

STAFF REPORT

DATE: March 27, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: APPROVING THE USE OF DEVELOPER FEES TOWARDS BUS PURCHASES

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Prior Developer Fees collected by the County of Sacramento and provided to SacRT will be used towards the purchase of new buses.

FISCAL IMPACT

The capital expenditure for these buses is funded through developer fees collected for this purpose.

DISCUSSION

Sacramento Regional Transit District (SacRT) owns and operates CNG vehicles on its fixed route and other services. Many of these vehicles have reached the end of their useful life and have CNG tanks that expire in August 2023, and therefore are in need of replacement. Project B173 – 40' CNG bus replacement, was previously approved by the Board to complete this effort. Staff has identified undistributed developer fees as a potential source of matching funds towards the replacement of buses that have reached the end of their useful life.

In March 2017, the Board approved a Memorandum of Understanding between the County of Sacramento, the City of Rancho Cordova and SacRT that approved the use of undistributed developer fees for transit projects. The MOU states the Board may allocate undistributed developer fees for future projects that have "a reasonable nexus between the proposed expenditures and the source of the funds (i.e., Fee District)". There is a current undistributed balance of \$3,814,279.17 in Developer Fees as shown below in Table 1.

Table 1

District	Undistributed Developer Fees*
District 1	\$2,806,227.34
District 2	\$271.03
District 3	\$849,586.47
District 4	\$39,068.06
District 7	\$119,126.27
Total Undistributed Developer Fees	\$3,814,279.17

**The amounts reflected above in Table 1 are subject to change as interest is accrued between now and the time in which the fees are distributed.*

In 1987, SacRT performed a Development Fee Analysis for Transit Improvements (Developer Fee Report), wherein it identified the need to procure an additional 66.1 buses to provide service associated with growth caused by the development of housing in previously under or undeveloped areas of the County and within which the County had assessed developer fees for transit purposes. SacRT is now in need of replacing buses originally purchased in part to serve those newly developed areas as identified in the 1987 Developer Fee Report. Because SacRT determined that an appropriate use for the developer fees was the purchase of buses needed to operate expanded service in the areas within which the fees were assessed, Staff believes that the replacement of those vehicles would also be an appropriate use of those funds and provides the nexus finding needed to expend the Developer Fees on the purchase of new replacement buses.

Staff believes there is a reasonable nexus between the proposed expenditures and the source of the funds based on the Development Fee Report, and therefore recommends that the Board approve the use of the undistributed developer fees of \$3,814,279.17, as seen in Table 1, plus additional interest accrued between now and the time of use, to Project B173 - 40' CNG Bus Replacement, replacing the CNG buses that have reached the end of their useful life.

RESOLUTION NO. 2023-03-025

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 27, 2023

APPROVING THE USE OF DEVELOPER FEES TOWARDS BUS PURCHASES

WHEREAS, the Sacramento Regional Transit District (“SacRT”) currently holds an undistributed amount of \$3,814,279.17 in developer fees collected from 1988 to 2008 pursuant to Sacramento County Ordinance Number 742; and

WHEREAS, in March 2017, the County of Sacramento, the City of Rancho Cordova, and the Sacramento Regional Transit District entered a Memorandum of Understanding Between the County of Sacramento, the City of Rancho Cordova and Sacramento Regional Transit District Relating to Distribution of Transit Fees (“MOU”); and

WHEREAS, the MOU allows for SacRT to allocate any remaining unspent developer fee balance for “any appropriate transit purpose on the condition that the RT Board finds a reasonable nexus between the proposed expenditure and the source of funds”; and

WHEREAS, SacRT conducted a Development Fee Analysis for Transit Improvements in 1987, wherein it determined that there was a need to procure an additional 66.1 buses to provide expanded bus service into the newly developed areas; and

WHEREAS, there is a need to replace buses that were identified as necessary to provide the expanded service in the Development Fee Analysis for Transit Improvements report; and

WHEREAS, additional funds are needed to complete the 40' CNG Bus Replacement Project, which includes replacement buses that will continue to provide service within the service areas within which these developer fees were assessed; and

WHEREAS, the CNG buses are needed to prevent service disruptions.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby determines that because the buses procured will serve as replacement buses for buses determined to be necessary to operate expanded service into areas wherein developer fees were assessed, a reasonable nexus exists between the replacement of 31 40' CNG transit buses and the districts undistributed developer fees; and

THAT, the Board hereby approves the use of \$3,814,279.17, as displayed in Exhibit A, plus additional accrued interest between now and the time of use, in undistributed developer fees for the replacement of 31 40' CNG transit buses that have reached the end of their useful life; and

THAT, the Board hereby authorizes and directs the General Manager/CEO to execute any forms, agreements, applications, or other documentation necessary to effectuate the use of the developer fees to the purchase of replacement 40' CNG transit buses.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

Exhibit A

District	Undistributed Developer Fees*
District 1	\$2,806,227.34
District 2	\$271.03
District 3	\$849,586.47
District 4	\$39,068.06
District 7	\$119,126.27
Total Undistributed Developer Fees	\$3,814,279.17

**The amounts reflected above in Table 1 are subject to change as interest is accrued between now and the time in which the fees are distributed.*