

AGENDA ITEM SUMMARY

City Council



STAFF

Marc Virata, TCEF Program Manager
Monica Martinez, Financial Planning and Analysis Manager
Josh Birks, Deputy Director, Sustainability Services

SUBJECT

Second Reading of Ordinance No. 010, 2025, Appropriating Prior Year Reserves in the Transportation Capital Expansion Fee Fund for Eligible Reimbursement to the Mulberry Metropolitan Districts No. 1– 6, Bloom Filing One Development for Construction of Greenfields Drive, International Boulevard, Sykes Drive, Donella Drive, and Delozier Road Improvements.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on February 4, 2025, appropriates \$2,069,417 of Transportation Capital Expansion Fee (TCEF) Funds for expenditure from the Transportation Capital Expansion Fee Program Budget to reimburse the Bloom Filing One developer’s combined metro district, Mulberry Metropolitan District Nos. 1-6 (Developer), for its funding of the oversizing construction of Greenfields Drive, International Boulevard, Sykes Drive, Donella Drive, and Delozier Road. As part of the Bloom Filing One development plans and development agreement and permitted for construction under the Development Construction Permit, the Developer has constructed to City standards Greenfields Drive and International Boulevard, each as a two-lane arterial street, and Sykes Drive, Donella Drive, and Delozier Road as collector streets. Per Section 24-112 of the City Code, the Developer is eligible for reimbursement from TCEF funds for the oversized, non-local portion of Greenfields Drive, International Boulevard, Sykes Drive, Donella Drive, and Delozier Road, not attributed to the local portion obligation.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

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 for growth’s related share towards City Capital Projects, including the City’s Active Modes Plan, 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.

Bloom is a development on the north side of Mulberry Street, west of Greenfields Drive developed by Hartford Homes. This reimbursement is for the Developer’s construction above the local street access

standards of Greenfields Drive and International Boulevard (2-lane arterials), and Sykes Drive, Donella Drive, and Delozier Road (collectors) as part of Bloom Filing One and permitted for construction under the Bloom Filing One Development Construction Permit.

Portions of pavement, landscaping, and sidewalk for Greenfields Drive and International Boulevard as 2-lane arterials, and portions of pavement Sykes Drive, Donella Drive, and Delozier Road as collectors are eligible for reimbursement and are depicted in the “Bloom Filing 1 TCEF Map” and itemized between City (TCEF) and local (Developer) responsibility in the “Final Bid Tab of Quantities and Total Cost for Improvements.”

Staff and Developer have reviewed the documentation and calculations and together agree that the requested reimbursement meets the requirements under City Code Section 24-112 for appropriation from TCEF funds. There are presently adequate funds in TCEF to reimburse the Developer and Staff recommends reimbursement in the amount of \$2,069,417.

Bloom Filing One is being developed within metro districts that were established with City Council approving the consolidated service plan for the Mulberry Metropolitan Districts Nos. 1-6 by adoption of Resolution 2019-050 on April 16, 2019. Six separate metro districts with six different connected boundaries comprise the overall Bloom planned development. District No. 1 is the coordinating district that receives money and makes payments on behalf of District Nos. 2 through 6. The combined districts are collectively known as Mulberry Metropolitan District Nos. 1-6. Hartford Homes has identified Mulberry Metropolitan District Nos. 1-6 as the party that funded the improvements identified in the requested reimbursement. Previous TCEF reimbursements on other developments with metro districts identified the developers as the eligible party for reimbursement, not their associated metro district, which necessitated affidavits from the metro districts to prevent where a developer could potentially secure a TCEF reimbursement from the City and a second reimbursement from the metro district for the same set of oversized improvement costs (sometimes referred to as the possibility for “double dipping”). Under a metro district funded model for Bloom Filing One, the metro district is the contracting entity and payor under the terms of the construction contract, and the metro district is accordingly the only party that is eligible for a reimbursement payment from the City in connection with the oversized improvements; therefore, the affidavit stating and swearing that no other reimbursement has been received for the same work is not necessary.

The City Manager is recommending this supplemental appropriation and has determined it will not cause the total amount appropriated in 2025 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 2025 fiscal year.

In addition, this reimbursement under the TCEF program is subject to the 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 \$2,069,417 of TCEF Reserve Funds into the Transportation Capital Expansion Fee Program Budget for reimbursement to the Bloom Filing One developer’s metro district.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Council Finance Committee recommended approval at its January 2nd, 2025, meeting. A memo is attached (“Transportation Capital Expansion Fee (TCEF) collection and reimbursement”) in response to questions raised at Council Finance Committee related to the correlation and tracking of TCEF revenues collected by the City compared to the amount of TCEF reimbursements to developers for qualified improvements within a development.

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

First Reading attachments not included.

1. Ordinance for Consideration