

Engineering Division Policy

Approved by: _____


Gary Heap, City Engineer

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POLICY ON:

Traffic Impact Fee (TIF) Reimbursement Requests

This policy applies to submittals for Traffic Impact Fee (TIF) reimbursement requests. These requirements are typically outlined in Section 9 of the Property Improvement Agreement (PIA) with specific possible reimbursements listed in Exhibit B of said agreement. Additional conditions, information, etc. may be required depending on the project, location, etc., as determined by the City Engineer.

TRAFFIC IMPACT FEE REIMBURSEMENTS

The City will process requests for reimbursements for budgeted impact fee improvements constructed by Developers for which City receives money through impact fees. The City shall not process a request for TIF reimbursements to Developers unless:

1. The reimbursement is in an approved TIF fund budget;
2. The City TIF fund to which the reimbursement has been budgeted is solvent;
3. Developer has paid at least fifty percent (50%) of all TIF for the project for which reimbursement is requested; and
4. All construction for which reimbursement is requested has been completed and accepted by City. City TIF reimbursements shall be limited to the lesser of the amount of the budgeted costs or actual costs of the specific TIF improvement. However, in no event shall any request for TIF reimbursement be processed or paid until the City has received the following:
 - A completed reimbursement worksheet for each budgeted TIF improvement. City will supply worksheet template. See sample in **Exhibit 1**.
 - A site plan with all TIF reimbursement items clearly marked. See sample in **Exhibit 2**.
 - Back-up documentation to support Developer costs including project construction invoices, itemized payment receipts, and cancelled checks from payments;

- Documents that support Developer's answers in the reimbursement worksheet sections entitled "Developer Unit," "Developer Quantity," "Developer Unit Cost," and "Developer Total." If such documents do not clearly support Developer's answers in these worksheet sections, Developer must additionally provide an explanation of how back-up documentation supports the answers set forth in the reimbursement worksheet; and
- The amount of the TIF reimbursement request does not exceed the budgeted amount.

Nothing herein shall be deemed to limit the ability of City to pay TIF reimbursements to Developer in installments. In addition, nothing shall be deemed to limit the right of City and Developer to enter into separate agreements related to such reimbursement, including agreements related to the timing, disbursement, and amount thereof.

Please note the following:

- Bridges and intersections along City-designated expressways are considered improvements of a regional nature that serve the entire Gilroy community. Therefore, these specific improvements may be fully reimbursable through the PIA process.
- Soundwalls required to be built by a developer as mitigation for a new development to address the noise impact from an adjacent roadway as identified within a project's CEQA evaluation shall be constructed at the developer's expense and are not eligible for reimbursement.
- Soundwalls required to be built by a developer that are to be built adjacent to existing residential neighborhoods, or that are identified to be constructed within the City's General Plan or Circulation Element, and not specifically tied to a new development, may be eligible for reimbursement.
- Developments such as, but not limited to, projects under Federal, State, and/or County jurisdiction and/or special districts that do not pay City TIF are not eligible for reimbursement.
- Plan check and inspection fees are not eligible for reimbursement with City impact fees. Plan check and inspection costs for City staff are covered by the City's General Fund. The General Fund collects the plan check and inspection fee and cannot reimburse this fee, as this would be considered a gift of public funds unless supported by a separate agreement or incentive.
- Line item #13 of the Impact Fee Reimbursement Worksheet allows for up to 10% reimbursement of the construction value of line items 1-10 to cover the developer's cost of preliminary and final design. The City Engineer may, at his/her discretion increase this design cost reimbursement an additional 5% to cover additional soft costs if supported by documentation submitted for reimbursement by the developer.

- If the overall project scope changes by a significant amount, causing the project value to increase by more than 50% from the value in the Council adopted Public Improvement Agreement, the developer may petition the Director of Public Works and the City Administrator to request the City Engineer reevaluate the value of the TIF reimbursement, and the need to modify the project's Public Improvement Agreement.
- Reimbursement requests must be made within 10 years of the date of recordation of the PIA.

SUBMITTING REIMBURSEMENT REQUESTS

Developer shall submit requests for reimbursement according to the requirements and guidelines outlined below.

SUBMITTAL REQUIREMENTS

- A. Impact Fee Reimbursement Worksheet
- B. Site Plan
- C. Back-up Documentation

SUBMITTAL GUIDELINES

General

1. Package each reimbursement location *separately* according to what is allowed in current budget.
2. Do not combine worksheets and/or back-up documentation for varying locations.

A. Impact Fee Reimbursement Worksheet (See sample in Exhibit 1)

1. Input project name, location, limits.
2. Input DEVELOPER costs for line items requesting reimbursement, including allowed Site Specific Costs.
 - Fill in "Unit," "Qty," "Unit Cost"
 - "Developer Total" will automatically calculate
 - Site Specific Costs must be approved by the City Engineer
 - Reimbursement is allowed only for construction of permanent items at ultimate locations
3. Input CITY "Qty" for same line items.
 - "City Total" will automatically calculate
4. Submit hard copy and Excel file of each reimbursement worksheet to City.

B. Site Plan (See sample in Exhibit 2)

1. Clearly identify reimbursement areas and limits.
2. Use color shading, hatching, symbols, etc. and provide key/legend, as appropriate.
3. Include information such as length, width, area, etc.
4. Examples of reimbursement areas include but are not limited to the following:
 - Median (landscape or hardscape)
 - Pavement
 - Signalized intersection
 - Bridges (new or widened)

C. Back-up Documentation

1. All items requesting reimbursement require supporting documents.
2. Submit documentation for each worksheet and line item.
3. Examples of supporting documents include the following:
 - Project construction invoices
 - Payment receipts
 - Cancelled checks from payments
4. Supporting documents must justify DEVELOPER "Unit," "Qty," "Unit Cost," and "Total".
 - Show calculations necessary to relate back-up documents to worksheet
 - These calculations must be *clear* to City staff

TRAFFIC IMPACT FEE REIMBURSEMENT PROCESS AND TIMELINE

The following table provides an overview of the reimbursement process and timeline. It should be noted that these are general estimates for the Developer’s convenience and are not binding on the City. Complex projects may require more time for processing reimbursements.

| Process | Timeline |
|--|--|
| Completion of the infrastructure improvements constructed as defined within the PIA | Project specific |
| Completion of inspection of all punch list items and sign-off of the improvements by the City | Project specific |
| Acceptance of the improvements by City Council | Staff requires approximately seven weeks to prepare the staff report and go through the review process (two weeks to prepare staff report and five weeks for internal report reviews). This activity will commence following sign-off of all punch list items. |
| Submittal of the TIF reimbursement package: <ul style="list-style-type: none"> • TIF worksheet with actual projects costs (see Exhibit 1) • Site plan showing reimbursement items (see Exhibit 2) • Project construction invoices • Itemized payment receipts • Cancelled checks from payments Please note that eligible reimbursements are for items listed in the TIF estimate form. Invoices, receipts and cancelled checks must be from the actual construction work. | TIF reimbursement submittals will be accepted two weeks after sign-off of punch list items. This will allow staff two weeks to prepare the staff report. |
| Public Works review and approval of the reimbursement submittal | Typically four to six weeks after TIF reimbursement submittal - Complex or incomplete submittals may take longer. If submittal is incomplete, comments will be provided to Developer. Re-submittals will take an additional 4-6 weeks. |
| Finance review and approval of reimbursement submittal | Typically four to six weeks after Public Works submittal to Finance - Complex submittals may take longer |
| Finance processing of the reimbursement payment to developer | Typically two weeks after Finance approval of TIF reimbursement submittal |

EXHIBIT 1

SAMPLE CITY IMPACT FEE REIMBURSEMENT WORKSHEET

CITY IMPACT FEE REIMBURSEMENT

In general, Developer is responsible for all frontage improvements and first travel lane.

PROJECT: _____

LOCATION: _____

Amount reimbursed shall be the LESSER of the following:

LIMITS: _____

- A** Total City allowance in the Capital Improvement Budget/Impact Fund for the line items listed below
- OR
- B** Developer's/contractor's total actual cost for the same line items listed below

Developer shall submit the following: (See City policy for detailed information)

- 1** City Impact Fee Reimbursement Worksheet
- 2** Site Plan with reimbursement items marked/identified
- 3** Back-up documentation to support developer costs, including all calculations to correspond to all items listed on worksheet

| ITEM | CITY SECTION | | | | DEVELOPER SECTION | | | |
|---|--------------|-----|---|-------------|-------------------|-----|---|-----------------|
| | UNIT | QTY | UNIT COST | CITY TOTAL | UNIT | QTY | UNIT COST | DEVELOPER TOTAL |
| LABOR & MATERIALS | | | | | | | | |
| 1a Surfacing: base | SF | | \$ 2.25 | \$ - | | | | \$ - |
| 1b Surfacing: pavement | SF | | \$ 2.70 | \$ - | | | | \$ - |
| 1c Sidewalk: new | SF | | \$ 8.50 | \$ - | | | | \$ - |
| 1d Sidewalk: replace | SF | | \$ 11.50 | \$ - | | | | \$ - |
| 1e Curb and Gutter: new | LF | | \$ 24.00 | \$ - | | | | \$ - |
| 1f Curb and Gutter: replace | LF | | \$ 34.00 | \$ - | | | | \$ - |
| 1g Curb Ramps | EA | | \$ 1,200.00 | \$ - | | | | \$ - |
| 1h Resurfacing | SF | | \$ 2.70 | \$ - | | | | \$ - |
| 1i Landscaped Median | SF | | \$ 19.00 | \$ - | | | | \$ - |
| 1j Hardscaped Median | SF | | \$ 11.50 | \$ - | | | | \$ - |
| 1k Guard Rail | LF | | \$ 27.00 | \$ - | | | | \$ - |
| 1l Bike Path: base | SF | | \$ 2.25 | \$ - | | | | \$ - |
| 1m Bike Path: pavement | SF | | \$ 2.55 | \$ - | | | | \$ - |
| 1n Striping & Pavement Markers | LF | | \$ 3.40 | \$ - | | | | \$ - |
| 1o Electroliers | EA | | \$ 4,000.00 | \$ - | | | | \$ - |
| 1p Traffic Signal (base price): 3 legs - 6 lanes | EA | | \$ 200,000.00 | \$ - | | | | \$ - |
| Additional cost per lane | EA | | \$ 25,000.00 | \$ - | | | | \$ - |
| 1q Traffic Signal (base price): 4 legs - 8 lanes | EA | | \$ 250,000.00 | \$ - | | | | \$ - |
| Additional cost per lane | EA | | \$ 25,000.00 | \$ - | | | | \$ - |
| 1 Item 1 Sub-total | -- | | | \$ - | -- | | | \$ - |
| 2 Earthwork | CF | | 0.75 | \$ - | | | | \$ - |
| 3 Signing | % | | up to 3% Item 1 | \$ - | | | | \$ - |
| 4 Utilities | % | | up to 10% Item 1 | \$ - | | | | \$ - |
| 5 Drainage | % | | up to 12% Items 1-2 | \$ - | | | | \$ - |
| 6a Bridge: new | SF | | 210.00 | \$ - | | | | \$ - |
| 6b Bridge: widen | SF | | 225.00 | \$ - | | | | \$ - |
| 7a Retaining Wall: <= 4 feet | SF | | 48.00 | \$ - | | | | \$ - |
| 7b Retaining Wall: > 4 feet | SF | | 62.20 | \$ - | | | | \$ - |
| 8 Removal of Existing Pavement | SF | | 40.00 | \$ - | | | | \$ - |
| 9a Removal of Existing Bridges | SF | | 23.75 | \$ - | | | | \$ - |
| 9b Utility Undergrounding (trenching) - expressways only | LF | | 107.00 | \$ - | | | | \$ - |
| PGE, Charter and Verizon cost for Utility Undergrounding (Pulling wire, undergrounding poles) - expressways only | LF | | 132.00 | \$ - | | | | \$ - |
| 9d Traffic Signal Interconnect | LF | | 25.00 | \$ - | | | | \$ - |
| 10 SITE SPECIFIC COSTS | | | case-by-case, as approved by City Engineer | | | | case-by-case, as approved by City Engineer | |
| 10a | | | | \$ - | | | | \$ - |
| 10b | | | | \$ - | | | | \$ - |
| 10c | | | | \$ - | | | | \$ - |
| 10d | | | | \$ - | | | | \$ - |
| 10e | | | | \$ - | | | | \$ - |
| 10f | | | | \$ - | | | | \$ - |
| 10g | | | | \$ - | | | | \$ - |
| 10h | | | | \$ - | | | | \$ - |
| 10i | | | | \$ - | | | | \$ - |
| 10j | | | | \$ - | | | | \$ - |
| 10k | | | | \$ - | | | | \$ - |
| 10l | | | | \$ - | | | | \$ - |
| 10m | | | | \$ - | | | | \$ - |
| 1-10 Items 1-10 TOTAL | -- | | | \$ - | -- | | | \$ - |
| CONSTRUCTION MARK-UPS | | | | | | | | |
| 12 Construction Staging & Traffic Control | % | | up to 13% Item 1 | \$ - | | | | \$ - |
| ENGINEERING COST | | | | | | | | |
| 13 Preliminary and Final Design | % | | up to 10% Items 1-10 | \$ - | | | | \$ - |
| 14 CM and Testing (no Inspection) | % | | up to 4.5% Items 1-10 | \$ - | | | | \$ - |
| TOTAL REIMBURSEMENT COMPARISON | | | | \$ - | | | | \$ - |

* Dependant on actual work completed

** Only reimbursed if not a requirement of the development

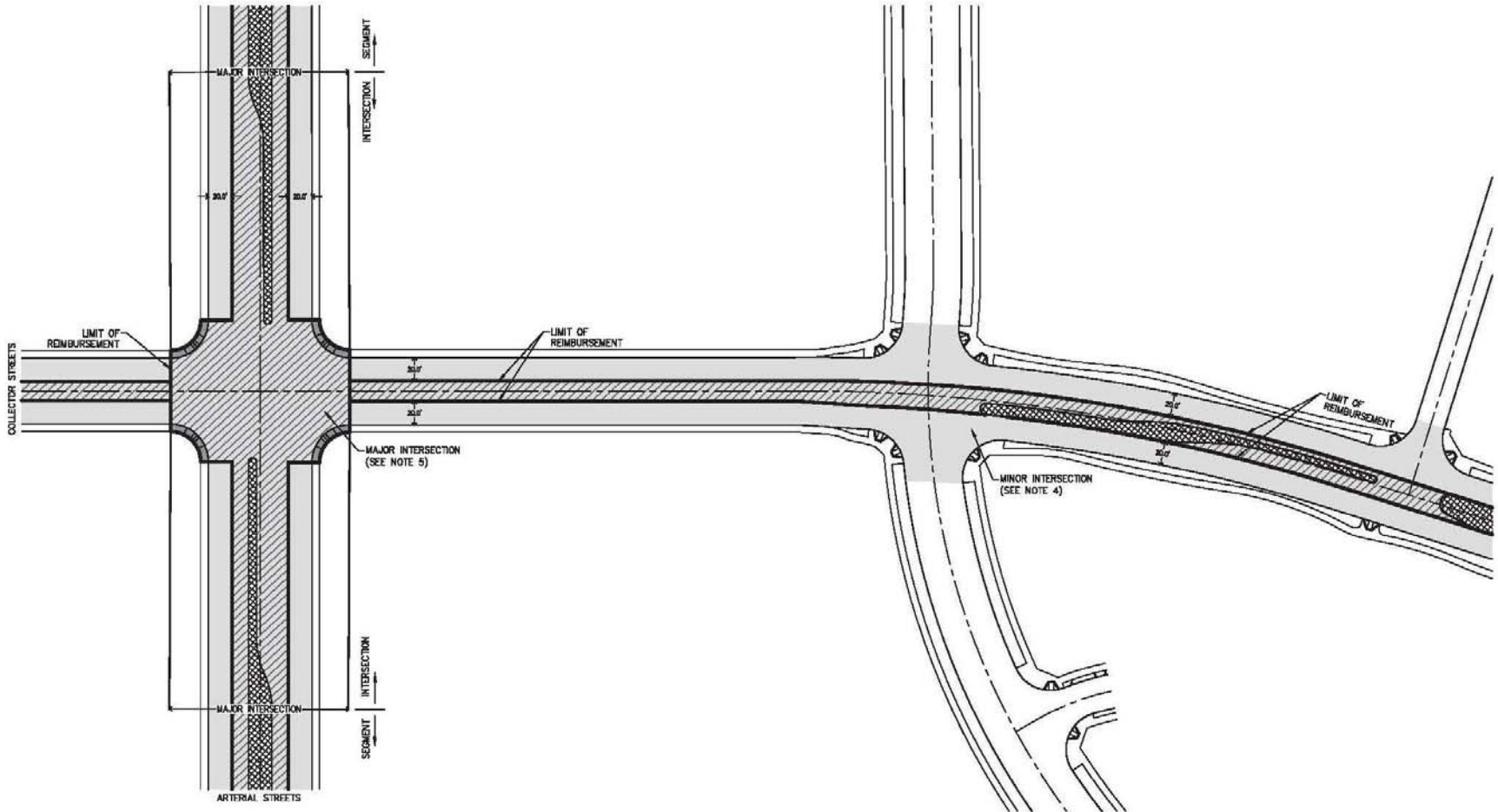
*** Site Specific Costs

Dependent on actual work completed
 Must be approved by City Engineer
 Reimbursement only for construction of permanent items at ultimate location






EXAMPLE OF ITEMS ALLOWED:
 Pipe oversizing (only if City-requested)**
 Monuments

EXAMPLE OF ITEMS NOT ALLOWED:
 Clean-up Site layout Temporary bridge
 Final street cleaning Supervision Temporary facilities
 Potholing SWPP control Utility relocation
 Security fencing

SAMPLE CITY IMPACT FEE REIMBURSEMENT SITE PLAN



LEGEND

-  TOTAL PAVED AREA
-  REIMBURSABLE PAVED AREA
-  REIMBURSABLE RAISED OR PAINTED MEDIAN
-  REIMBURSABLE CURB RAMPS
-  LIMIT OF REIMBURSEMENT

NOTES

1. MAJOR INTERSECTIONS ARE FUNDED INTERSECTIONS WITH MONTEREY ROAD OR SANTA TERESA BOULEVARD.
2. MINOR INTERSECTIONS ARE ALL OTHER FUNDED INTERSECTIONS.
3. REIMBURSABLE AREA BEGINS 20' FROM FACE OF CURB.
4. AT MINOR TIF FUNDED INTERSECTIONS, REIMBURSEMENTS INCLUDE SIGNALS (WHERE APPLICABLE) AND PAVEMENT STRIP 20' FROM CURB RETURN. IF A MINOR INTERSECTION IS NOT TIF FUNDED, THE PAVEMENT STRIP IS PART OF THE SEGMENT.
5. MAJOR INTERSECTIONS FUNDED BY TIF BEGIN AND END AT CURB RETURNS AND INCLUDE SIDEWALK RAMPS.
6. RAISED MEDIAN INCLUDES HARDSCAPE AND LANDSCAPE AREAS.
7. EXPRESSWAYS ARE REIMBURSABLE FROM BACK-OF-WALK TO BACK-OF-WALK.