

PLACER COUNTY

REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Board of Supervisors
FROM: Richard E. Colwell, Chief Assistant CEO-Redevelopment Director
James LoBue, Deputy Director
DATE: October 21, 2008
SUBJECT: Adopt a Resolution Making Findings to Authorize the Utilization of Tax Increment Proceeds to Finance a Public Improvement (California Health and Safety Code Section 33445) for the Highway 65/Sunset Boulevard Interchange Project.

REC Colwell

ACTION REQUESTED

Adopt a resolution making Findings to authorize the utilization of tax increment proceeds to finance a public improvement (California Health and Safety Code Section 33445) for the Highway 65 / Sunset Boulevard Interchange Project.

BACKGROUND

The Placer County Department of Public Works (DPW) is proposing to replace the current at-grade signalized intersection with a grade-separated partial cloverleaf interchange with a six lane over-crossing 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 order to utilize tax increment proceeds to finance the portion of the Project which are public improvements, California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) requires that the legislative body adopt the following 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;

- 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.

The Project is located in the Project Area. 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 Project Area 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 adoption of these findings is not a project for purposes of environmental review under the California Environmental Quality Act. With respect to the construction of the Project, 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.

FISCAL IMPACT

The Agency's fiscal year 2008/2009 budget has sufficient funds budgeted to cover 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 pursuant to the adopted Capital Improvement Program for the Sunset Industrial Area that benefit the Project Area. The \$2,500,000 commitment by the Agency will be subtracted from the \$6,000,000 commitment, leaving \$3,500,000 available for future infrastructure projects.

RECOMMENDATION

Adopt a resolution making findings to authorize the utilization of tax increment proceeds to finance a public improvement (California Health and Safety Code Section 33445) for the Highway 65 / Sunset Boulevard Interchange Project.

Attachment: Resolution

cc: Karin Schwab, Deputy County Counsel

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Making findings to authorize the utilization of tax increment proceeds to finance a public improvement (Health and Safety Code Section 33445) for the Highway 65 / Sunset Boulevard Interchange Project

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Board of Supervisors 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, Board of Supervisors

Clerk of said Board

BE IT RESOLVED by the Board of Supervisors of the County of Placer as follows:

Section 1. Pursuant to section 33445 of the Health and Safety Code of the State of California, the Board makes the following findings in support of the Highway 65 / Sunset Boulevard Interchange Project:

- (a) The construction of the interchange is of benefit to the Sunset Industrial Redevelopment Project Area;

- (b) there is no other reasonable means of completing the financing the Highway 65 / Sunset Boulevard Interchange Project except for tax increment funds; and
- (c) the use of tax increment for the Highway 65 / Sunset Boulevard Interchange Project will result in the elimination of 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.

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