County of San Diego

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TO: Supervisor Ron Roberts, Chairman
Supervisor Greg Cox, Vice-Chairman
Supervisor Bill Horn
Supervisor Dianne Jacob
Supervisor Pam Slater-Price

FROM: Richard E. Crompton, Director
Department of Public Works

ANNUAL REPORT OF TRANSPORTATION IMPACT FEES FOR FISCAL YEAR 2011-2012 (District: ALL)

On April 20, 2005, the Board approved the County's first Transportation Impact Fee (TIF) program to be used to defray the costs of constructing transportation facilities necessary to mitigate increased traffic generated by future development. The Board approved an update to the TIF program on January 30, 2008, that reduced commercial and industrial TIF rates by an average of 40 percent.

Government Code section 66006(b)(1) requires the transportation impact fee account information be made available to the public within 180 days after the last day of each fiscal year. The Board of Supervisors is required to review this information at the next regularly scheduled public meeting. The report includes amounts collected and the projects for which the money has been collected and will spent. A brief summary of the report is set forth below.

<u>Trust Deposits Balance Summary</u>

Beginning balance July 1, 2011	$14,061,567
Plus:	
Collection	$2,555,713
Interest	$72,341
Less:	
Expended on improvements*	$1,411,682
SR76 reimbursement agreement	$503,376
Administrative costs	$238,356
Refunds	$15,201

Ending balance as of June 30, 2012 is **$14,521,006**

*includes $367,142 in accruals from prior year

These funds remain on deposits to construct specified improvements.

To date, Department of Public Works has expended a total of $9,517,690 on Road Reconstruction and Preliminary Engineering. The total amount of TIF collected since its inception is $29,017,278.

On October 31, 2012, the County Board of Supervisors approved changes to the TIF program resulting in significantly lower rates, on average, for both residential and non-residential land uses. These TIF program changes will go into effect on January 2, 2013 and will be reflected in next year's annual TIF report.

If you have any questions or need additional information, please feel free to contact me at (858) 694-2233.

Respectfully,

RICHARD E. CROMPTON, Director
Department of Public Works

County of San Diego

Transportation Impact Fee and

Regional Transportation Congestion Improvement Program

Annual Report

July 2011–June 2012

The Board adopted the Transportation Impact Fee (TIF) program for the unincorporated county on April 20, 2005 (10), and the program became operative on June 19, 2005. On February 27, 2008 (11) the Board adopted an update to the TIF program, which went into effect on April 27, 2008. The TIF program was adopted in response to a 2002 court decision prohibiting the use of a de minimus exception to avoid mitigating traffic impacts in accordance with the California Environmental Quality Act (CEQA). The court decision left hundreds of private development projects in the unincorporated County with no financially feasible way to mitigate cumulative traffic impacts. The TIF program provided a mechanism for these projects to mitigate these impacts and move forward.

The TIF program allows development, large and small, to mitigate cumulative traffic impacts by allowing developers to pay a fee. Without TIF, developers would be required to make improvements to fully mitigate cumulative traffic impacts. For some projects, this could mean having to build substantial road improvements, the cost of which greatly exceeds any possible economic return on the development. The only alternative to constructing the improvements would be for the County to prepare an Environmental Impact Report instead of potentially using a more appropriate and less costly level of review such as a negative declaration, with a statement of overriding considerations (CEQA Guidelines section 15093). To override the need for mitigation, the County would be required to find that economic, social, economic or other limited benefits outweigh the unavoidable adverse environmental effects of the project. Since impacts are frequently avoidable and hence capable of being mitigated, it is often impossible to make these findings. TIF provides a mechanism to provide cost effective CEQA mitigation of traffic impacts for County development projects.

When combined with public funds to address existing capacity deficiencies, the TIF ensures there will be resources to provide a future transportation system that operates at an acceptable level of service throughout the unincorporated County. To ensure integrity, execution and transparency, State law requires the County to publish an annual TIF summary report within 180 days of the Fiscal Year end. This report satisfies that reporting requirement and was prepared in accordance with State requirements and Government Code (GC) §66006(b) (1).

The TransNet Extension Ordinance, administered by SANDAG and approved by voters on November 2, 2004, requires that starting July 1, 2008, the County exact $2,000 from new developments for each newly constructed residential unit in the unincorporated areas of the County to fund the County Regional Transportation Congestion Improvement Program (RTCIP). The exaction amount shall be adjusted without further action of the Board of Supervisors. The current RTCIP minimum collection amount is $2,165 per residential unit. The County's existing TIF program is the Funding Program that fulfills this requirement. This annual report contains RTCIP collection and expenditure information and satisfies the annual RTCIP reporting requirements.

This report summarizes the following information as required by the GC.

A. Brief description of the type of fee in the fund
B. Amount of fee
C. Beginning and ending balance of the fund
D. Amount of fees collected and interest earned
E. Identification of projects on which fees were expended including the total percentage of the cost that was funded with fees
F. Approximate date by which construction of the improvements will commence
G. Description of each interfund transfer or loan made
H. Amount of refunds
I. Regional Transportation Congestion Improvement Program (RTCIP)

The Board of Supervisors (BOS) shall review the information contained in this report not less than 15 days after this information is made available to the public per GC § 66006(b)(2). A copy of this report is available at the office of the Clerk of the Board located at **1600 Pacific Highway, Room 402, San Diego, CA 92101** and on the County of San Diego Department of Public Works Land Development Division's TIF website that can be located at http://www.sdcounty.ca.gov/dpw/land/tif.html

A) DESCRIPTION OF FEE (Gov Code § 66006 (b) (1)(A))

The TIF Ordinance authorizes the imposition and collection of fees from future development to offset the construction costs of planned transportation facilities necessary to accommodate increased traffic generated by future development. The TIF was established in accordance with the Mitigation Fee Act (GC § 66000 et seq.). The TIF is assessed and collected at issuance of a development permit, including a building permit, to proportionally provide the funding necessary to mitigate the cumulative impacts due to increased traffic generated by future development.

The TIF collects funds based on local and regional facility needs. Local facilities are classified as Collector (or below) and are roads that benefit the local community in which they are located. There are twenty-three local TIF areas throughout the unincorporated County.

TABLE A.1 – TIF LOCAL AREAS

No	Local No	Description
1	7028	Sweetwater
2	7029	Spring Valley
3	7030	San Dieguito
4	7034	Alpine
5	7035	Crest Dehesa
6	7036	Fallbrook
7	7037	Julian
8	7038	Mountain Empire
9	7039	North Mountain
10	7040	Valle De Oro
11	7041	Ramona
12	7042	Rainbow
13	7043	Pendleton Deluz
14	7044	Pala Pauma
15	7045	Otay
16	7046	Valley Center
17	7047	North County Metro
18	7048	Lakeside*
19	7049	Jamul Dulzura
20	7050	Desert
21	7051	County Islands
22	7052	Central Mountain
23	7053	Bonsall

* includes Pepper Dr-Bostonia

Regional facilities are roads classified above Collector status; such as Prime Arterials, Major roads, state routes and other regionally significant facilities which benefit both the community and surrounding areas and are part of the Regional Arterial System, as defined by SANDAG. The three regions in the County are the North, South and East regions.

TABLE A.2 – TIF REGIONAL AREAS

No	Regional No	Description
1	7031	North
2	7032	South
3	7033	East

Freeway Ramps are classified as Freeway Ramp North, South, and East. As part of the April 2008 TIF update, the County identified specific freeway ramp interchanges and at-grade highway intersections are to be funded in part by the TIF program. Based on currently available traffic data, a number of freeway ramp interchanges and at-grade highway intersections were identified as necessary to accommodate growth. Therefore, this is the first time this report includes these facilities.

TABLE A.3 – TIF FREEWAY RAMP AREAS

No	Freeway Ramp No	Description
1	9634	North
2	9635	South
3	9636	East

B) AMOUNT OF FEE (Gov Code § 66006 (b)(1)(B))

Below are tables of TIF amounts. Per Section 77.213 of the San Diego County Code of Regulatory Ordinances (County Code), the fee rate shall be adjusted annually based on the construction cost index without further action of the Board of Supervisors, starting on January 1, 2006, and on each January 1st thereafter. The adjusted rate shall be applied to a calendar year. The annual fee adjustment is required by SANDAG to comply with the RTCIP.

Detailed TIF calculation and program information are on the County's website at http://www.sdcounty.ca.gov/dpw/land/tif.html or available at the Department of Public Works (DPW) Land Development Division at 5510 Overland Ave., San Diego Ca 92123

TABLE B.1 - RESIDENTIAL TIF FEES – As of January 1, 2012

TIF AREA	COST PER SINGLE FAMILY DETACHED (SFD) RESIDENTIAL UNIT			
	Freeway Ramp	Local	Regional	Total
Alpine	$165	$1,999	$3,635	$5,799
Bonsall	$46	$6,967	$6,558	$13,571
Cental Mountain	$3	$0	$2,424	$2,427
County Islands	$165	$0	$3,635	$3,800
Crest-Dehesa	$165	$1,112	$3,635	$4,912
Desert	$3	$345	$2,425	$2,773
Fallbrook	$46	$6,715	$6,558	$13,319
Jamul-Dulzura	$165	$2,410	$3,635	$6,210
Julian	$3	$0	$2,424	$2,427
Lakeside *	$165	$4,451	$3,635	$8,251
Mountain Empire	$3	$0	$2,424	$2,427
North County Metro	$46	$1,893	$6,558	$8,497
North Mountain	$3	$0	$2,424	$2,427
Otay	$165	$728	$3,635	$4,528
Pala-Pauma	$46	$1,298	$6,558	$7,902
Pendleton-De Luz	$46	$8	$6,558	$6,612
Rainbow	$46	$4,927	$6,558	$11,531
Ramona	$3	$6,556	$2,425	$8,984
San Dieguito	$46	$3,576	$6,558	$10,180
Spring Valley	$165	$728	$3,635	$4,528
Sweetwater	$165	$1,443	$3,635	$5,243
Valle de Oro	$165	$5,086	$3,635	$8,886
Valley Center	$46	$2,834	$6,558	$9,438

* Lakeside includes Pepper Dr-Bostonia

To determine the TIF for other residential land uses other than single-family detached (SFD) residential units, the following formula are used:

(1) Multi-family attached home, condominium, apartment, and lodging including hotel rooms and time-share units, and accessory apartment (granny flat): 67% of SFD fee per unit

(2) Mobile home, agricultural labor residential (non-primary residence), and retirement community: 33% of SFD fee per unit

(3) Congregate Care Facility for persons unable to care for themselves: 20% of SFD fee per unit

For residential projects, credits may be available for direct impact improvements constructed to improve a TIF roadway facility or an alternative TIF facility.

B.1) REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP)

The Regional Transportation Congestion Program (RTCIP)[1] requires the County to collect a minimum amount per residential unit on average for residential new construction. The minimum collection amount for Fiscal Year 2011-12 is $2,165 per residential unit and the County's overall average collection per residential unit was $4,166. The average collected Regional Residential

TIF amount across all TIF areas is sufficient to satisfy the collection requirements for the Fiscal Year 2011-12 RTCIP ordinance.

TABLE B.2-NON-RESIDENTIAL TIF FEES–As of January 1, 2012

General Commercial TIF fee = Cost per 1,000 Square Foot multiplied by the Facility Floor Square Footage divided by 1,000

TIF AREA	COST PER 1,000 SQUARE FOOT FOR GENERAL COMMERCIAL			
	Freeway Ramp	Local	Regional	Total
Alpine	$515	$5,988	$3,688	$10,191
Bonsall	$118	$20,860	$3,252	$24,230
Cental Mountain	$9	$0	$5,591	$5,600
County Islands	$515	$0	$6,108	$6,623
Crest-Dehesa	$515	$3,330	$4,758	$8,603
Desert	$9	$1,031	$5,593	$6,633
Fallbrook	$118	$20,104	$3,570	$23,792
Jamul-Dulzura	$515	$7,218	$3,171	$10,904
Julian	$9	$0	$5,591	$5,600
Lakeside *	$515	$13,324	$714	$14,553
Mountain Empire	$9	$0	$5,591	$5,600
North County Metro	$118	$5,671	$9,398	$15,187
North Mountain	$9	$0	$5,591	$5,600
Otay	$515	$2,182	$5,236	$7,933
Pala-Pauma	$118	$3,886	$10,112	$14,116
Pendleton-De Luz	$118	$40	$11,659	$11,817
Rainbow	$118	$14,752	$5,710	$20,580
Ramona	$9	$17,688	$0	$17,697
San Dieguito	$118	$10,708	$7,336	$18,162
Spring Valley	$515	$2,182	$5,236	$7,933
Sweetwater	$515	$4,322	$4,322	$9,159
Valle de Oro	$515	$15,188	$0	$15,703
Valley Center	$118	$8,486	$8,249	$16,853

To determine the TIF for other non-residential commercial and industrial land uses other than general commercial, the following formula shall be used:

(1) Furniture Stores: 14% of general commercial fee
(2) General Industrial: 37% of general commercial fee
(3) Storage, Warehousing, Wineries, Non-residential Agricultural: 14% of general commercial fee
(4) Offices: 56% of general commercial fee
(5) Schools and Government/Institutional: 32% of general commercial fee

Direct Improvement Credits for non-residential developments have already been included in the County's overall program for non-residential TIF rates. Therefore, direct improvement costs for improvements to TIF roadway facilities or alternate TIF facilities shall not be used as a TIF credit or reduction for non-residential development. The non-residential TIF fee shall be computed based on the applicable TIF rate for the primary use of a building or the primary use of each individual storefront for mixed use buildings.

B.2) SELECT INDUSTRIAL

Some select industrial uses generate traffic but do not construct facilities of a size that will generate a TIF payment to adequately mitigate the project's traffic impacts. These select industrial uses include but are not limited to: quarry operations, mining operations, borrow pit operations, landfill operations, and concrete and asphalt production facilities including batch plants. For these industrial uses, they shall perform a traffic study to determine the traffic impacts of their project. The traffic study shall specifically convert heavy vehicle trips to Passenger Vehicle Equivalent trips. These industrial projects' TIF payment shall be calculated using the applicable total cost-per trip from the table below multiplied by the expected number of average daily trips (ADT) their project will generate. Credits and reductions shall be as shown for non-residential developments in Section 77.208.2 of the County Code of Regulatory Ordinances. Costs in the table below will be updated annually as shown in Section 77.213 of the County Code.

TABLE B.3 - SELECT INDUSTRIAL TIF FEES – As of January 1, 2012
TIF Payment = Cost/trip X Number of Average Daily Trips

TIF AREA	COST PER TRIP FOR SELECT INDUSTRIAL USES			
	Freeway Ramp	Local	Regional	Total
Alpine	$12	$166	$104	$282
Bonsall	$3	$580	$90	$673
Cental Mountain	$0	$0	$155	$155
County Islands	$12	$0	$170	$182
Crest-Dehesa	$12	$93	$134	$239
Desert	$0	$30	$155	$185
Fallbrook	$3	$560	$98	$661
Jamul-Dulzura	$12	$201	$90	$303
Julian	$0	$0	$155	$155
Lakeside *	$12	$371	$20	$403
Mountain Empire	$0	$0	$155	$155
North County Metro	$3	$158	$261	$422
North Mountain	$0	$0	$155	$155
Otay	$12	$60	$147	$219
Pala-Pauma	$3	$108	$279	$390
Pendleton-De Luz	$3	$1	$324	$328
Rainbow	$3	$410	$158	$571
Ramona	$0	$491	$0	$491
San Dieguito	$3	$298	$204	$505
Spring Valley	$12	$60	$147	$219
Sweetwater	$12	$119	$122	$253
Valle de Oro	$12	$423	$0	$435
Valley Center	$3	$237	$227	$467

* Lakeside includes Pepper Dr-Bostonia

C) BEGINNING AND ENDING BALANCE OF FUND (Gov Code § 66006 (b)(1)(C))

The total TIF funds available, after expenditures, at the end of Fiscal Year 2011-12 are $14,521,006.

TABLE C.1–FISCAL YEAR 2011-12 TIF BEGINNING AND ENDING BALANCE

TIF AREA	Beginning Balance (JUL-11)	Ending Balance (JUN-12)
NORTH *	$ 267,008	$ 201,506
SOUTH *	3,310,757	3,173,180
EAST *	1,062,462	867,460
ALPINE	245,661	293,898
BONSALL	190,272	262,014
CENTRAL MOUNTAIN	-	-
COUNTY ISLANDS	-	-
CREST DEHESA	54,871	59,207
DESERT	55,776	58,864
FALLBROOK	2,407,601	2,427,883
JAMUL DULZURA	275,078	276,500
JULIAN	-	-
LAKESIDE	856,482	797,636
MOUNTAIN EMPIRE	-	-
NORTH COUNTY METRO	190,335	239,759
NORTH MOUNTAIN	-	-
OTAY	160,345	162,050
PALA PAUMA	57,038	58,327
PENDLETON DELUZ	165	206
RAINBOW	75,746	79,357
RAMONA	1,224,263	1,397,838
SAN DIEGUITO	1,332,811	1,555,757
SPRING VALLEY	74,381	128,689
SWEETWATER	28,884	34,757
VALLE DE ORO	1,609,639	1,805,765
VALLEY CENTER	532,610	563,213
FREEWAY RAMP NORTH	22,129	29,535
FREEWAY RAMP SOUTH	26,627	46,838
FREEWAY RAMP EAST	624	766
	14,061,567	14,521,006

*North, South, and East Regions include RTCIP collections and expenditures effective 7/1/2008.

D) FEES COLLECTED AND INTEREST EARNED (Gov Code § 66006 (b)(1)(D))

The table below shows the amount of fees collected and interest earned for each TIF Area for Fiscal Years 2010-11 and 2011-12. Collection amounts for North, South, and East Regional Areas starting in Fiscal Year 2008-09 includes RTCIP collections for residential units. The total fees collected in Fiscal Year 2011-12 were $2,555,713 and the interest earned was $72,341.

TABLE D.1–FISCAL YEAR 2010-11 AND 2011-12 TIF AMOUNTS COLLECTED AND INTEREST EARNED

TIF AREA	COLLECTIONS FY 11-12	INTEREST FY 11-12*(2)	INTEREST ACCRUED FY 11-12*(1)	COLLECTIONS FY 10-11	INTEREST FY 10-11
NORTH**	884,814	1,325	181	937,832	1,413
SOUTH**	405,953	17,076	2,846	503,959	22,571
EAST**	70,653	4,687	778	93,134	9,927
ALPINE	48,825	1,291	264	39,217	1,653
BONSALL	134,616	869	235	27,186	1,985
CREST DEHESA	4,044	292	53	5,704	375
DESERT	3,143	284	53	7,155	360
FALLBROOK	120,767	12,339	2,178	417,265	16,133
JAMUL DULZURA	14	1,408	248	24,959	1,882
LAKESIDE	45,908	4,182	715	325,312	6,996
NORTH COUNTY METRO	49,748	1,073	215	27,489	1,294
OTAY	884	820	145	63,602	707
PALA PAUMA	995	294	52	420	414
PENDLETON DELUZ	40	1	0	8	1
RAINBOW	3,220	391	71	1,563	547
RAMONA	197,617	6,780	1,254	59,522	8,718
SAN DIEGUITO	276,069	7,143	1,395	423,091	7,982
SPRING VALLEY	53,811	497	115	3,064	528
SWEETWATER	5,716	158	31	3,952	195
VALLE DE ORO	187,758	8,367	1,620	57,165	11,555
VALLEY CENTER	27,838	2,765	505	7,324	3,859
FREEWAY RAMP NORTH	7,308	125	26	8,726	122
FREEWAY RAMP SOUTH	25,828	169	42	34,064	79
FREEWAY RAMP EAST	144	4	1	78	4
	2,555,713	72,341	13,025	3,071,790	99,297

** These regions includes RTCIP fees amounts collected and interest earned FY 2010-11 and 2011-12.

* Note: (1) The fourth quarter accrued interest earned in an amount of $13,025 will be received in Fiscal Year 2012-13.

(2) Interest calculation was based on the YTD balance amount.

E) EXPENDITURES (Gov Code § 66006 (b)(1)(E))

During Fiscal Year 2011-12, the Road Fund was reimbursed $1,044,540* from TIF collections for Capital Improvement Program (CIP) expenditures on eligible TIF roadway facilities. Fourth quarter CIP reimbursement from TIF collections is $174,008 which was accrued in Fiscal Year 2011-12 and will be reimbursed in Fiscal Year 2012-13. Total TIF expenditures since the TIF program inception are $9.517,690; these costs include expenditures in prior years, Fiscal Year 2011-12, and for fourth quarter expenditures to be reimbursed in Fiscal Year 2012-13.The table below shows the TIF and RTCIP amounts expended for CIP projects and the actual percentage of TIF funding on the project at this time.

*actual - does not include prior year accruals

TABLE E.1 – FISCAL YEAR 2011-12 TIF EXPENDITURES

Project Description	RTCIP - FUNDED	TIF AREA	Prior Yrs TIF Actual Costs Reimb	TIF Actual Costs Reimb in FY11-12	TIF Accrued Costs to be Reimb in FY12-13	Total TIF/RTCIP REIMB	Total CIP Costs	TIF % of Proj Cost
Cole Grade Rd	YES	North	230,073			230,073	805,099	29%
*South Santa Fe North	YES	North	1,824,113	176,341	91,831	2,092,286	36,620,009	6%
Rancho Santa Fe Roundabouts	YES	North	157,490			157,490	157,490	100%
South Santa Fe South (Phase II)	YES	North	179,723			179,723	1,275,236	14%
Bear Vly Pkwy N	YES	North	843,221			843,221	10,643,232	8%
Bear Vly Pkwy S	YES	North	75,932			75,932	75,932	100%
Mission and Ranger	YES	North	5,426			5,426	5,492	99%
Bradley Ave / SR 67	NO	S. FWY Ramp	63,414	5,630		69,044	69,044	100%
Bradley Ave / SR 67	NO	Lakeside	660,951	54,684	4,331	719,965	2,734,421	26%
Lone Star Rd 1C1011	YES	South	26,248			26,248	353,387	7%
**Otay Mesa Rd	YES	South	300,459	32,125	793	333,377	344,553	97%
Lone Star Road	NO	South	466			466	466	100%
**Alpine Blvd	YES	South	83,912	519,699	42,012	645,623	741,049	87%
**Alpine Blvd Drainage	YES	South	0	76,105	6,081	82,186	82,186	100%
***Dye Road Extension	YES	East	629,924	(4,031)	1,730	627,623	1,826,548	34%
*** San Vicente Rd South I	YES	East	806,353	66,576	15,802	888,731	3,767,857	24%
San Vicente Rd South II (East)	NO	East	65,924			65,924	65,924	100%
Southern Traffic Bypas	YES	East	354			354	1,062	33%
Camino Del Rey Old River Rd	NO	Bonsall	402,986	45,608	5,107	453,701	513,714	88%
Knottwood Way	NO	Fallbrook	250,492	1,553	131	252,177	404,859	62%
Stagecoach Ln Reche Rd	NO	Fallbrook	93,134			93,134	134,583	69%
Stagecoach Lane	NO	Fallbrook	15,715			15,715	15,715	100%
Via Rancho Parkway	NO	North Cnty Mtro	63,504			63,504	69,146	92%
South Santa FE South (Phase II)	NO	North Cnty Mtro	152,724			152,724	152,724	100%
Ramona Street Extension	NO	Ramona	231,876	10,744	23	242,644	1,243,348	20%
Per 13th St Maple St	NO	Ramona	115,136	78		115,214	160,085	72%
Rancho Santa Fe Roundabouts	NO	San Dieguito	885,159	5,945	1,369	892,473	1,581,693	56%
Fallbrook St Reche Rd Extension	NO	Fallbrook	134,432	53,481	4,799	192,712	323,523	60%
Grand Total TIF Expenditures			**8,299,142**	**1,044,540**	**174,008**	**9,517,690**	**64,185,965**	**15%**

*Collections for RTCIP NORTH were expended on this project for FY11/12.

** Collections for RTCIP SOUTH were expended on these projects for FY11/12.

*** Collectionx for RTCIP EAST were expended on these projects for FY11/12.

E.1) REIMBURSEMENT AGREEMENT

The TIF Ordinance has a provision that the County may enter into reimbursement agreements with developers to ensure efficient and timely construction of transportation improvements and or to ensure compliance with CEQ A. Currently, the County has one reimbursement agreement with Granite Construction Company for improvements to State Route 76 east of Interstate Highway 15 to Couser Canyon Road and various modifications for State Route 76 and Interstate 15 interchange/ramps. These improvements are on "Regional Facilities" located within the TIF North Region of the County. Granite Construction Company's road improvement is complete, and total amount reimbursed as June 30, 2012 is $7,120,581.

TABLE E.2 – GRANITE CONSTRUCTION CO. – SR76 REIMBURSEMENT AGREEMENT

Granite Construction Co., - SR76 Reimbursement Agreement:

Total Contract Amount	25,216,022.00		
Approved Requested Amount			18,403,823
Amount Reimbursed FY 09/10		6,224,824	
Amount Reimbursed FY 10/11		392,382	
Amount Reimbursed FY 11/12		503,376	
Total Reimbursed amount (as of 6/30/12)			7,120,581
Amount Eligible for future payment			**11,283,242**

*Accrued expenditures for fourth quarter are not included in the FY11-12 reimbursement amount.

E.2) ADMINISTRATION COST REIMBURSEMENT

Table 4 of the 2008 TIF Update Report, outlines the planning level costs associated with the TIF program which includes 2% administrative costs. TIF administrative costs are based on estimates provided in SANDAG's Regional Transportation Plan which are not to exceed 2%. In Fiscal Year 2011-12, the County continued to update the Transportation Impact Fee Program and incurred TIF consultant expenses through Contract 535329 with EFS Engineering, Inc. The total amount expended in Fiscal Year 2011-12 was $238,356 and there is a fourth quarter accrual of $31,183, to be reimbursed in Fiscal Year 2012-13. The total reimbursement for administrative costs to date is $488,052 and is below the 2% collections.

TABLE E.3 – TIF ADMINISTRATION COST REIMBURSEMENT

LOCATION	FY10-11 REIMB ADMIN COST	FY11-12 REIMB ADMIN COST	Accrued cost to be REIMB in FY12-13	TOTAL REIMB AMT
NORTH REGION	-	132,416	31,183	163,599
SOUTH REGION	62,291			62,291
EAST REGION	45,157			45,157
ALPINE	4,179			4,179
BONSALL	11,246			11,246
CENTRAL MOUNTAIN	-			-
COUNTY ISLANDS	-			-
CREST DEHESA	996			996
DESERT	991			991
FALLBROOK	-	47,664		47,664
JAMUL DULZURA	5,019			5,019
JULIAN	-			-
LAKESIDE	22,963			22,963
MOUNTAIN EMPIRE	-			-
NORTH COUNTY METRO	7,831			7,831
NORTH MOUNTAIN	-			-
OTAY	1,960			1,960
PALA PAUMA	1,147			1,147
PENDLETON DELUZ	3			3
RAINBOW	1,503			1,503
RAMONA	-	30,268		30,268
SAN DIEGUITO	7,516	28,008		35,524
SPRING VALLEY	1,445			1,445
SWEETWATER	477			477
VALLE DE ORO	31,626			31,626
VALLEY CENTER	10,641			10,641
FREEWAY RAMP NORTH	262			262
FREEWAY RAMP SOUTH	1,249			1,249
FREEWAY RAMP EAST	11			11
TOTAL	218,514	238,356	31,183	488,052

F) CONSTRUCTION COMMENCEMENT DATE (Gov Code § 66006 (b)(1) (F))

State law requires an identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete. There are three construction projects with sufficient funds to complete financing:

Project	Construction Commencement
South Santa Fe North	Spring 2010
Bear Valley Parkway North	Summer 2013
San Vicente Road	Fall 2013

G) INTERFUND TRANSFER OR LOANS (Gov Code § 66006 (b)(1)(G))

No inter-fund transfers or loans were made.

H) REFUNDS (Gov Code § 66006 (b)(1)(H))

The Department of Public Works (DPW) Director shall, upon written request, refund the fee and any interest earned on the fee, less any administrative costs, to the record property owner or his/her legally appointed representative if a building permit or development permit expired, cancelled, or voided and if any fees paid pursuant to this Division have not been expended and no construction has taken place pursuant to such a permit.

The table below represents the amount of refunds made during Fiscal Years 2011-12 and 2010-11. The total amount of refunds made in Fiscal Year 2011-12 was $15,201.

TABLE H.1 – TIF REFUNDS

TIF AREA	REFUNDS Fiscal Year 2011-2012	REFUNDS Fiscal Year 2010 -2011
NORTH	4,843	23,305
SOUTH	3,417	9,658
EAST	3,137	6,167
ALPINE	1,879	-
DESERT	339	308
LAKESIDE		4,150
NORTH COUNTY METRO	1,398	3,134
SAN DIEGUITO		6,753
VALLE DE ORO		8,732
FREEWAY RAMP NORTH	28	86
FREEWAY RAMP SOUTH	156	315
FREEWAY RAMP EAST	5	-
	15,201	62,608

I) REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) ANNUAL REPORT - TransNet Extension Ordinance Section 9(A)(B)

On November 2, 2004, San Diego County voters approved a 40-year extension to the TransNet funding program. San Diego Association of Governments (SANDAG) administers this major transportation funding program. Section 9 of the TransNet Extension Ordinance required the County to exact, starting on July 1, 2008, $2,000 from new developments for each constructed residential unit in unincorporated San Diego County to fund the Regional Transportation Congestion Improvement Program (RTCIP). The County's TIF program is the mechanism for complying with the RTCIP. Although the RTCIP funds are collected through the TIF program, we must account for the TIF funds used for the RTCIP separately to ensure RTCIP compliance.

The TransNet Extension Ordinance requires annual adjustments, starting July 1, 2009. As required by SANDAG, on March 28, 2012 (07), the Board of Supervisors adopted a resolution making the annual adjustment to $2,165. The County is in compliance with this requirement as the average residential rate collected across all TIF areas was $4,166 for Fiscal Year 2011-12. see table I.1 RTCIP Program Statistics below)

There is a zero net ending balance in the RTCIP for Fiscal Year 2011-12. The table I.1 below provides a summary of RTCIP program statistics including beginning balance, collections, refunds, interest, and project expenditures for fiscal 2011-12.

TABLE I.1 – RTCIP PROGRAM STATISTICS

Beginning Balance, July 1, 2011				**$ 131,999**
COLLECTIONS				
Location	No of Residential Units	Amount		
RTCIP North	179	$ 852,847		
RTCIP South	104	$ 366,714		
RTCIP East	20	$ 40,145		
TOTAL	303	$ 1,259,706		**$ 1,259,706**
REFUNDS		Principal	Interest	
RTCIP North	0	$ -	$ -	
RTCIP South	1	$ 3,360	$ 57	
RTCIP East	1	$ 2,377	$ 7	
TOTAL	2	$ 5,737	$ 64	**$ (5,801)**
Net Balance:				**$1,385,904**
INTEREST EARNED				
RTCIP North		$ 1,319		
RTCIP South		$ 1,319		
RTCIP East		$ 27		
TOTAL Interest			$ 2,665	**$ 2,665**
TOTAL Collections		(Net balance plus interest)		**$1,388,569**
TIF PROJECT EXPENDITURES:				
South Santa Fe North Project **(NORTH)**			$ 268,173	
SR76 Reimbursement Agreement **(NORTH)**			$ 503,376	
LD ADMIN COST **(NORTH)**			$ 82,617	
Otay Mesa Road Project **(SOUTH)**			$ 32,918	
Alpine Blvd., **(SOUTH)**			$ 381,511	
Alpine Blvd. Drainage **(SOUTH)**			$ 82,186	
Dye Rd Extension Project **(EAST)**			$ (2,301)	
San Vicente Rd So I Project **(EAST)**			$ 40,089	
TOTAL Expenditures			$ 1,388,569	**$ 1,388,569**
Net Ending balance				**$ (0)**

Actual RTCIP Average Residential Collection rate per unit:

Net collections* $ 1,253,969 / # of Residential units 301 = **$ 4,166** which exceeds minimum required collection rate of $2,165

*Net Collections are Collections minus Refunds of Principal with no interest. ($1,259,706 minus $5,737)