

Mountain Democrat

County OKs 20-year agreement with Diamond-Dorado Retail Center

By Chris Daley

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El Dorado County Supervisors unanimously approved a Development Agreement for the Diamond Dorado Retail Center Dec. 11. The agreement extends for 20 years and clears the way with rezoning and General Plan amendments for development of 27.62 acres between Highway 49 and Missouri Flat Road. A four-lane Diamond Springs Parkway will eventually connect the two thoroughfares and become the main access to the retail center.

The DDRC, as it's often abbreviated, is the proposal of Leonard Grado's Palos Verdes Properties and has been in the works for about seven years.

El Dorado County Development Services manager Roger Trout summarized the purpose and value of the agreement in an e-mail to the Mountain Democrat Thursday afternoon.

"It is a contract between the developer and the County," Trout wrote. "We use them to solidify a development approval where the development will take a long time and significant expenditure of resources to complete. Simply put, it allows the developer to risk sinking money and energy into the approved project with some confidence that the next Board of Supervisors or other action (will not) change or rescind it later."

Under the State Government Code, the agreement between a county and the applicant for a development project establishes "with certainty what zoning standards and land use regulations of the County will govern the construction and implementation of the development project from beginning to completion," the agreement states in part.

A significant condition of the approval for the project states that DDRC may not be occupied or operated until the Parkway has been fully developed and Highway 49 improvements have been completed. That is, all four lanes for both elements must be constructed before any shops can be opened.

Tuesday, Dec. 18, the board followed District 3 Supervisor Jack Sweeney's recommendation to create a special revenue fund for construction and improvements of several sections of county-controlled roads serving the area. Citing existing monies and anticipated revenue, Sweeney described a need for \$30 million to complete the county's road projects related to the DDRC. He has asked the department of transportation to "verify that the funds are or shortly can be available for accumulation to such a special account."

Local funds from agreements with the Miwok Tribe operating the casino show a current balance of \$8 million and annual revenue of \$2.6 million, Sweeney's documents note. The Master Circulation and Funding Plan for Missouri Flat development has a current balance of \$5.5 million and generates annual revenue of \$1.3 million, he wrote. Funds in the account for the Webber Creek bridges at Highway 50 are "probably \$2 million and funds remaining in the HOV 1 (Bass Lake to Cameron Park) project — probably \$3 million," he estimated.

He also said the county has a \$1 million grant for improvements to Highway 49 from Diamond Springs to Bradley Drive. That project is calculated at a total of \$6 million while the county's portion of the parkway is \$24 million, according to his presentation. The \$10.5 million difference between the \$30 million and what Sweeney reports as funding available or soon to be can be made up with "2.5 years of revenues and (therefore) all work could be under construction by Spring of 2015."

Sales tax from the fully developed retail center are estimated at between \$1 million and \$3 million annually. That figure was also part of Sweeney's revenue calculations.

During the hearing on the 11th, Sweeney and District 2 Supervisor Ray Nutting stressed the road improvements as crucial to moving traffic out of downtown Diamond Springs and giving quicker and better access for motorists heading to Highway 50.

"Whether the DDRC project goes or not, the county needs to do these roads for traffic relief for the people in the south county," Sweeney said at the time.

His presentation to supervisors on the 18th included the following:

"For many years this County has talked of the need to promote economic development and to keep our money in our community by providing a place to buy at home. Our general plan calls for an improved transportation corridor through the Diamond Springs area to relieve the pressure from traffic on the historic area of Diamond Springs and to better serve the citizens of the area to the east of Diamond Springs. The roadway design and CEQA process is completed and without legal challenge which speaks to community acceptance of the project. The same is true of the development project."

Acknowledging that his estimates were "generalist figures" and not necessarily completely solid at this point, Sweeney said, "this action will encourage developers to move forward

with their work and get funding ... It puts money that is available and that will be available on the ground, and we need to get started on the design and acquiring right of way.”

Chairman John Knight said he favored the proposal for “keeping funds in specific accounts so they can’t go into the black hole of the county.” Nutting suggested that investing in future business represents “good business.”

Ron Briggs added a different notion — using the money as a secure revenue stream if the county were to decide to issue bonds for some future need.

Approving the recommendation to establish such an account is not the same as actually putting money into the account, County Auditor-Controller Joe Harn explained in an e-mail to the Mountain Democrat Thursday.

“No money has been deposited. No fund has yet been established,” Harn wrote in part.

“Before anything ‘happens’ on this, the County Budget will have to be modified by the Board of Supervisors.”

Sweeney and Knight will not be part of any such action as their terms in office end this week. Ron Mikulaco and Brian Veerkamp will be sworn in as supervisors for District 1 and District 3 respectively on Jan. 4, 2013.

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