

TO: JAMES L. APP, CITY MANAGER

FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: APPROPRIATION OF FUNDS: CONTRACT SERVICES AGREEMENT WITH DAVID TAUSSIG ASSOCIATES REGARDING COMMUNITY FACILITIES DISTRICT

DATE: AUGUST 16, 2005

Needs: For the City Council to consider appropriating additional funds to pay for contract services related to the establishment of the City's Community Facilities District.

Facts:

1. On April 5, 2005, the City Council took the final steps necessary to establish a Community Facilities District (CFD) to mitigate the costs of providing City services to new residential development.
2. The process of adopting the City's CFD was made significantly more expensive than the original budget as a result of the time and costs related to meeting with representatives of the Home Builders Association (HBA) and responding to a series of inquiries that the HBA posed between summer 2004 and spring 2005.
3. The requested appropriation would close out the budget for David Taussig and Associates (DTA) regarding preparation of the CFD.

Analysis  
and

Conclusion: Formation of the CFD was consistent with the General Plan policy of "fiscal neutrality" and will over the long run be an essential component in the City's ability to pay for services demanded by new residential development.

Throughout the process of establishing the CFD the City and its consultant sought to be responsive to inquiries and requests for meetings made by the HBA. Those responses required additional work, conference calls, and face-to-face meetings between DTA, City staff, the City Council ad hoc Committee, and HBA representatives. DTA also up-dated the City's Fiscal Impact Analysis model, incorporating new housing data provided by the HBA.

The original budget appropriations for establishment of the CFD totals \$130,230. Based on actual time and materials expended by DTA, the total cost was \$145,430.

The request is for an appropriation of \$15,200 to pay for the balance of the contract services related to formation of the City's CFD.

Policy

Reference: General Plan policy of "fiscal neutrality"

Fiscal

Impact: In the short term, the \$15,200 will be a direct impact on General Fund reserves. Over the longer term, the establishment of the CFD was essential to insuring the City's ability to provide services to new residential development. It is proposed that the City's expenditures of \$145,430 for the establishment of the CFD be reimbursed through future CFD payments.

Options:

- a. For the City Council to approve the Resolution No. 05-xx appropriating \$15,200 from General Fund Reserves to pay for contract services related to formation of the City's CFD and authorize the Director of Administrative Services to establish a reimbursement to the City's General Fund regarding the \$145,430 costs of establishing the CFD.
- b. Amend, modify or reject the foregoing options.

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROPRIATING FUNDS TO PAY FOR CONTRACT SERVICES RELATED TO  
PREPARATION OF A COMMUNITY FACILITIES DISTRICT

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WHEREAS, the City Council had authorized a contract with David Taussig & Associates to assist the City in forming a Community Facilities District; and

WHEREAS, the time and materials expended working on the City's Community Facilities District exceeded the allocated budget because of factors beyond the control of David Taussig & Associates; and

WHEREAS, the additional expenses total \$15,200 is beyond the allocated budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that a one-time appropriation in the amount of \$15,200 from General Fund reserves to Budget Account No. 100-910-5224-596 is hereby approved and the Director of Administrative Services is authorized to establish a reimbursement of the City's costs of \$145,430 for the establishment of the Community Facilities District from future CFD revenues.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 16<sup>th</sup> day of August 2005 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk