide a “fair share” contribution toward specific public improvements. This allows the City to collect funds from all projects which contribute to an impact, as development occurs, so that that last development project which triggers the full impact does not have to bear the total cost of the improvements. The funds are aggregated and may be supplemented with other fund sources to design and construct the needed improvements.

Fair share contributions have historically been tracked and maintained in the Private Development Fund (Fund 2018). The primary purpose of the Private Development Fund is to track revenue and expenses for Public Works review and inspection for private development projects. Since fair share contributions have a different purpose, a separate fund would better serve to track the accumulation and expenditure of these funds.

On July 30, 2013, the City Council approved Resolution 2013-0255 which awarded a construction contract and appropriated funds for the State Route 99/Elkhorn Boulevard Improvements Project (T15116400). As part of that Resolution, the City Council approved the transfer of \$152,700 in fair share contributions collected toward this improvement by the JMA Village Development. In order to clarify the collection and use of these funds, staff proposes to first appropriate this revenue into the new Fair Share Contributions Fund and then into the State Route 99/Elkhorn Blvd Improvements Project (T15116400)

**Closure of Obsolete Funds:** Fund 2003 and Fund 2004 were created to track different sections of gas tax under the Highway Users Tax Account (HUTA). The funds have been consolidated under Fund 2002 since all the activities that the City expends gas tax funds for are eligible under all sections of the law. Consolidation has made the budgeting and accounting of expenditures more straight forward. Funds 2003 and 2004 are therefore no longer needed and can be closed.

Fund 2005 was used to track Maintenance funding for the Old Measure A Half-Cent Sales Tax Program. This has since been replaced with the New Measure A Program (Fund 2026) and all funding under Fund 2005 has been fully expended. This fund can therefore be closed.

Fund 2009, AB2928 (Traffic Congestion Relief Funds), was a state program that has since been supplanted with gas tax funds under the 2012 ballot measure. All funding under this program is fully expended and the fund can be closed.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **ESTABLISHMENT OF A NEW FUND FOR FAIR SHARE CONTRIBUTIONS, APPROPRIATION AND TRANSFER OF FUNDS, AND CLOSURE OF OBSOLETE FUNDS**

#### **BACKGROUND**

- A. As a condition of development approval, private development projects are sometimes required to contribute a monetary amount to account for the project's "fair share" of infrastructure that will be needed, in part, due to the impacts of the new development.
- B. Past contributions are being included and managed as part of the Private Development Fund (Fund 2018), which tracks revenues and expenditures for public works aspects of private development projects.
- C. In order to better manage and transfer such funds into capital improvement projects established to construct the needed improvements, a new fund is needed to track all such contributions.
- D. Funding will be appropriated from the Fair Share Fund to Capital Improvement Projects or other spending accounts as necessary to complete the purpose for which fair share contributions were collected.
- E. On July 30, 2013, the City Council adopted Resolution 2013-0255 which approved the transfer of \$152,700 in fair share contributions into the State Route 99/Elkhorn Boulevard Improvements Project (T15116400).
- F. Funds 2003 and 2004 are no longer needed since gas tax revenues have been consolidated in Fund 2002. In addition, Funds 2005, Old Measure A Maintenance, and Fund 2009, AB2298 Traffic Congestion Relief, represent programs that are now obsolete and can therefore be closed.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to establish a new fund (Fair Share Contributions) to properly account for this funding in accordance with generally accepted accounting principles.
- Section 2. A total of \$3,564,636.74 is appropriated from various Private Development Projects (Fund 2018) into the new Fair Share Contributions Fund, as

outlined in Exhibit A. Exhibit A is incorporated into and made part of this Resolution.

Section 3. The transfer of \$152,700 as included in Section 3 of Resolution 2013-0255 is superseded with this Resolution. Instead, the following actions will take place: \$152,700 will be appropriated from the Private Development Fund contingency (Fund 2018) to the Fair Share Contribution Fund; then \$152,700 will be appropriated from the Fair Share Contribution Fund to the State Route 99/Elkhorn Boulevard Improvements Project (T15116400).

Section 4. Funds 2003, 2004, 2005, and 2009 have been fully expended and are closed.

**Table of Contents:**

Exhibit A - Fair Share Contributions

### Exhibit A: Fair Share Contributions

Project No. (for transfer)	Project Name	Fair Share Contribution Description	Amount
P21253400	2600 Capitol Ave	Traffic signal at 27th St and Capitol Ave: \$41,148; Ramp metering s/b Bus Route 80: \$5,376	\$ 46,524.00
	Morrison Creek Industrial	Traffic signal at the intersection of Florin Perkins Rd and Morrison Creek Dr.	7,320.00
	Morrison Creek/ Florin Perkins	Traffic signal at Florin Perkins Road and Morrison Creek Rd.	35,000.00
	Commerce Center	Traffic signal at the intersection of Florin Perkins (Commerce Center)	35,000.00
	Costco Cal Expo	Traffic signal at the intersection of Expo Parkway, Slobe Ave, Canterbury Road overcrossing, and Leisure Lane	50,000.00
	Freeport Marketplace	Traffic signal at s/b I-5 exit ramp to Pocket Rd	5,300.00
	Riverdale North Expansion	50% fair share contribution on traffic signal at San Juan Rd/El Centro Rd	241,000.00
	REI Expansion	Traffic signal at Exposition Blvd & Leisure Ln	10,920.00
	Value Place Hotel	7789 La Mancha Way median construction	15,000.00
	Crown Plaza	Future traffic signal at El Centro Rd and Bonfair Ave, Condition D20 of P04-179	14,875.00
	500 Capitol Mall	Mitigation Measures 5.6-1 to 5.6-17, except 5.6-1.B: traffic signal retiming	74,200.00
	500 Capitol Mall	Mitigation Measure 5.6-1b: Restriping	2,000.00
	Sutter Medical Center	Mitigation Measure 6.7-6 to 16. Restriping and ramp metering	244,693.00
	Sutter Medical Center	Mitigation Measure 6.7-3a, 6-7-4a, 6.7-8. Traffic Signal Design.	74,100.00
	3300 Rio Linda Blvd	Future traffic signal at the intersection of Arcade Blvd and Rio Linda Blvd.	6,021.04
	La Valentina	Retiming and monitoring of traffic signals at 12th & D Street and 12th and E Streets	10,600.00
	River Plaza Office Park	Various entitlements related to the River Plaza Office Park (Condition F25)	529,444.00
	CVS at Florin Rd & Freeport Blvd	Traffic signal timing at Freeport Blvd and Florin Rd intersection	5,300.00
	Fresh & Easy Neighborhood Market	Mitigation Measure 6.1-4 Striping and converting west bound lane at Tangerine Ave & Mack Road.	5,300.00
	East End Gateway Sites 2 & 3	Mitigation Measure 4.1-3 Construction of traffic signal at intersection of 15th and O Streets.	45,262.00
Progressive Insurance at 2150 Harvard St	Future traffic signal at Harvard St & Ca Plaza Main Driveway: \$169,295; Future traffic signal at Auburn Blvd/Van Ness/Frienza Ave: \$26,053	195,348.00	

Project No.	Project Name	Fair Share Contribution Description	Amount
	Del Paso Nuevo / Glen Elder Unit 8	Settlement agreement on behalf of Defendant SureTec Insurance Co.	4,000.00
	Cannery On & Off Site Park	Cond#7 Alhambra Blvd and Q St Intersection TSI Timing Adjust & Phasing Mod: \$20,000.00: Cond#8 Traffic Operation Center to monitor the TS at Alhambra Blvd and Q St Intersection: \$5,500.00	25,500.00
<b>Subtotal from P21253400</b>			<b>1,682,707.04</b>
Fund contingency	JMA Village 4 Subdivision	Contributions: \$56,500 HWY 99/ Elkhorn Blvd SB Ramp; \$96,200 HWY 99/ Elkhorn Blvd NB Ramp	152,700.00
P21247100	Strawberry Creek Centre A315/ML	Future Improvements: South-bound off ramp at Cosumnes River Blvd & SR99	40,000.00
P21116510	Natomas Place Village 4	Landscape design fair share	8,045.00
P21125200	Five Star Subdivision	Fair share cost of traffic signal at Del Paso Rd and future Arena Access Rd	36,211.00
P21128500	Riverbend-O'Brien	Multi-use trail	68,310.00
P21132600	1108,1110,1120,1122 Corp. Way	To install speed humps	4,000.00
P21136400	Gateway West Business Park	Fair share cost of traffic signal at Duckhorn Dr. & Snowy Egret Blvd	40,312.50
P21138500	Tovmassian Acre Parcel Map	For future public improvements	16,530.00
P21138600	1113 Claire Ave	For frontage improvements at 1113 Claire Ave.	24,032.80
P21166400	Elder Creek SD- A043	Contribution toward Traffic Signal at Morrison Creek & Florin Perkins	69,781.25
P21168600	Fruitridge Commercial Center	Traffic Signal fee for parcel map condition	37,000.00
P21171700	Russell Manor	Condition of approval for the Strawberry Creek Centre PUD is to fund design and construction of traffic signal at Bruceville Rd/Timberlake Way intersection.	37,454.47
P21171800	3301 Redding Ave	Construction of off-site drainage improvements.	11,560.92
P21171900	Raley Blvd Frontage Imp	Fee paid for City to construct Frontage improvements w/ Raley Blvd Phase 2	62,954.47
P21172600	Steel Property	Bridges over Main Drainage Canal at Gateway Oaks Dr. & W El Camino & traffic signals at W El Camino & Fire Station	4,494.84
P21172700	BTV Crown Village	P94-057-BTV Crown Village improvements	12,522.84
P21172900	Natomas Crossing Dr. at Gateway W. Landscaping	Natomas Crossing Dr. at Gateway West ( South Loop Road) landscaping	110,980.13
P21173100	S. Watt Widening	39.7% of the cost of future widening of S. Watt Ave. /P00-032 to pay 7.4% of cost towards contribution	22,070.93
P21174700	Costa Blanca Lot E Bike Trail/Landscape	For future bikeway/landscape Costa Blanca Lot E	25,727.48
P21186000	Sac. Co. Primary Care Clinic	Future traffic signal at Broadway & 53rd Ave	42,500.00

Project No.	Project Name	Fair Share Contribution Description	Amount
P21187700	SR 160/Expo Traffic Related Improvements		50,000.00
P21190300	Parkview Village #1 & #8	Future Landscaping for Natomas Crossing Dr.	78,582.00
P21201600	Meadowview Estates Unit 4	Turn lanes for Meadowview Rd./24th St., Meadowview Rd./ Freeport Blvd. & 24th St./Florin Rd intersections	16,751.22
P21208400	Creekside 14 Phase 1	Traffic signal at E. Commerce/ Ottumwa	40,444.33
P21208500	Cal Farm /	Fair share cost - bridge widening at River Plaza Dr.	220,006.00
P21209200	Traffic Calming	Contributions:\$5,000 paid by Rock Creek Subdivision;\$15,200 paid by Riverbend Village A & B towards future construction of traffic circle at Wheelhouse Ave & D Ave; \$5,000 paid by Glen Elder #9 for traffic calming	25,200.00
P21210900	Traffic signal at Bonfair & El Centro	Contributions: \$24,187.50 Developer contribution for traffic signal at Bonfair & El Centro from Fairfield Bonfair; \$20,156.25 from Mark III Eng Contractors for P03-124/PG35 Cambay West Office at Duckhorn Dr. 12/28/04-Cambay West Unit 7 fair share cost of traffic signal at Bonfair; \$18,000 El Centro P03-038 \$30,000; Venture Commerce Center B05-028 towards traffic signal at Bonfair Ave & El Centro Rd	20,156.25
P21211000	Meadowview Estates Unit 5 (PG32)	Bridge crossing over existing canal	184,397.45
P21247000	2168 Verano St (A689)	Future improvements for curb, cutter, sidewalk	18,553.00
P21288200	Speed Bump (A383)	Hampton Station Unit No. 1 (P03-109)	9,960.05
P21176000	Signal at Greenhaven Dr. and S. Land Park Dr.	Contributions: \$30,682 from P99-068 1100 Corp Way; \$6857.11 from P00-051 Phoenix Schools Childcare; \$10,000.00 from P04-018 1108, 1110, 1120, 1122 Corp Way; \$35,000 Reso 83-103 PC 0511367 located at 1100 Corporate Way. Contribution towards design & construction of the signal per conditions of approval Reso P82-223	6,648.76
P21168700	Development Services		97,400.00
P21210900	Traffic signal at Bonfair and El Centro		92,343.75
P21173100	P99-081 South Watt Widening		22,070.93
P21168400	Lathrop Traffic Signal		8,978.22
P21166400	Traffic signal Morrison Creek/Florin Perkins		69,569.82
P21288200	Development Services		9,711.39
P21176000	Traffic Signal at Greenhaven/Land Park		82,239.26
P21132600	P04-018 Speed Humps		1,728.64
<b>TOTAL</b>			<b>\$ 3,564,636.74</b>