



DEPARTMENT OF TRANSPORTATION

TRANSPORTATION PLANNING

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TO: Board of Supervisors

FROM: Natalie K. Porter, P.E., T.E.
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Subject: Missouri Flat Master Circulation and Financing Plan (MC&FP) Phase II
Adopt Resolution 094-2020 Certifying the Addendum to the Final EIR
Approve the MC&FP Phase II

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 approve the Addendum to the Final Environmental Impact Report for the Missouri Flat Area Master Circulation & Funding plan (MC&FP EIR) and approve the MC&FP Phase II project. Staff is recommending that the Board:

- 1) Adopt and authorize the Chair to sign Resolution 094-2020 (Attachment C) certifying the Addendum to the Final Environmental Impact Report for the Missouri Flat Area Master Circulation & Funding Plan (MC&FP EIR) (El Dorado County 1998), State Clearinghouse No. 97092074 (Attachment D);
- 2) Recognize that specific land use and transportation projects will be subject to their own project-level California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) environmental analysis; and
- 3) Approve the MC&FP Phase II, including the changes to the previously-approved roadway projects, the addition of the Phase II roadway improvement projects, the modifications to the Missouri Flat Road interchange, and the draft Public Facilities Financing Plan (Financing Plan) for the MC&FP Phase II (Attachment E).

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 733,000 square feet. With approximately 331,000 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 Economic & Planning Systems, Inc. (EPS), Kittelson & Associates, Quincy Engineering and Regional Government Services (RGS) 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 (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 (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 (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 (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 (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 (Item 22), the Board:

- 1) Received and filed the draft Technical Memorandum (TM) 1-7 Future Traffic Analysis Results and Findings;
- 2) Received and filed the draft TM 1-8 Capacity Threshold Phasing Analysis and Alternative Screening Evaluation and the US Highway 50/Missouri Flat Road Interchange Feasibility Study, 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.

On November 5, 2019 (Item 40) the Board approved TM 1-9, Missouri Flat Master Circulation and Financing Plan (MC&FP) Phase II Fiscal Impact Analysis which examined whether the Project will generate adequate revenues to meet the cost of providing new development with County municipal services (e.g., general government, public protection, etc.).

On February 11, 2020 (Item 20) the draft Financing Plan for the MC&FP Phase II project was presented to the Board.

On February 20, 2020 a stakeholder meeting and a general public meeting were held to discuss the Financing Plan.

On April 16, 2020, Transportation staff and our consultants, Amy Lapin of EPS and Mike Aronson of Kittelson & Associates, met with the Diamond Springs and El Dorado Community Advisory Committee (DSEDCAC) as well as Supervisor Veerkamp and his assistant Kathy Witherow. All DSEDCAC members attended either in person, via Zoom or on a telephone line. In addition to providing a presentation on the draft Financing Plan, Chairman Randy Pesses submitted a list of questions regarding the project and staff provided responses.

Additional information requested by the Board of Supervisors was delivered to Board members via an interoffice memorandum. The information is attached to this agenda item as Attachment F. See Attachment G for County Counsel's findings on whether bonds can be issued to "pay back" the County for County discretionary funds (e.g., general fund and tribe funds) used toward previously constructed improvements in the MC&FP area.

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 331,000.

MC&FP Phase I allows up to about 733,000 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 or have additional funding sources. 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) CEQA Addendum to the Final Environmental Impact Report for the Missouri Flat Area Master Circulation and Funding Plan (MC&FP EIR) (Adopt and Authorize Chair to sign Resolution 094-2020)

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.

Ascent has completed 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. The additional technical analysis required to complete the CEQA documentation has also been completed and an addendum to the original EIR has been prepared (Attachment D).

An addendum is appropriate where a previously certified EIR has been prepared and some changes or revisions to the project are proposed, or the circumstances surrounding the project

have changed, but none of the changes or revisions would result in significant new or substantially more severe environmental impacts, consistent with CEQA Section 21166 and State CEQA Guidelines Sections 15162, 15163, 15164, and 15168.

This addendum to the MC&FP EIR analyzes Phase II in comparison to the significant impacts that were identified in the MC&FP EIR. As lead agency under the California Environmental Quality Act (CEQA), El Dorado County has determined that the proposed Phase II and other changes differ sufficiently from the scenario described in the MC&FP EIR for the adopted MC&FP to warrant consideration and discretionary approval. Based on the analysis included in the documentation, the County has determined the appropriate CEQA document for consideration of these changes is an addendum, as defined in Section 15164 of the State CEQA Guidelines.

The document listed as Attachment D is an addendum to the Final MC&FP EIR, adopted by the County Board of Supervisors (BOS) in 1998. This addendum is intended to evaluate and confirm CEQA compliance for the MC&FP Phase II, which would be a change relative to what is described and evaluated in the MC&FP EIR. This addendum is organized as a CEQA environmental checklist and is intended to evaluate all environmental topic areas for any changes in circumstances or the project description, as compared to the certified MC&FP EIR and the El Dorado County General Plan EIR, and determine whether such changes were or were not adequately covered in the certified environmental documents. This checklist is not the traditional CEQA Environmental Checklist, which is found in Appendix G of the CEQA Guidelines. The purpose of the checklist is to evaluate the checklist categories in terms of any “changed condition” (i.e., changed circumstances, project changes, or new information of substantial importance) that may result in any new significant environmental impacts or an increase in the severity of previously identified significant effects when compared to the conclusions from the MC&FP EIR or the El Dorado County General Plan EIR. The column titles of the checklist have been 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, 15163, 15164 and 15168, which address subsequent environmental review and tiering from program EIRs.

As discussed in the checklist, the previously-discussed impacts in the MC&FP EIR would be similar under implementation of the MC&FP Phase II. As explained in the Project Description of this checklist, the MC&FP Phase I assumed the development of 733,000 square feet of retail development from approximately 2008 to 2015. Phase I assumed that the retail development would generate revenues that would be applied towards specific roadway improvements. MC&FP Phase II is assumed to comprise an additional 768,000 square feet of major commercial and 242,000 square feet of minor commercial, with 378,000 square feet to be developed by 2040 and the remaining capacity developed thereafter. These land use projections have been updated to 2040 for the MC&FP Phase II, and these projections are consistent with the *El Dorado County General Plan* and within the County’s land use projections. The updated future land use projections and roadway improvements funded by Phase II would be located in the same Plan Area as previously analyzed, with the exception of the requisite offsite roadway improvements at SR 49 and Forni Road. The scale of the Missouri Flat Road interchange would be smaller than

the previous project because it would not include the construction of auxiliary lanes on US 50 or the widening of the Weber Creek Bridge, which have already been constructed. Therefore, impacts from implementation of Phase II would be similar to those identified in the MC&FP EIR. Following the analyses in this checklist, which discusses 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 Missouri Flat Area MC&FP EIR, it is determined that implementation of Phase II would not result in a new significant impact or a substantially more severe impact than disclosed in the MC&FP EIR.

Although the Addendum covers the MC&FP area, specific land use and transportation projects will be subject to their own project-level California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) environmental analysis.

Staff is recommending the Board adopt and authorize the Chair to sign Resolution 094-2020 certifying the Addendum to the Final Environmental Impact Report for the MC&FP, El Dorado County, State Clearinghouse No. 97092074 (Attachment D).

2) Approve the MC&FP Phase II

On February 11, 2020, the Board received a presentation on the draft Financing Plan for the MC&FP Phase II project. The Financing Plan is the final technical analysis and sets forth a strategy to finance the backbone transportation improvements included in the MC&FP Phase II. The Financing Plan provides the background of the MC&FP, estimated costs and timing of the transportation improvements needed to serve new development within the project. It also describes the strategy to provide funding when required to construct the improvements. The financing strategy relies on a cash flow analysis that incorporates the following Financing Plan elements:

- Phase II development projections for the project.
- Phase II transportation improvements to be constructed to serve the new development.
- Cost estimates and phasing of the transportation improvements.
- Funding sources and amounts required to fund the improvements when needed.

The cash flow analysis results in a positive balance at the end of the timeframe in 2040.

Staff is recommending the Board approve the MC&FP Phase II which includes the changes to the previously-approved roadway projects, the addition of the Phase II roadway improvement projects, the modifications to the Missouri Flat Road interchange, and the draft Financing Plan for the MC&FP Phase II (Attachment E).

CONTACT

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