

**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CEO-Redevelopment Director *Richard Colwell*  
James LoBue, Deputy Director  
**DATE:** October 21, 2008  
**SUBJECT:** Adopt a Resolution Approving a \$2,500,000 Funding Agreement with Placer County for the Highway 65/Sunset Boulevard Interchange Project, Adopt Findings to Authorize the Utilization of Tax Increment Proceeds to Finance a Public Improvement (California Health and Safety Code Section 33445), and Authorize the Chief Assistant CEO-Redevelopment Director or Designee to Execute the Agreement.

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**ACTION REQUESTED**

Adopt a resolution approving a \$2,500,000 Funding Agreement with Placer County for the Highway 65/Sunset Boulevard Interchange Project, adopt findings to authorize the utilization of tax increment proceeds to finance a public improvement (California Health and Safety Code Section 33445), and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute the agreement.

**BACKGROUND**

The Placer County Department of Public Works (DPW) is proposing to replace the current at-grade signalized intersection and grade-separated partial cloverleaf interchange with a six lane overcrossing at Sunset Boulevard and Highway 65 (Project). The Project will accommodate the increased traffic demand generated by existing and future development in the Sunset Industrial Area. The Project is located within the Placer County Redevelopment Agency (Agency) Sunset Industrial Redevelopment Project Area (Project Area).

The total construction cost for the Project is estimated to be \$32,000,000. Funding for the Project will come from combined sources pursuant to the terms of a separate "Memorandum of Understanding for the Timing, Sequencing, and Funding of Highway 65 Interchange Projects" (MOU), which MOU is a separate item on the Board of Supervisors agenda. The Agency proposes to assist in funding the County's portion of the Non-JPA Interchange Contribution through the transfer of \$2,500,000 of Agency tax increment proceeds to the Sunset District Traffic Fee Trust Fund.

In April 1996, the County Board of Supervisors approved an ordinance establishing a Traffic Mitigation Fee Program, a Capital Improvement Program, and a process to collect fees that support infrastructure improvements within the Sunset Industrial Area (hereinafter referred to as the Sunset District Traffic Fee Trust Fund). The Agency is committed to funding up to \$6,000,000 in

infrastructure improvements that benefit the Project Area and pursuant to the adopted Sunset District Traffic Fee Trust Fund program for the Sunset Industrial Area. The Agency established a designated reserve to accumulate funds for infrastructure projects within the Project Area to support the Sunset District Traffic Fee Trust Fund program. The \$2,500,000 commitment by the Agency for this Project will be subtracted from the \$6,000,000 overall commitment, leaving \$3,500,000 available for future infrastructure projects proposed under the Traffic Fee Mitigation Program.

The Agency is seeking approval to enter into a Funding Agreement with the County which outlines the conditions of the transfer of Agency funds to the Sunset District Traffic Fee Trust Fund. The County, in a separate item on this Agenda, will seek authorization to utilize funds from the Sunset District Traffic Fee Trust Fund toward its obligations under the Bizz Johnson Highway 65 Joint Powers Authority (JPA).

In order to utilize tax increment proceeds to finance a portion of the Project which are public improvements, California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) also requires that the legislative body adopt the following three findings:

1. The public improvements are of benefit to the Project Area or the immediate neighborhood of the Project Area;
2. no other reasonable means of financing such public improvements are available to the community; and
3. the Agency's contribution to the cost of the public improvements will assist in elimination of one or more blighting conditions in the Project Area.

The Agency has determined that the Project will be of benefit to the Project Area because it is located in the Project Area and will accommodate the increased traffic demand generated by existing and approved development in the Project Area. The Project meets the Sunset Industrial Redevelopment Plan goal of eliminating or mitigating constraints to development, including accessibility constraints that interfere with proper development, by providing street, interchange, railroad overpass, or other improvements. The Project was noted in the Project Area's Five Year Implementation Plan. The Agency will provide gap financing for the Project to make the Project feasible.

#### **ENVIRONMENTAL STATUS**

The proposed agreement is an administrative action and exempt from environmental review under the California Environmental Quality Act per Guidelines, Section 15060. The Placer County Board of Supervisors approved the Mitigated Negative Declaration for the construction of the Project and a Notice of Determination was filed on May 23, 2006.

#### **FISCAL IMPACT**

The Agency's fiscal year 2008/2009 budget has sufficient funds budgeted to cover its portion of the cost of the Project. There is no impact to the County General Fund. The Agency is committed to funding up to \$6,000,000 in infrastructure improvements that benefit the Project Area, pursuant to the adopted Capital Improvement Program for the Sunset Industrial Area. The \$2,500,000

commitment by the Agency will be subtracted from the \$6,000,000 total commitment, leaving \$3,500,000 remaining in the Agency commitment.

**RECOMMENDATION**

Adopt a resolution approving a \$2,500,000 Funding Agreement with Placer County for the Highway 65/Sunset Boulevard Interchange Project, adopt findings to authorize the utilization of tax increment proceeds to finance a public improvement (California Health and Safety Code Section 33445), and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute the agreement.

Attachments: Resolution

Map

Funding Agreement

Contract/Agreement For Review Only at the  
Clerk of the Board

cc: Karin Schwab, Agency Counsel

**Before the Placer County  
Redevelopment Agency Board of Directors  
County of Placer, State of California**

**In the matter of:**

**Approving a \$2,500,000 Funding Agreement with Placer County for the Highway 65/Sunset Boulevard Interchange Project, adopt findings to authorize the utilization of tax increment proceeds to finance a public improvement (California Health and Safety Code Section 33445), and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute the agreement**

**Resol. No:.....**

**Ord. No:.....**

**First Reading: .....**

**The following Resolution \_\_\_\_\_ was duly passed by the Redevelopment Agency Board of the County of Placer at a regular meeting held \_\_\_\_\_,**

**by the following vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:**

\_\_\_\_\_  
**Chair, Agency Board**

**Clerk of said Board**

\_\_\_\_\_  
**WHEREAS, the Redevelopment Plan for the Sunset Industrial Redevelopment Project Area (Project Area) was adopted by the Placer County Board of Supervisors on June 24, 1997 by Ordinance No. 4835-B and as subsequently amendment from time to time; and**

WHEREAS, the Redevelopment Agency (Agency) has prepared an Implementation Plan for the Sunset Industrial Redevelopment Project Area (Project Area) which covers the period from 2007 to 2012;

WHEREAS, in April 1996, the County Board of Supervisors approved an ordinance, and as amended from time to time, establishing a Traffic Mitigation Fee Program, a Capital Improvement Program, and a process to collect fees that support infrastructure improvements within the Sunset Industrial Area;

WHEREAS, the Agency committed \$6,000,000 toward the Capital Improvement Program for infrastructure improvements that benefit the Project Area and pursuant to the adopted Capital Improvement Program for the Sunset Industrial Area;

WHEREAS, Placer County desires to cause to be constructed the Highway 65 / Sunset Boulevard Interchange (Project) within the Project Area;

WHEREAS, the Project was considered one of several projects that may be funded under the Traffic Fee Mitigation Program;

WHEREAS, the Agency desires to commit \$2,500,000 of Project Area tax increment funds toward this Project;

WHEREAS, the Agency's Project commitment will be subtracted from the \$6,000,000 overall commitment, leaving a \$3,500,000 Agency commitment remaining;

WHEREAS, the Agency desires to enter into a Funding Agreement with Placer County to transfer \$2,500,000 to the Sunset District Traffic Fee Trust Fund for purposes of providing funds toward the Project; and

WHEREAS, California Health and Safety Code, Section 33445 requires that the Agency adopt three findings:

- a) The public improvements are of benefit to the Project Area or the immediate neighborhood of the Project Area;
- b) no other reasonable means of financing such public improvements are available to the community; and
- c) the Agency's contribution to the cost of the public improvements will assist in elimination of one or more blighting conditions in the Project Area.

WHEREAS, the Agency has determined that the Project will be of benefit to the Project Area because it will accommodate the increased traffic demand generated by existing and approved development in the Project Area. The Project meets the Redevelopment Plan goal of eliminating or mitigating constraints to development including accessibility constraints that interfere with proper development by providing street, interchange, railroad overpass, or other improvements. The Project was noted in the Project Area's Five Year Implementation Plan. The Agency will provide gap financing for the Project to make the Project feasible.

WHEREAS, the Agency has sufficient funds budgeted to cover the Funding Agreement; and

WHEREAS, the proposed agreement is an administrative action and exempt from environmental review under the California Environmental Quality Act per Guidelines Section 15060. The Placer County Board of Supervisors approved the Mitigated Negative Declaration for the Project and a Notice of Determination was filed on May 23, 2006.

NOW, THEREFORE, BE IT RESOLVED by the Agency Board that all the evidence presented has been duly considered, the findings, including environmental findings regarding this action as stated in the staff report that accompanies this resolution, are approved.

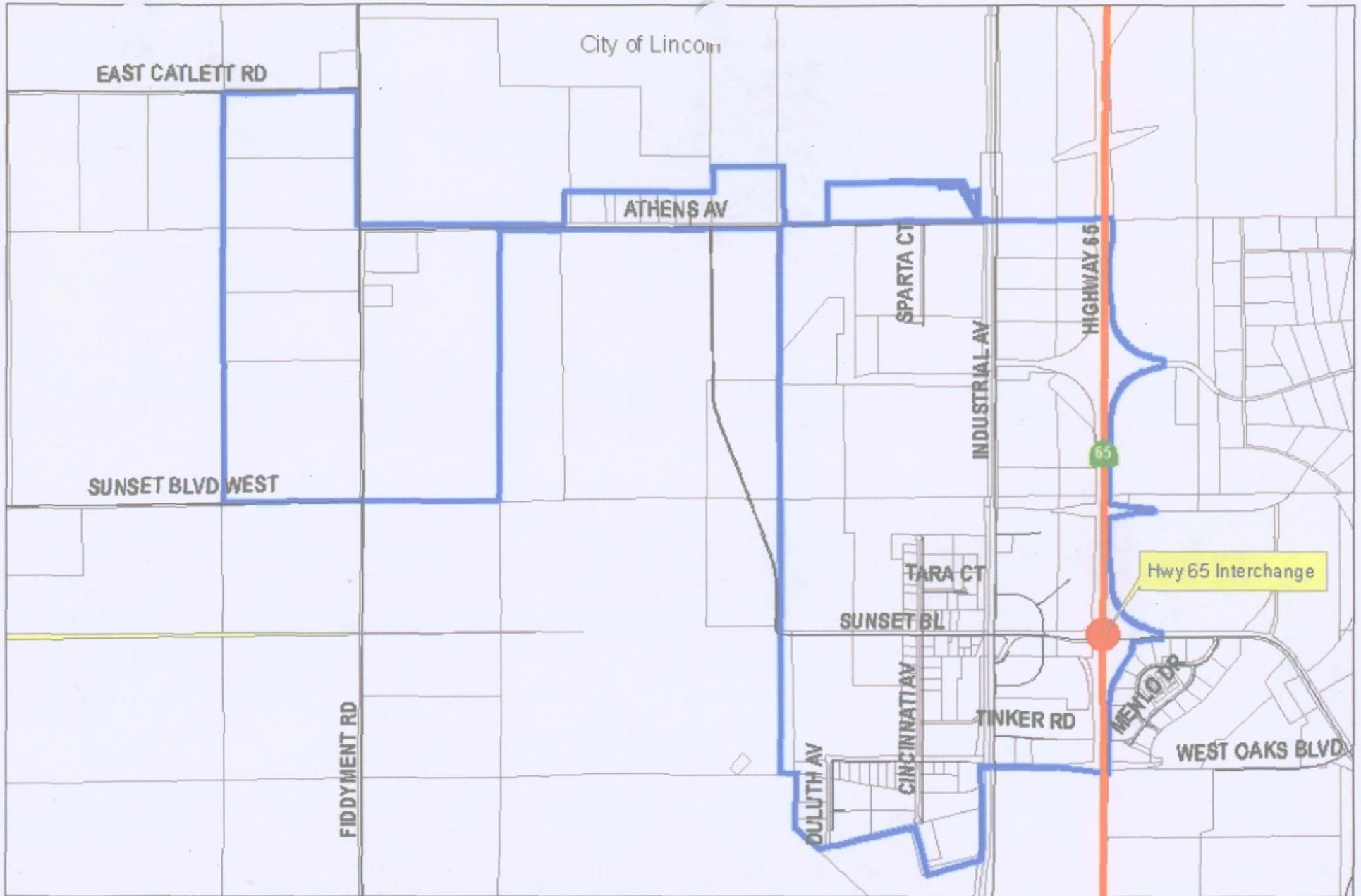
BE IT FURTHER RESOLVED that the Agency Board approves adoption of a resolution approving the Funding Agreement between the Agency and Placer County (Agreement) in the amount of \$2,500,000 and authorizes the Chief Assistant CEO-Redevelopment Director or designee to execute the Agreement.

BE IT FURTHER RESOLVED by the Agency Board as follows:

Pursuant to section 33445 of the Health and Safety Code of the State of California, the Agency makes the following findings in support of the Highway 65 / Sunset Boulevard Interchange Project:

- (a) The construction of interchange improvements is of benefit to the Project Area;
- (b) there is no other reasonable means of completing the financing the Project except for tax increment funds;
- (c) the use of tax increment for the Project will result in the elimination of the following blighting conditions by eliminating or mitigating constraints to development including accessibility constraints that interfere with proper development by providing street, interchange, railroad overpass, or other improvements; and
- (d) the Project is in compliance with, and such tax increment use is consistent with, the Sunset Industrial Area Redevelopment Plan and the Five Year Implementation Plan.

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon adoption.



Highway 65/Sunset Boulevard Interchange Project

 RDA Project Area



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