



Council Agenda Report

Item 5I

Department: Community Development
Cost Center: 2001
For Agenda of: 4/19/2022
Placement: Consent
Estimated Time: NA

FROM: Brigitte Elke, Finance Director

Prepared By: Esteban Cano-Gutierrez, Financial Analyst – Infrastructure Financing

SUBJECT: AUTHORIZE A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF SAN LUIS OBISPO AND CONNECT SLO PARTNERS, LLC.

RECOMMENDATION

Adopt a resolution entitled, “A Resolution of the City Council of the City of San Luis Obispo, California, approving a Reimbursement Agreement with Connect SLO Partners, LLC, from Transportation Development Impact Fees”.

DISCUSSION

Background

Connect SLO Partners, LLC, the developer of “The Connect” project (ARCH-1196-2017), installed a traffic signal at the intersection of Duncan Road, Orcutt Road and Sacramento Drive to comply with conditions of approval for the construction of the mixed-used development located at 3110 Duncan Lane (previously 950 Orcutt). This public improvement benefited not only the above-mentioned project, but also other properties surrounding the described area.

Section 16.20.110 of the City of San Luis Obispo Municipal Code provides that whenever improvements are required to be installed adjacent to property other than that being developed or in greater size or capacity than that required for the development, the developer of the improvements may be eligible for reimbursement upon the satisfaction of certain conditions, including but not limited to the capture of the cost associated with the public improvements within the current Transportation Impact Fee program.

One hundred percent of the costs for installation of a traffic signal at the Orcutt/Sacramento/Duncan intersection are included in the Citywide Transportation Impact Fee Program. The Developer has paid all applicable citywide Transportation Impact Fees and direct costs associated with design and construction of the public improvement and has not been fully reimbursed for eligible costs in the form of Transportation Impact Fee credits from the City related to the installation of such traffic signal approved by the City Engineer.

The Developer has submitted a reimbursement application and a certified statement showing the actual cost of the public improvements eligible for reimbursement in the amount of \$312,156.08 which are to the satisfaction of both the City Engineer and the Infrastructure Financing Analyst and incorporated by reference to the Reimbursement Agreement (Attachment B) of the attach Resolution (Attachment A).

Therefore, staff recommends Council to adopt the Resolution approving the Reimbursement Agreement with Connect SLO Partners, LLC.

Previous Council or Advisory Body Action

The Architectural Review Commission adopted Resolution ARC-1017-18 approving The Connect project (ARCH-1196-2017) on September 17, 2018.

Policy Context

Section 16.20.110 of the City of San Luis Obispo Municipal Code provides the provisions related to developer's reimbursements form development impact fees.

The public improvement (traffic signal installation at the intersection of Duncan Road, Orcutt Road and Sacramento Drive) is included as one of the projects within the current City's Transportation Impact Fee program.

Public Engagement

This item is on the agenda for the April 19, 2022, City Council meeting and will follow all required postings and notifications. The public will have an opportunity to comment on this item at or before the meeting.

CONCURRENCE

The City's Community Development and Public Works Departments concur with the recommended action.

ENVIRONMENTAL REVIEW

Construction and installation of the traffic signal at the intersection of Duncan Road, Orcutt Road and Sacramento Drive was reviewed as part of The Connect project approval (ARCH-1196-2017) and certified by the Architectural Review Commission on September 17, 2018, at which time the City found that the project was categorically exempt from the provisions of the California Environmental Quality Act (CEQA) because it consists of the redevelopment of the project site consistent with policies and standards applicable to development within a General Retail area, on a site less than five acres on size, with no value as habitat for endangered, rare, or threatened species, as describe in State CEQA Guidelines Section 15332 (Infill Development).

FISCAL IMPACT

Budgeted: No
Funding Identified: Yes

Budget Year: 2021-22

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State				
Federal				
TIF Fees	\$2,753,360.32	\$312,156.08	\$2,441,204.24	0
Other:				
Total	\$2,753,360.32	\$312,156.08	\$2,441,204.24	\$0

The Citywide Transportation Impact Fee account currently has an undesignated balance of \$2,753,360.32, which excludes all funds already obligated to City capital improvement projects and other developer reimbursement commitments through the current FY2021-23 Financial Plan. This balance can accommodate the total reimbursable amount for this project (\$312,156.08) without impacting delivery of other current infrastructure and reimbursement commitments and will leave a remaining balance of in the citywide Transportation Impact Fee Fund of \$2,441,204.24 for future capital project funding priorities.

ALTERNATIVES

Continue consideration of the proposed Reimbursement Agreement. Council may elect to continue consideration of the Reimbursement Agreement to provide additional clarifications or information needed to render a decision. Should Council elect this alternative, direction should be provided to staff as to the additional information needed for Council consideration.

ATTACHMENTS

- A - Draft Resolution approving the Reimbursement Agreement with Connect SLO, LLC from Transportation Development Impact Fees
- B – Exhibit A – Reimbursement Agreement with Connect SLO, LLC