

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. _____

Adopt Resolution approving reports on the)
status of development traffic impact fees)
for fiscal year ending June 30, 2016 and findings)
in accordance with Government Code Section)
66000 et.seq.)

RECITALS

WHEREAS, Government Code Section 66000 et seq. (AB1600) delineates certain accounting and reporting requirements with respect to development impact fees collected by the County; and

WHEREAS, the fees collected by the County must be segregated from general and other funds of the County, interest reported for each development fund and used only for the purposes for which the fees were collected; and

WHEREAS, the County must make available to the public an accounting of information regarding the status of each development fee fund; and

WHEREAS, for the projects for which fees have been collected for more than five (5) years, the County by law must make findings with respect to any portion of the fee remaining, unexpended, whether committed or uncommitted.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Supervisors of Monterey County hereby finds as follows:

1. The purposes for which the fees have been collected are identified in Exhibits 1 and 2 attached hereto and incorporated by this reference;
2. A reasonable relationship exists between the fees and the purposes for which they were charged as stated in Exhibits 1 and 2, and because the need for the improvements for which the fees are being collected still exists;
3. The sources and amounts of funding anticipated to complete the financing of the various improvements are identified in Exhibits 1 and 2; and
4. Exhibits 1 and 2 designate as unknown the approximate dates on which the anticipated funding is expected to be deposited into the fund.

AND BE IT FURTHER RESOLVED that the Board of Supervisors of Monterey County hereby approves reports on the status of development traffic impact fees for fiscal year ending June 30, 2016.

PASSED AND ADOPTED on this ____ day of _____, 2017, upon motion of Supervisor _____, seconded by Supervisor _____, by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original resolution of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ____, for the meeting on _____.

Dated: _____ Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
, Deputy

County Transportation Development Mitigation Plans

Annual Report and Five-year Findings

Fiscal Year 2015-2016

July 2017

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Overview

Monterey County has two traffic impact fee plans for which it collects funds from development. The Carmel Valley Traffic Mitigation Fee (CVTMF) was established on August 22, 1995 by adoption of Ordinance 18.60 of the Monterey County Code. The fees collected are used for road and street improvements on Carmel Valley Road as approved and authorized by the Board of Supervisors.

The Government Code requires certain disclosures of the financial information related to those plans. The fees for each of the plan subareas, or spheres, are deposited into separate funds as required by the Government Code. Government Code Section 66006(b) requires each entity collecting facilities fees to disclose an annual accounting of the fund related to those fees. This report has been furnished to comply with this requirement.

Section 66006(b) (1 and 2) provide in part as follows:

"For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the beginning and ending balance of the account or fund, the amount of the fees collected and the interest earned, an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement , including the total percentage of the cost of the public improvement that was funded with fees and the amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001....The local agency shall review the information.... at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public, as required by this subdivision."

The code requires that the information contained in this report be available as soon as it has been collected and must be made available within one hundred eighty (180) days of the close of the fiscal year. This requires that the information be made available by December of each fiscal year. Additionally, once the information is available it must be reviewed at the next regularly scheduled public meeting not less than fifteen (15) days after the report is made available to the Public.

The following spreadsheets depict:

1. The fund balances of the capital facilities funds at the beginning of the fiscal year;
2. The fund balances of the funds at the end of the fiscal year;
3. The fee income, interest earned, and other income earned during the fiscal year;
4. The amount of expenditures made from these funds during the fiscal year.

The Carmel Valley plan is intended to generate only the development fair-share contribution of project costs and is not intended to provide 100% funding for or construct all projects listed in the plan. Additional funds are required for full funding of projects listed in the plan. Sufficient funds have not been collected to complete financing of the public improvements identified in the plan.

At this time, the plan is proceeding as planned and no refunds have been made per this Section. Sufficient funds have not been collected to complete all projects. It is not anticipated that refunds will occur in the near future. If refunds occur, that information will be included in future annual reports.

There also has not been any interfund transfer or loan from any of the plan funds per this Section.

The data supporting the information shown on the attached sheet is updated as transactions occur and is available for public review at the Monterey County Resource Management Agency, 1441 Schilling Place, 2nd Floor, Salinas, CA 93901.

Fees Status:

Monterey County conditions and collects regional development impact fees on development projects within the unincorporated County areas in order to offset the impacts of development on the County's transportation system. The amount of fees collected is dependent upon the type of development and the impacts to the County transportation system attributable to the development. A list of the fees collected and expenditures made in FY 2015/16 is included below as part of this report.

Table 1: Fund balances and expenditures for Carmel Valley Traffic Mitigation Fee

BEGINNING BALANCE:		
	CVTMF	\$2,087,612.36
INCREASES TO FUND BALANCE:		
FEES COLLECTED:	CVTMF	\$329,460.36
INTEREST EARNED:	CVTMF	\$18,353.22
DECREASES TO FUND BALANCE:		
FY 2015/16 EXPENDITURES:	CVTMF	\$230,306.71
ENCUMBRANCE BALANCE:	CVTMF	\$0.00
TRANSFERS OUT (Participation/Reimbursement):	CVTMF	\$0.00
ENDING BALANCE - June 30, 2016:		
	CVTMF	\$2,205,119.23

Five-Year Findings

In accordance with Government Code Section 66001, the County of Monterey makes the following findings with respect to those portions of the accounts or funds remaining unexpended, whether committed or uncommitted:

All unexpended funds held for five years or more are committed to projects that are a suitable purpose for the use of the developer fee.

A) Identify the purpose to which the fee is to be put.

The purpose of the fees collected on development is to support road and street improvements on Carmel Valley Road.

B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

The relationship between the Carmel Valley Traffic Mitigation Fee and purpose was established by the ordinance and remains in effect.

C) Identify all sources and amounts of funding anticipated to complete financing.

For the Carmel Valley Mitigation Fee program, additional sources of funding have not been identified. However, the potential sources of additional funds are:

- State/Federal funds
- Measure X
- Gas Tax
- Contributions from other agencies

D) Designate the approximate dates on which the funding referred to in C) above is expected to be deposited into the appropriate account or fund.

For the Carmel Valley Mitigation Fee program, the date when additional funding will be deposited has not yet been identified.

Ad Hoc Transportation Development Impact Fees

Annual Report and Five-year Findings

Fiscal Year 2015-2016

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Overview

Monterey County conditions and collects development impact fees on development projects within the unincorporated County areas in order to offset the impacts of development on the County's transportation system.

The Government Code requires certain disclosures of the financial information related to those plans. The fees for each of the plan subareas, or spheres, are deposited into separate funds as required by the Government Code. Government Code Section 66006(b) requires each entity collecting facilities fees to disclose an annual accounting of the fund related to those fees. This report has been furnished to comply with this requirement.

Section 66006(b) (1 and 2) provide in part as follows:

"For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the beginning and ending balance of the account or fund, the amount of the fees collected and the interest earned, an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees and the amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001....The local agency shall review the information.... at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public, as required by this subdivision."

The data supporting the information shown on the attached sheet is updated as transactions occur and is available for public review at the Monterey County Resource Management Agency, 1441 Schilling Place, 2nd Floor, Salinas, CA 93901.

The code requires that the information contained in this report be available as soon as it has been collected and must be made available within one hundred eighty (180) days of the close of the fiscal year. This requires that the information be made available by December of each fiscal year. Additionally, once the information is available it must be reviewed at the next regularly scheduled public meeting not less than fifteen (15) days after the report is made available to the Public.

The following Tables depict:

1. The balance of the Ad Hoc development fee account at the beginning of the fiscal year;
2. The fund balances of the funds at the end of the fiscal year;
3. The fee income, interest earned, and other income earned during the fiscal year;
4. The amount of expenditures made from these funds during the fiscal year.

Please note that Section 66001 subdivisions (e) and (f) require that the agency, unless it demonstrates that the administrative costs of refunding would exceed the amount to be refunded, is required to

refund the unexpended or uncommitted portion of any fee collected (plus interest) for which need is not demonstrated five or more years after deposit of the fee.

Fees Status:

Monterey County conditions and collects development impact fees on development projects within the unincorporated County areas in order to offset the impacts of development on the County's transportation system. The amount of fees collected is dependent upon the type of development and the impacts to the County transportation system attributable to the development. A list of the fees collected and expenditures made in FY 2015/16 is included below as part of this report.

Table 1: Account balances and expenditures for Ad Hoc fees collected and held

BEGINNING BALANCE:

BSA 2652	\$2,520,191.78
BSA 2655	\$54,174.63

INCREASES TO FUND BALANCE:

FEEES COLLECTED:	BSA 2652	\$22,242.00
	BSA 2655	\$66,164.97
INTEREST EARNED:	BSA 2652	\$20,694.58
	BSA 2655	\$634.79

DECREASES TO FUND BALANCE:

FY 2015/16 EXPENDITURES:	BSA 2652	\$35,298.36
	BSA 2655	\$0.00
ENCUMBRANCE BALANCE:	BSA 2652	\$0.00
	BSA 2655	\$0.00
TRANSFERS OUT (Participation/Reimbursement):	BSA 2652	\$0.00
	BSA 2655	\$0.00

ENDING BALANCE - June 30, 2016:

BSA 2652	\$2,527,830.00
BSA 2655	\$120,974.39

Notes:

The expenditures in the amount of \$35,298.36 were incurred in FY 2014-15 but incorrectly charged against the Carmel Valley Traffic Mitigation Fee (CVTMF) fund rather than the Hwy 1 climbing lane project. This was corrected in FY 15-16 and thus shows as an expenditure this year.

Refunds

Several projects have been identified that were completed but residual funds remain in the holding account. The County will initiate the processes to refund the residual funds. The sub accounts have been noted in Table 3.

Five-Year Findings

In accordance with Government Code Section 66001, the County of Monterey makes the following findings with respect to those portions of the accounts or funds remaining unexpended, whether committed or uncommitted:

All unexpended funds held for five years or more are committed to projects that are a suitable purpose for the use of the developer fee.

A) Identify the purpose to which the fee is to be put.

The purpose of the fees collected on development projects is to mitigate the impacts to the affected transportation facilities proportional to the impacts directly created by a particular development project. The impacts are determined by project specific transportation studies and analysis, and the transportation projects to be funded, or portion thereof, are listed within conditions of approval for the projects.

The regional demand models developed by the Association of Monterey Bay Area Governments (AMBAG) were used to develop the 2014 Regional Growth Forecast in June 2014. The forecast shows continued growth in the area though the rate of growth may have slowed following the 2007 recession.

The County also conducted a Nexus study for a future Countywide Traffic Impact fee program. This study also relied on the AMBAG models to project development growth. The study also examined deficiencies in the roadway network and identified a list of projects which should be programmed and funded by the future impact fee.

Both the AMBAG Growth Forecast and the Nexus study conclude that projected growth is still likely to occur; thus, the need remains for the projects listed in the tables. Therefore, the County will continue to retain the funds collected to date and collect future fees to complete the projects.

B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

Each development project undergoes a detailed analysis of the transportation impacts as a result of the development. That analysis may include a focused traffic study or might be based upon the studies included in the latest edition of the Institute of Transportation Engineer's trip generation manual for the same type of development. The fees are based upon the results of those studies, and are directly related to the development project and the effects on the transportation system caused by the development.

C) Identify all sources and amounts of funding anticipated to complete financing.

Sources and amounts of funding to complete financing for projects are identified in the table below. Since the development fee mitigates a specific development project, and not all the development anticipated to occur in an area or previously existing development, additional funding sources will need to be identified to complete the projects for which fees have been collected. The anticipated funding will be a combination of additional development mitigation fees, gas tax, Local Measure X and any State or Federal funds that can be applied for or leveraged for projects. The projects will be constructed as

funding sources are identified. Until then, the fees remain as a reserved deposit, with interest accruing, and they are necessary to fund a portion of the project.

Table 2 Sources of additional funding

Sources	Amount of Funding	Notes/Current Amounts Available
Development Fees	\$2,453,603.20	100% of Fees Collected, plus interest accrued to date
State/Federal Funds	TBD	TBD
Measure X	TBD	TBD
Gas Tax	TBD	TBD
City/Other Agency Contributions	TBD	TBD

D) Designate the approximate dates on which the funding referred to in C) above is expected to be deposited into the appropriate account or fund.

Sources	Approximate Date When Funds Will Be Collected/Received/Deposited
Development Fees	Fund balances currently available as shown in Table 3 below. Deposit of additional fees for additional development, date unknown (based on 100% fee collection at full build-out)
State/Federal Funds	Unknown - based on State/Federal budget, plus availability/successful grant awards & availability of grant matching funds
Measure X	Unknown - funds programmed based on overall system needs
Gas Tax	Unknown - funds programmed based on overall system needs
City/Other Agency Contributions	Unknown - based on whether a city/other agencies has a share in a project and their budgets and fund availability

Table 3: Project Account Balances and Costs

	Effective Fund Balance at 6/30/16	Estimated Total Project Cost
Blackie Road at Prunedale South Road	\$2,593.14	to be refunded
Boronda Area Regional Traffic Impacts	\$519,549.35	\$25,000,000
Castroville Area Regional Traffic Impacts	\$386,097.94	\$100,000,000
Chualar Streets Traffic Impacts	\$21,328.87	\$500,000
Country Meadows Road Extension	\$6,589.50	to be refunded
Harrison Road Traffic Impacts	\$8,029.75	to be refunded
Highland Hills Subdivision (Soledad area) Traffic Impacts	\$9,148.71	\$500,000
Highway 1/Carmel Valley Road	\$77,363.73	\$500,000
Highway 1/Carmel Valley Rd. Operational Improvements	\$19,427.77	\$10,000,000
Highway 1/High Meadow Operational Improvements	\$15,073.10	\$50,000
Highway 1/Moss Landing Improvements (4 Lanes)	\$111,976.58	\$200,000,000
Highway 1/Palo Colorado Operational Improvements	\$870.24	\$500,000
Highway 1/Salinas Road Interchange	\$22,836.56	\$40,000,000
Highway 101	\$12,804.71	to be refunded
Highway 101 at Airport Blvd/Sanborn Road Interchange	\$70,003.49	to be refunded
Highway 101/Gonzales Area Traffic Signals	\$1,930.67	\$500,000
Highway 101/Prunedale Improvement Project	\$239,743.57	See note 3 below
Highway 101/Spence Road Traffic Improvements	\$43,971.19	\$500,000
Highway 156/Cathedral Oaks	\$26,704.99	\$500,000
Highway 156/Highway 183 (Merritt Street) Traffic Impacts	\$61,145.55	\$5,000,000
Highway 68 Regional Traffic Impacts	\$123,252.04	\$9,000,000
North County Area Traffic Impacts	\$140,437.43	\$30,000,000
Pine Canyon Road	\$161,490.66	\$500,000
Rio Road/Carmel Rancho Blvd Traffic Signal	\$64,298.39	\$250,000
River Road Future Needs	\$2,248.19	\$25,000,000
San Juan Grade Road/Rogge Road Traffic Signal	\$52,616.19	\$350,000
San Juan Grade Road at Crazy Horse Road Traffic Impacts	\$30,066.52	\$15,000,000
San Juan Road	\$561.52	\$10,000,000
San Juan Traffic Impacts	\$7,358.04	\$10,000,000
San Miguel Canyon Road/Highway 101	\$4,072.55	to be refunded
TAMC Regional	\$82,821.47	See note 1 below
TAMC Regional Development Impacts	\$112,378.81	See note 1 below
Miscellaneous Locations*	\$89,038.82	See note 2 below
Total Traffic Mitigations Fees (Fund 002-3000-2652)	\$2,527,830.00	\$483,650,000
East Garrison Traffic Impacts	\$120,974.39	\$13,970,000
Total Traffic Mitigations Fees (Fund 002-3000-2655)	\$120,974.39	\$13,970,000

Notes:

1. Funds labeled "TAMC Regional" and "TAMC Regional Development Impacts" will be re-assigned to the project labeled "Castroville Area Regional Traffic Impacts" after research of the deposits

revealed they had been incorrectly categorized. The amount of the re-assignment is \$195,200.28 which consists of \$1,598.04 in interest and a beginning balance of \$193,602.24 on July 1, 2015.

2. The Miscellaneous Locations project account is a catchall subaccount used for accounting convenience to temporarily hold funds deposited before transferring those funds to the subaccount for the actual project for which the fees are intended to apply. There are 8 deposits that are currently being held in the Miscellaneous Locations subaccount. The deposits are to be allocated to specific projects as follows:
 - a) Move \$27,608 plus accumulated interest to North County Area Traffic Impacts
 - b) Move \$1,164.69 plus accumulated interest to Highway 101/Prunedale Improvement Project
 - c) Move \$1,253.65 plus accumulated interest to San Juan Grade Road at Crazy Horse Road Traffic Impacts Project
 - d) Move \$1,253.66 plus accumulated interest to San Juan Grade Road at Rogge Road Project
 - e) Move \$16,434 plus accumulated interest to East Garrison Traffic Impacts account
 - f) Send \$32,936 plus accumulated interest to TAMC (Transportation Agency for Monterey County) for Zone 1
 - g) Send \$6,988.77 plus accumulated interest to TAMC (Transportation Agency for Monterey County) for Zone 3

While the transfer of the funds from the Miscellaneous Locations subaccount to the project specific subaccounts has or will soon occur, those transfer will be reflected in the Fiscal Year 2016-2017 Annual Report as the transfers had not occurred on or prior to the end of the 2015-2016 Fiscal Year on June 30, 2016.

3. Caltrans has completed their portion of this project. However, the County has identified residual concerns that were not completely addressed by the Caltrans project. There are multiple minor projects whose costs are expected to be around \$300,000. The remaining funds in this subaccount will be used to complete these projects by the end of Fiscal Year 2019-20.