

**TOWN OF SAN ANSELMO
STAFF REPORT
December 5, 2012**

For the Meeting of December 11, 2012

TO: Town Council

FROM: Debra Stutsman, Town Manager

SUBJECT: Special Financing District Feasibility Analysis

RECOMMENDATION

That Council authorize the Town Manager to expend \$2,250 plus expenses to NBS to determine whether there is support from Bolinas area residents for a special financing district to finance drainage and road improvements.

BACKGROUND

The Bolinas Area Avenue Committee (BAAC) has been meeting for the past year to discuss various options to fund infrastructure improvements to the Bolinas area for drainage and related improvements. Most recently the BAAC and its members came to the Ross Town Council to support Council action to move forward with final design of the Bolinas Avenue Safe Pathways grant funded project in the amount of \$250,000. The improvements to be funded by the Safe Pathways grants fund are primarily related to pedestrian safety improvements.

Meanwhile, the Bolinas Avenue geographic area continues to experience localized flooding as the drainage system cannot accommodate the local runoff. In addition, Bolinas Avenue, which is a major arterial road between the Towns of Ross and San Anselmo, has poor pavement condition.

DISCUSSION

It is not practical to make substantial pavement improvements to Bolinas Avenue without making appropriate drainage improvements in advance of such a project. The estimated cost of the necessary drainage and road improvements is approximately \$1.5 to \$2M dollars. Neither the Town of Ross nor the Town of San Anselmo has funds available to fund such improvements. While there may be grants funds that could be secured, it would likely take a number of years to accumulate enough funds to make the improvements.

In an effort to develop a potential solution that addresses the above conditions and provides a more near term solution, staff from Ross and San Anselmo have been exploring the potential of a property-based assessment financing mechanism that could be used to fund the necessary improvements. The assessment would be for specific geographic area (to be determined) in

the Bolinas Avenue area that would vote on whether to assess themselves to pay for the improvements.

To that end, staff contacted NBS for assistance. NBS was referred to us by Stone & Youngberg (SY) a highly regarded and experienced public finance firm in CA. NBS has a long successful history of working with local California communities.

NBS has proposed a two phased scope of work (attached). The initial phase would focus on determining the feasibility of a potential special financing district (SFD). The total cost of this phase is \$4,500 excluding expenses (e.g., expenses include items like travel, printing, telephone etc.). Ross and San Anselmo would each pay 50% of the total cost or \$2,250 plus the cost of any incidental expenses. Completion of Phase 1 would take approximately three months. Phase I includes two all hands meetings, an informational flyer for property owners and a short mail survey to every property owner in the potential district to determine interest in taxing themselves for this project.

Once the Phase 1 work is completed, staff from the two Towns would determine if the Phase 2 work (Pre-formation Process) for a potential future SFD was warranted. If yes, we would anticipate coming back to the Council for funding approval for Phase 2. If the results of Phase 1 provide information that property owners in the area are not supportive of a SFD, no more funds would be allocated and the project would be terminated.

FISCAL IMPACT

The funds are proposed to be appropriated from the Road Maintenance Fund, in the unprogrammed drainage line item, where there is sufficient funding available.

Respectfully submitted,



Debra Stutsman
Town Manager

Attachment: NBS Scope of Work



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November 19, 2012

Mr. Rob Braulik
Town Manager
Town of Ross
31 Sir Francis Drake Blvd/PO Box 320
Ross, CA 94957

RE: Proposed Scope and Fee – Special Financing District (SFD) Feasibility Analysis

Dear Mr. Braulik and colleagues,

On behalf of NBS, I am pleased to send this brief letter with an initial proposed scope and approximate fees for your consideration. As we discussed last week by phone, we can commence the very initial steps for this effort and refine the next steps after the Phase 1 steps are taken. We appreciate the opportunity to work with you, and assist with this flood control project. We understand from our conversations that the Town and other stakeholders are being proactive to form and implement an SFD for the specific area of interest. However, there are a number of challenges to overcome, with education, financing and its specific timing being foremost at this time.

We understand that the current need is to understand the options as well as the feasibility of using a special assessment, special tax, or property-related fee to fund improvement and potentially ongoing maintenance costs. Initially, some education, outreach and very basic polling will underpin this discussion. The next step is to gather the property and ownership data on the affected parcels, and perform some basic analysis and due diligence. Given the current legal climate of court cases, Proposition 26 and 218, we would need to vet the legal strategy AND THE CHOICE of a financial tool. This could be likely be one of these three options:

- Special Assessment District (various options)
- Special Tax District (Community Facilities District, or CFD)
- Property-related fee

We understand that the initial interest is to better understand these options and the "appetite" of the affected property owners. Please review this letter and contact me as soon as you can at 800-434-8349 or via email at tseufert@nbsgov.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Seufert", written over a light blue horizontal line.

Tim Seufert
Director
NBS San Francisco office



SCOPE OF SERVICES

As consultant to the Town and presumably a Steering Committee ("Committee"), NBS (namely Tim Seufert, Greg Davidson, Sara Mares) will provide expert advice and guidance and serve as project leader for duration of the project.

Phase 1 – Initial Feasibility:

- A. All hands meetings.** NBS will attend initial meetings (assume two) to discuss the detailed goals, objectives and parameters for this effort, and provide education and information to the interested parties. We would also like to clarify any potential issues with any other related or overlapping programs.
- B. Informational flyer.** NBS will develop an informational flyer or letter, one or two pages in length, that can be used (handout, mailed out) as an overview and initial communication tool for property owners, council members, staff and other interested parties.
- C. Survey.** NBS would endeavor to solicit input from every property owner by a short mail survey, and in some cases by phone contact. This would allow for an objective measure of interest and potential support.
- D. Document findings.** NBS will summarize the findings of this Phase 1 in a short memorandum.

Approximate timeline: December 2012 to February 2013

Phase 2 – Preformation Process

- A. Property data, with area profile.** NBS will research and provide the parcel and area profile data including number and type of parcels, parcel Use Code, parcel assessed valuation, parcel prior year property tax delinquency information, and updated parcel ownership information, including top ownership data. Information provided will be limited to information available via the County Assessor's Secured Roll as of July 1, 2012 and any other reliable sources provided to NBS.
- B. Budget.** NBS will work closely with Staff to confirm costs for the potential range of improvements to be provided.
- C. Feasibility analysis.** Prepare a feasibility analysis for creating a successful SFD to include various options.
- D. Final recommendation.** Prepare final recommendation for SFD(s) and next steps for leading into the ultimate formation of an SFD.

Approximate timeline: March 2013 to May 2013

Phase 3 – Formation of SFD

Steps and timing are TBD.

FEE AND TERMS

NBS proposes to provide the services as anticipated for approximately \$4,500.00 for Phase 1 (this equates to approximately 27 total hours of effort) plus \$6,875 for Phase 2 (45 hours), plus nominal expenses. We can provide further detail on hours assumed as needed.

Hourly Rates

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

Title	Hourly Rate
Director	\$ 205
Senior Consultant/Engineer	160
Consultant	140
Analyst	120
Resource Analyst	95
Expert Witness	TBD; with minimum fee

Expenses

Customary out-of-pocket expenses will be billed at actual cost to NBS. Out-of-pocket expenses may include, but not be limited to travel, mailing fulfillment, printing, postage, telephone, reproduction, meals, data, maps, and County recording fees.

Terms

Fees will be invoiced monthly. Phases 2 and 3 will not commence without the Town's approval. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 45 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.

Accepted:

Signature

Name and Title

Date