



DEPARTMENT OF TRANSPORTATION

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TO: Board of Supervisors

FROM: Natalie K. Porter, Senior Civil Engineer

Subject: Missouri Flat Master Circulation and Financing Plan (MC&FP) Phase II – Board of Supervisors (Board) Study Session #3

PURPOSE AND SUMMARY

The goals of the MC&FP Phase II are to:

- Facilitate continued expansion of a vital commercial center in El Dorado County.
- Improve the County's fiscal well-being.
- Establish the framework for revenue collection that will fund specific improvements identified in the Missouri Flat area.
- Allow for discretionary approvals of commercial development in the Missouri Flat area.
- Alleviate existing/projected traffic congestion.

The purpose of today's Board Study Session is to provide information and seek input on information related to the MC&FP Phase II. Staff is recommending that the Board:

- 1) Approve the draft Technical Memorandum (TM) 1-9 Summary of Net Fiscal Effects of the Project (Attachment B);
- 2) Receive an update on the draft CEQA Initial Study findings for the project and,
- 3) Receive and file the updated MC&FP Phase II project schedule (Attachment C).

BACKGROUND

The Board approved the original Missouri Flat MC&FP in December 1998. The MC&FP is comprised of a policy and action framework intended to relieve existing road deficiencies and create additional capacity for planned commercial development in the commercial area surrounding the Missouri Flat Road and Highway 50 interchange (Project Area). The MC&FP incorporated the following objectives:

- Alleviate existing traffic congestion.
- Create adequate capacity to meet County General Plan Level of Service (LOS) policy.
- Establish a vital commercial center in the County.

- Improve the County’s fiscal well-being.
- Establish the framework for revenue collection that would fund specific improvements identified in the Project Area.
- Construct improvements to Missouri Flat Road.

Originally envisioned as one funding plan, the MC&FP was subsequently divided into two phases after the November 1998 passage of Measure Y, which excluded certain improvements contained in the funding plan. Approval of the initial phase of MC&FP (Phase I) coincided with the approval of a number of commercial projects proposed for the Project Area, including Wal-Mart, the El Dorado Villages Shopping Center, and Sundance Plaza. Since approval of these projects in 1998, a number of retail projects have been constructed in the Project Area, including Wal-Mart and the El Dorado Villages Shopping Center.

MC&FP Phase I limits commercial development in the Project Area to about 730,000 square feet. With approximately 500,000 commercial square feet constructed in the Project Area to date, current approved and proposed commercial projects in the Project Area exceed remaining capacity in Phase I. In addition, further development in the Project Area would require an updated evaluation of requisite transportation improvements, including the need for an ultimate highway interchange solution at Missouri Flat Road. These two factors have triggered the potential implementation of MC&FP Phase II.

Staff has been back to the Board on various occasions to discuss milestones for this project, additionally, in November 2017 staff and consultants from EPS, Kittelson & Associates, Quincy Engineering and Regional Government Services held two focus groups and a public workshop in order to solicit feedback on the interchange alternatives. Synopses of the Board actions to date are below:

On May 22, 2012 (Agenda item #43), the Board directed staff to initiate MP&FP Phase II. Phase II would provide a framework to fund any necessary additional major improvements to the U.S. Highway 50/Missouri Flat Road Interchange and adjacent arterial and collector roads that will alleviate forecasted traffic congestion and facilitate additional commercial development in the Missouri Flat Road corridor.

On February 24, 2014 (Agenda item #1), the Board directed staff to issue a Request for Proposal (RFP) to seek consultant assistance for MC&FP Phase II. Staff released an RFP on June 20, 2014.

On March 30, 2015 (Agenda item #2), the Board awarded RFP No. 14-918-090 for consulting services related to the MC&FP Phase II to Economic & Planning Services, Inc. (EPS) of Sacramento to begin the MC&FP Phase II analysis.

On December 7, 2015 (Agenda item #4), the Board:

- 1) Received and filed the history of funding mechanism for MC&FP monies;
- 2) Received and filed the draft Final Missouri Flat Retail Market and Financial Feasibility Analysis Report;
- 3) Directed staff to proceed with MC&FP Phase II;
- 4) Confirmed the approach to public outreach for the MC&FP Phase II; and
- 5) Received and filed the updated MC&FP Phase II project schedule.

On March 28, 2017 (Agenda item #37), the Board:

- 1) Authorized the use of MC&FP revenue for the completion of the MC&FP Phase II Study as originally directed by the Board on May 22, 2012 and as authorized on March 30, 2015;
- 2) Directed staff to look at the analysis on a global scale to determine if there are other areas that might benefit from such a financing plan or other plan that could assist the County with its economic development needs consistent with the strategic plan; and
- 3) Included the Community and Economic Development Committee as a participant in the process.

On February 6, 2018 (Agenda item #22), the Board:

- 1) Received and filed the draft Technical Memorandum (TM) 1-7 Future Traffic Analysis Results and Findings (Attachment B);
- 2) Received and filed the draft TM 1-8 Capacity Threshold Phasing Analysis and Alternative Screening Evaluation (Attachment C) and the US Highway 50/Missouri Flat Road Interchange Feasibility Study (Attachment D), and selected preferred alternatives Diverging Diamond #1 and #2, and Hook Ramp options using these alternatives to develop the financing plan and allow these alternatives to be reconsidered during future studies;
- 3) Received information on the Outreach effort; and
- 4) Received and filed the updated MC&FP Phase II project schedule (Attachment E).

DISCUSSION

The current MC&FP Phase I was approved on December 15, 1998 to address the main problems originally identified in the Missouri Flat Road corridor, the Missouri Flat Road over-crossing at U. S. Highway 50 and adjacent arterial and collector roads. Due to the existing levels of traffic congestion at the time, the capacity of these roads was insufficient to allow the County to meet County General Plan Policies requiring maintenance of the level of service standards. Therefore, the County was unable to approve new commercial development within the region.

Thus far, the MC&FP Phase I has constructed the widening transportation improvements on Missouri Flat Road between U.S. Highway 50 and Forni Road, and between Forni Road and the future Diamond Springs Parkway. Additionally, the MC&FP funding was instrumental in securing grant funding for the reconstruction of the Missouri Flat Road interchange as well as financing various portions of the Missouri Flat Road interchange first phase improvement project.

The MC&FP Phase I allowed new commercial development to occur in the Missouri Flat Road corridor. These include El Dorado Villages (Safeway shopping center), Walmart, various buildings in the Golden Center Drive area, Panda Express, and Walgreens. Total square footage built to date is approximately 507,000.

MC&FP Phase I allows up to just over 732,000 square feet of new commercial development in the area. The Crossings Project (formerly Sundance Plaza) was approved in 1998 for just over 530,000 square feet, but is yet to be constructed. It was assumed that approximately 395,000 square feet would be constructed under MC&FP Phase I.

The remaining Phase I financed transportation improvements include the first two lanes of Diamond Springs Parkway and El Dorado Interchange Phase I improvements which include ramp widening and signalization.

The predominant proposed MC&FP Phase II transportation improvement is the Missouri Flat Road interchange phase 2. As previously mentioned, the BOS selected as the preferred alternatives Diverging Diamond #1 and #2, and Hook Ramp options and directed staff to use these alternatives to develop the financing plan and allow these alternatives to be reconsidered during future studies. Additionally, besides the transportation improvements that have not been completed, other transportation improvements in MC&FP Phase II include: Headington Road Extension, El Dorado Road Interchange Phase 2, SR 49/Forni Road intersection, SR 49/Pleasant Valley Road intersection, Missouri Flat Road/Enterprise Drive intersection and Missouri Flat Road/Industrial Drive intersection. Many of the proposed transportation improvements are also TIM Fee program funded improvements. Should MC&FP Phase II not go forward, the TIM Fee program will increase, predominantly in TIM Fee Zones 3 and 2, to cover the cost of the proposed transportation improvements. If the current level of funding of the MC&FP is not continued into Phase II, the projected funding deficit could also result in an increase in TIM Fees.

1) TM 1-9 Net Fiscal Impact Results (Approve)

The memorandum provides an analysis of funds generated by the Missouri Flat Master Circulation and Financing Plan, Phase II and demonstrates how the proposed plan will meet the costs of County provided municipal services to support the development. A future technical

memo will refine what percentage of sales tax revenue from the General fund will be a required set aside to pay a portion of the infrastructure costs, as this first memo simply addressed feasibility of funding by assuming a full 100% diversion.

Staff recommends the Board approve the draft TM 1-9 Net Fiscal Impact Results (Attachment B).

2) Draft CEQA Initial Study findings for the project (Receive and file)

In coordination with EPS and El Dorado County, Ascent Environmental formulated an approach to complete the CEQA documentation for the Missouri Flat Master Circulation and Financing Plan (MC& FP), Phase II. The CEQA approach included the preparation of a CEQA Environmental Checklist that has been modified to make determinations under State CEQA Guidelines section 15162. The purpose of this checklist is to evaluate the categories in terms of any “changed condition” (i.e., changed circumstances, project changes, or new information of substantial importance) that may result in environmental impact significance conclusions different from those found in the 1998 Missouri Flat MC& FP EIR.

Ascent submitted the modified CEQA Checklist with a preliminary assessment of the 1998 EIR’s applicability to the current project. The row titles of the checklist include the full range of environmental topics, as presented in Appendix G of the current State CEQA Guidelines. The column titles of the checklist were modified from the Appendix G presentation to help answer the questions to be addressed pursuant to CEQA Section 21166 and State CEQA Guidelines Section 15162 regarding subsequent environmental review for projects already addressed in a certified EIR. Changed conditions include updated land use projections and some changes to the proposed roadway improvements, including the change of the proposed configuration of the Missouri Flat Road interchange from a single-point urban interchange to a diverging diamond overpass configuration. Because of the potential scope of the changes, a Supplement to the 1998 EIR may be the appropriate document.

Ascent is nearing completion of the task to compare the MC&FP Phase II project to the original Plan and assess if the potential impacts from Plan implementation are addressed in the 1998 EIR and other certified EIRs, including the County General Plan EIR. Following completion and submittal of a draft and revised Initial Study Checklist to the County for the MC&FP Phase II project, it was determined that additional technical analysis would be required to complete the CEQA documentation. Due to the length of the project and the change in the CEQA requirements, a contract with Ascent is currently in progress to complete the work. Once the additional technical analysis is completed, it may be determined that some additional environmental documentation is required. This work may require a future contract to complete the environmental process. If needed, this item will come before the Board early in 2020.

3) Updated MC&FP project schedule (Receive and file)

Attachment C represents the updated project schedule.

Staff recommends the Board receive and file the updated MC&FP Phase II project schedule.

NEXT STEPS

Following the approval of the TM 1-9, Net Fiscal Impact Results, county staff and their consultants will complete the contract work which includes:

- Finalizing the California Environmental Quality Act review
- If additional environmental documentation is required, staff will return with a contract for the work
- Evaluating Potential Financing Mechanisms
- Preparing a Cash Flow Analysis and Draft Financing Strategy
- Preparing a Financing Plan and Report
- Conduct an additional Focus Group workshop, Public workshop and Board study sessions
- Planning Commission and Board of Supervisors presentations
- Outreach Summary Report

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