



BOARD MEETING AGENDA SUBMITTAL

TO: GCSB Board of Directors

FROM: Pete Kampa, General Manager

DATE: December 8, 2020

SUBJECT: Agenda Item 7D. Adoption of a Resolution Approving Amendment of the Agreement with NBS for Services Associated with Creation of a Community Facilities District to Fund Fire and Park Services

RECOMMENDED ACTION:

Staff recommends the following action:

I move to adopt Resolution 55-2020 approving amendment of the Agreement with NBS for services associated with creation of a Community Facilities District to fund Fire and Park services.

BACKGROUND:

On October 13, 2020, the Board of Directors directed the General Manager to proceed with the actions necessary for the creation of a Community Facilities District (CFD) to be formed on certain District owned parcels with the ability and requirement for future projects to annex into the CFD upon receiving land development entitlements from the County of Tuolumne. This CFD would only be formed affecting future developing parcels inside the GCSB boundaries, and those lands that annex into GCSB's boundaries to receive service.

On November 10, 2020, the Board of Directors authorized the General Manager to negotiate directly with a qualified consulting firm, NBS, who is currently preparing the District's Impact Fee Study. NBS has submitted an acceptable scope of work meeting the needs of the District in formation of the CFD, and a fee schedule appropriate to complete the work. As proposed, the cost of the NBS work scope will not exceed \$35,000. If approved, this funding will be included in the FY 2020/21 mid year budget adjustment in January 2021.

ATTACHMENTS:

- NBS Exhibit A work scope and fee proposal
- Resolution 55-2020

FINANCIAL IMPACT:

Not to exceed \$35,000 from the Fire Fund, to be included in a January 2021 budget amendment proposal

EXHIBIT A

CONSULTANT SCOPE OF SERVICES

Fiscal Impact Analysis

INTRODUCTION AND PROJECT SCHEDULE

NBS will coordinate with District staff and other interested parties to:

- Establish lines of communication for effective interaction of all involved parties
- Clarify the specific project goals and criteria needed to meet the District's preference
- Identify any special circumstances regarding the project and proposed development, if any
- Develop a working schedule to achieve agreed upon project milestones

DATA COLLECTION AND RESEARCH

NBS will gather and review data relevant to the project area. Data needs will be identified and obtained from various sources, including District records, County records, and, if applicable, developer documents related to the project area. NBS will conduct additional research, from secondary markets and data sources to aid in ascertaining assessed values, taxable sales, and other relevant data assumptions for the various land uses proposed in the project area.

SERVICE LEVEL ANALYSIS

NBS will review the current baseline level of service provided by the District and compare the current baseline level of service to the District's optimal level of service desired. NBS will compare the current services provided and the proposed services to be provided by the special financing district to distinguish the appropriate funding to be provided by each applicable funding mechanism. NBS will rely on the District to provide the current baseline level of service and the optimal level of service desired to inform the analysis.

IDENTIFY REVENUES APPLICABLE TO PROJECT AREA DEVELOPMENT

NBS will calculate revenue estimates for taxes such as property tax, sales tax, transient occupancy tax, and other general taxes, if applicable to the analysis. Further, NBS will rely on accepted industry standard approaches such as the multiplier method approach (per defined variables such as persons, employees, square feet, etc.) for allocating other recurring revenues to the project area. One-time fees, such as development impact fees, and other fees for service will not be considered in this fiscal impact analysis.

IDENTIFY COSTS APPLICABLE TO PROJECT AREA DEVELOPMENT

NBS will review the current level of service costs and the District's optimal level of service costs, if applicable, and calculate cost estimates for the project area. Costs will be identified and allocated to the project area based upon accepted industry standard approaches, such as the case study approach or the multiplier method approach (per defined variables such as persons, employees, square feet, etc.). NBS will rely on the District to provide the necessary cost data required to inform the analysis, as well as secondary market research, as needed.

DETERMINE PROJECT AREA DEVELOPMENT'S NET FISCAL IMPACTS

Based upon the revenue and cost findings, NBS will ascertain the potential positive or negative fiscal impacts that the project area's proposed development will have on the District. Further, NBS will provide recommendations to mitigate any identified negative fiscal impacts, as well as provide recommendations for potential revenue generators, such as special taxes, assessments or fees, as needed.

PREPARE FINAL FISCAL IMPACT REPORT

Based on the results of the aforementioned fiscal impact analysis and review, NBS will provide the District with a final report that discusses the fiscal impact findings, as well as any potential recommendations for further consideration. NBS will be available by conference call to present the fiscal impact findings identified in the report. Additionally, NBS may attend in-person meetings as requested by the District, subject to additional expenses for time and travel.

Non-Bonded Community Facilities District (CFD) Formation Services with Landowner Vote

KICK-OFF MEETING, PROJECT SCHEDULE

NBS will meet with District staff, legal counsel, and other interested parties to:

- Establish lines of communication
- Clarify the specific project goals and criteria that will meet the District's preference
- Identify and resolve any special circumstances regarding the formation of the CFD
- Develop project schedules to meet legal requirements and provide for effective interaction of all involved parties
- Establish meeting dates consistent with schedule to achieve project milestones

LOCAL GOALS & POLICIES

NBS will review existing local goals and policies or assist the District in developing local goals and policies for the use of CFDs, as required by the Mello-Roos Community Facilities Act of 1982 (the "Act").

DATA COLLECTION

NBS will gather and review data relevant to the formation of the CFD. Data will be obtained from various sources, including District records, Assessor's parcel maps, and County Assessor information.

DISTRICT BOUNDARIES

NBS will make determinations of the property subject to the Special Tax.

- Establish boundaries for the CFD, giving consideration to both the project area and peripheral lands
- Verify ownership based on last equalized tax roll
- Formulate concepts with viable alternatives for spreading costs reasonably within the CFD boundary

COST ESTIMATE

NBS will obtain the estimate of project costs and incidental expenses and prepare a total project Cost Estimate.

RATE MODELING

NBS will analyze the property data and cost estimate to formulate concepts with viable alternatives for spreading costs reasonable within the CFD boundary, taking into account the Fiscal Impact Analysis and overall tax burden on the property.

RATE AND METHOD OF APPORTIONMENT

NBS will formulate and present the Rate and Method of Apportionment to the District, legal counsel, the financial advisor and others, as appropriate.

MAPPING

NBS will prepare the Boundary Map and related documents and present to the District as required by the Act.

RESOLUTIONS AND ORDINANCE

NBS will prepare the required resolutions and ordinance in accordance with the time schedule. The resolutions and ordinance will comply with the Act. Final form of the resolutions and ordinance will be reviewed and approved by legal counsel and the District.

INTENT MEETING

NBS will present to City Council and the public regarding the CFD formation process, the analysis that led to the setting of CFD special tax rates, and the methodology developed for the special tax.

CFD REPORT

Based on the results of the aforementioned reviews, discussions and modifications, NBS will prepare a detailed written report including the Cost Estimate, the Rate and Method of Apportionment and the Boundary Map and present to the District, legal counsel, and property owners. NBS will file the Special Tax Report with the City Clerk.

NOTICES AND BALLOTS

NBS will prepare and mail notices and ballots to all landowner electors within the territory of the proposed Community Facilities District. The notices and ballots will comply with "Proposition 218, The Right to Vote on Taxes Act", the Act and all applicable provisions of the Elections Code. Final form of notices and ballots will be approved by District staff and legal counsel.

PUBLIC HEARING

NBS will present all necessary testimony and respond to public comments regarding the district formation proceedings.

ELECTION

NBS will assist legal counsel in the preparation of the ballot materials for the landowner election.

ADDITIONAL CFD DOCUMENTS

NBS will prepare the Notice of Special Tax Lien in compliance with the Act. Final form of the Notice of Special Tax Lien will be approved by District staff and legal counsel.

DISTRICT'S RESPONSIBILITIES

The District shall furnish NBS with any pertinent information that is available to District and applicable to the Services. The District shall designate a person to act with authority on its behalf in respect to the Services. The District shall promptly respond to NBS' requests for reviews and approvals of its work, and to its requests for decisions related to the Services. District understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, "Information") supplied to NBS by District or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to District or any third party if such Information is not correct.

EXHIBIT B

COMPENSATION FOR SERVICES

Fiscal Impact Analysis

Not to Exceed or Annual Base Fee or Consulting Fee	\$ 17,500
Estimated Expenses (1)	\$ 1,500
Total Not to Exceed.....	\$ 19,000

(1) See description of expenses below

Non-Bonded CFD Formation Services

Not to Exceed or Annual Base Fee or Consulting Fee (1)	\$ 14,500
Estimated Expenses (2)	\$ 1,500
Total Not to Exceed.....	\$ 16,000

(1) Assumes landowner electors and waiver of election noticing period.

(2) See description of expenses below

EXPENSES

Customary out-of-pocket expenses will be billed to the District at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

ADDITIONAL SERVICES

The following table shows our current hourly rates. Additional services authorized by the District but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director	\$225
Associate Director	\$210
Senior Consultant / Manager	\$175
Consultant	\$155
Analyst	\$130
Clerical/Support	\$105

TERMS

Consulting services will be invoiced on a monthly basis. Expenses will be itemized and included in the next regular invoice. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month. Either party may cancel this contract with 30 days written notice.

RESOLUTION 55-2020

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT APPROVING AMENDMENT OF THE AGREEMENT WITH NBS FOR SERVICES ASSOCIATED WITH CREATION OF A COMMUNITY FACILITIES DISTRICT TO FUND FIRE AND PARK SERVICES

WHEREAS, the District has set forth processes using professional consultants to evaluate and update its Development Impact Fees and related charges (Impact Fee Study); and

WHEREAS, the District issued a request for proposals for professional consulting services for the Impact Fee Study and received eight (8) proposals from qualified firms on June 12, 2020; and

WHEREAS, after substantial review, the Board of Directors awarded the Impact Fee Study consulting contract to NBS, who has proven qualified and performed well in the initial work; and

WHEREAS, on November 10, 2020, the Board of Directors directed staff to begin the creation of a Community Facilities District (CFD) within the District to be formed contain District property and provide for annexation of additional properties as a condition of receiving certain land development entitlements from the County of Tuolumne; and

WHEREAS, due to the qualifications and experience of NBS in the creation of Community Facilities Districts, the Board authorized the General Manager to negotiate a scope of work and fee with NBS for consulting services necessary for the creation of Groveland CSD CFD #1; and

WHEREAS, an acceptable scope of work and appropriate fee has been presented by NBS and is attached hereto.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES hereby approve an amendment of the Agreement with NBS for Services Associated with creation of a Community Facilities District to fund Fire and Park Services as contained in the attached Exhibit A.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on December 8, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Jennifer L. Flores, Secretary

Janice Kwiatkowski, President - Board of Directors

CERTIFICATE OF SECRETARY

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on December 8, 2020.

DATED: _____