



AGENDA ITEM SUMMARY

City Council

STAFF

Marc Virata, Civil Engineer
Dana Hornkohl, Capital Projects Manager
Clay Frickey, Redevelopment Manager
John Duval, Legal

SUBJECT

First Reading of Ordinance No. 006, 2023, Appropriating Prior Year Reserves in the Transportation Capital Expansion Fee Fund for Eligible Reimbursement to the Northfield Developer for the Construction of Suniga Road Improvements.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$2,081,548 of Transportation Capital Expansion Fee (TCEF) Funds for expenditure from the Transportation Capital Expansion Fee Program Budget to reimburse the Northfield developer for its oversizing construction of Suniga Road. The Northfield developer has constructed Suniga Road as a four-lane arterial to City standards as part of its development requirements. Per Section 24-112 of the City Code, the developer is eligible for reimbursement from Transportation Capital Expansion Fee (TCEF) funds for the oversized, non-local portion of Suniga Road not attributed to the local portion obligation.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The TCEF Program (formerly Street Oversizing), instituted by ordinance in 1979, was established to manage the construction of new arterial and collector streets, and is an "Impact Fee" funded program. The TCEF Program determines and collects impact fees from development and redevelopment projects. The collection of these impact fees contributes funding to growth-related City Capital Projects and reimburses development for constructing roadway improvements above the local street access standards. Section 24-112 of the City Code allows for reimbursement to developers for the construction of collector and arterial streets. The Northfield developer has been paying TCEF fees with their building permits.

This reimbursement is for the Northfield developer's construction above the local street access standards of half a mile of Suniga Road between Redwood Street and Lindenmeier Road (former Lemay alignment). Suniga Road was built by the developer as a four-lane arterial street including the completion of construction of the median landscape and irrigation installation for the center median. TCEF funds for this reimbursement previously were appropriated under the 2019-2020 Budget and, when not utilized, were returned into TCEF unappropriated reserves.

Under the 2021 process improvement to have major reimbursements brought to City Council individually, the dollar amount as a major reimbursement classification is being brought for Council's consideration. TCEF funds previously have reimbursed the developer as minor reimbursements for both Suniga right-of-way (\$477,456 in 2020) and a bridge structure in Suniga Road over the Lake Canal (\$361,354 in 2021). This remaining reimbursement request would complete the reimbursement eligibility for Suniga Road to the Northfield developer.

Staff has reviewed the documentation provided by the Northfield developer and agrees that the requested reimbursement meets the requirements under City Code Section 24-112 for appropriation from TCEF funds.

The Northfield developer's request for reimbursement from TCEF funds prompted review of the metro district service plan for Northfield. There are three metro districts serving the Northfield development. Staff's review determined that the developer is eligible to seek reimbursement from the developer's metro districts for the same improvements being requested for reimbursement from TCEF funds (but could not legally be reimbursed from both). City Council may have a preference on whether reimbursement to the developer should occur from TCEF funds or the developer's metro districts; however, with the developer meeting the requirements for reimbursement from TCEF funds under Section 24-112 of the City Code, staff does not have a reason to object to the developer's reimbursement request from TCEF funds.

An affidavit from the manager of Northfield's metro districts has been provided to the City affirming that the metro districts will not reimburse the developer for this same reimbursement request from TCEF funds and are prohibited from reimbursing the developer for any costs which the City would have reimbursed as this would be a violation of the service plan. Additionally, the affidavit asserts that the previous reimbursements for Suniga right-of-way and the bridge structure have not and will not be reimbursed by the metro districts. Resolutions adopted by the three metro districts also have been provided adopting that each district will not reimburse the developer for any costs for which they have been reimbursed from the City.

The City Manager is recommending this supplemental appropriation and has determined it will not cause the total amount appropriated in 2023 in the Transportation Improvement Fund, the fund into which TCEF revenues are deposited and from which these appropriated funds will be expended, to exceed the current estimate of actual and anticipated and all other funds to be received in the Transportation Improvement Fund during the 2023 fiscal year.

In addition, this reimbursement under the TCEF program is subject to the City Council's approval of this Ordinance to appropriate the needed funds, which approval is within the Council's sole discretion.

CITY FINANCIAL IMPACTS

This item appropriates \$2,081,548 of TCEF Funds into the Transportation Capital Expansion Fee Program Budget for reimbursement to the Northfield developer.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Council Finance Committee recommended approval at its December 1, 2022, meeting.

PUBLIC OUTREACH

Public outreach is not required or contemplated in the requirements for reimbursement to developers as described under Municipal Code Sec. 24-112. – Transportation improvements reimbursement program.

ATTACHMENTS

1. Ordinance for Consideration
2. Northfield – TCEF Cost Allocation
3. Affidavit from Metro District Manager
4. Resolution from Metro District 1
5. Resolution from Metro District 2
6. Resolution from Metro District 3