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CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

ENGINEERING DIVISION

THOMAS M. FINLEY
Engineering Division Manager

January 8, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: South Natomas Facilities Benefit Assessment (CC: 1460) -
Fund Establishment, Transfer of Fund Appropriations and
Contract Award

SUMMARY

Proposals have been received and a consultant is being recommended to produce the reports required to establish a South Natomas FBA. Appropriation of funds from the South Natomas Community Improvement Fund, and establishment of a new fund are also recommended.

BACKGROUND

On November 6, 1985, as part of the South Natomas Community Plan update, the City Council approved an FBA to help finance the needed transportation infrastructure as well as a fire station and a library. This financing mechanism places a lien on all undeveloped properties. The lien is paid off at the time of obtaining a building permit and the funds received are used to construct the previously identified infrastructure.

The City Attorney, together with the Department of Public Works, is currently preparing the ordinances to allow establishment of FBA's. Public Works is concurrently proceeding with work to collect the information to establish the South Natomas FBA. There is a risk in using a concurrent process, but staff believes the time saved outweighs any potential disadvantage.

On November 21, 1985 the Department of Public Works advertised a Request-For-Proposal (RFP) with selected consulting firms to determine and establish all information pertinent to establishing the South Natomas FBA. The scope of work of the RFP requires the following:

- A definitive description of the specific public facilities projects, the cost of which will be charged to the properties located within the district.

- A Capital Improvement Program for public facilities projects including individual project location maps, cost, amount of funding from other sources and year of project construction.
- The proposed boundaries of the area of benefit shown on a map.
- Information concerning the method by which the costs are proposed to be apportioned among the parcels within the area of benefit and an estimate of the amount of the facilities benefit assessments which will be charged to each such parcel. This amount is to be listed by assessor's parcel number including the owner's name, address and EDU (Equivalent Dwelling Units).
- The basis and methodology by which automatic annual increases in the Facilities Benefit Assessment will be computed, assessed and levied if such automatic annual increases are determined to be necessary.
- A cash flow analysis to indicate the amount of the contribution or advance, if any, which the City or other public entity will make towards each project and the total cost.
- Description of administrative procedures and costs for the FBA.

On December 19, 1985, interviews were held. Staff is recommending that the services of the consulting firm of Morton and Pitalo, Inc. be retained to provide the required information. Morton and Pitalo, Inc. has teamed with the firm of McDonald and Associates who will provide financial data, as well as with Kittleson and Associates who will provide traffic information.

Staff is recommending that the South Natomas Community Improvement Fund be used to finance this study. The SNCIF was also established to help finance improvements in South Natomas. Council has directed that two-thirds (2/3) of the fees collected be used to finance transportation improvements. The funds used will be included in and recovered by the FBA.

Staff is also recommending that a new fund be established to collect the fees generated by this mechanism. This will aid in directing the funds collected to those projects identified in the Facilities Benefit Assessment.

FINANCIAL

It is recommended that \$100,000 be appropriated from the South Natomas Community Improvement Fund to the South Natomas FBA Fund. Of this amount, \$85,000 will be used to contract the services of Morton and Pitalo, Inc.. The remaining \$15,000 will cover staff time on this project.

RECOMMENDATION

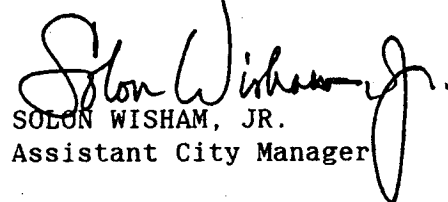
It is recommended that the Budget and Finance Committee approve this report and forward it to the City Council for their consideration.

Respectfully submitted,



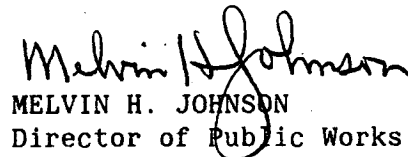
THOMAS M. FINLEY
Engineering Division Manager

Recommendation Approved:



SOLON WISHAM, JR.
Assistant City Manager

Approved:



MELVIN H. JOHNSON
Director of Public Works

DTC:eh
DC112Bd4

Attachment

January 21, 1986
District No. 1

RESOLUTION NO.

Adopted by The Sacramento City Council on date of

RESOLUTION ESTABLISHING A NEW FUND FOR THE SOUTH NATOMAS FACILITIES BENEFIT ASSESSMENT, AMENDING FISCAL YEAR 1985-86 OPERATING BUDGET FOR THE PUBLIC WORKS DEPARTMENT AND AWARDDING CONTRACT FOR THE SOUTH NATOMAS FACILITIES BENEFIT ASSESSMENT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. A fund be established with the authority to receive South Natomas Facilities Benefit Assessment fees and any other related revenues which may be defined, and to disburse funds as approved by City Council. The fund shall be eligible for closure at such time as it is verified by Accounting that all financial transactions relating to the fund have been completed.

2. That the City fiscal year 1985-86 Capitol Improvement Budget for the Public Works Department is hereby amended by appropriating \$100,000 from the South Natomas Community Improvement Fund (795) to the South Natomas Facilities Benefit Assessment Fund (xxx-3136-1460-4252).

3. That the City Manager and City Clerk be authorized and directed to execute that certain consultant services agreement with Morton and Pitalo, Inc. for the South Natomas Facilities Benefit Assessment in an amount not to exceed \$85,000.

MAYOR

ATTEST:

CITY CLERK