



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared By: Remon Habib, City Engineer

Date: May 10, 2022

Subject: Traffic Impact Fee Agreement between the City of Lake Elsinore and Meritage Homes of California, Inc. for Nichols Road Improvements

Recommendation

Approve and authorize the City Manager to execute the Traffic Impact Fee (TIF) Street Improvement Reimbursement Agreement between the City of Lake Elsinore and Meritage Homes of California, Inc. for the Nichols Road Improvements Project in such final form as approved by the City Attorney.

Background

The City of Lake Elsinore (City) administers a Traffic Impact Fee as part of the Development Impact Fee Program (under Chapter 16.74 of the City's Municipal Code), which is a condition for the issuance of the building permit for a residential dwelling unit and for multi-family, office, commercial and industrial buildings within the City to finance the cost of traffic infrastructure.

The Meritage Homes of California, Inc. (Developer) has approval from the City to develop the residential parcels of Nichols Ranch Project Tract 37305 and 37305-1 (Project). As a condition for obtaining these entitlements, the Developer is required to construct off-site street improvements.

Discussion

The City and Developer desire to enter into a reimbursement agreement for the Project. This agreement allows the Developer to request reimbursement for the eligible improvements as approved by the City Engineer. The eligible improvements include the construction of Nichols Road widening along the frontage of the project. The City TIF obligation for the project is \$229,992. Only the portion of costs identified in the Technical Amendment No. 7 to the Traffic Impact Fee Study will be reimbursed to the Developer. The Developer is responsible for the payment of the balance of the TIF obligation.

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Fiscal Impact

There is no direct fiscal impact because the agreement provides for the actual construction of eligible public improvements instead of payment of fees. The Developer's City TIF obligation is \$229,992 and the agreement identifies a maximum of \$229,992 is eligible for reimbursements for TIF improvements.

Exhibits

A – TIF Agreement