

SCOPE OF WORK AND FEE SCHEDULE FOR
ASSESSMENT ENGINEERING
AND BALLOTING PROCEEDINGS

FOR THE

PROPOSED CITY-WIDE ASSESSMENT DISTRICT
(FULL APPLICATION IS UNDER SEPARATE COVER)

Prepared for

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Public Finance
Public Private Partnerships
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SCOPE OF WORK FOR CITY-WIDE ASSESSMENT DISTRICT FORMATION

PHASE 1 - INITIAL STUDY AND PREPARATION OF ENGINEERS REPORT

Task 1 Kickoff Meeting

The intent of this meeting will be to (i) discuss the City's objectives for the proposed AD, (ii) review the information and data to be provided by the City, (iii) discuss potential lien apportionment methodology in light of recent Proposition 218 court decisions, and (iv) review any other questions and/or concerns of the City.

Task 2 Background Research and Parcel Database

DTA shall compile a parcel database for the entire City including property characteristics typically found in the County Assessment Roll and/or on County Assessor's Maps such as Assessor's Parcel Number, lot frontage, lot area, and record owner name, mailing and situs address.

Task 3 City's Current and Future Land Use and Demographic Characteristics, by Area

DTA shall compile and document existing and future population employment, and development acreage estimates for the City and for each of the benefit areas ("Benefit Areas") that are simultaneously being determined under Task 6 (below). It is assumed that the City staff will provide the following:

- Existing land use and demographic database;
- Recent building permit activity by Benefit Area;
- General Plan land uses;
- City/Sphere boundaries;
- Average and maximum densities and floor area ratios to be used when calculating the build-out capacity of the General Plan.

This task consists of two subtasks.

Subtask 3.1 - Base Year Population, Households, and Employment Projections

DTA shall prepare the existing population, households and employment estimates developed for the base year - to be established in cooperation with City staff, and depending upon the availability of data. Key data sources to be used include the 2010 and later U.S. Censuses, California Employment Development Department, California Department of Finance, the 2014 County Assessor's parcel level file of existing land uses, and the

City's own records, including a review of available building and planning information. These socioeconomic statistics will be allocated across both the City and the identified Benefit Areas and will include population, households and employment and developed and undeveloped acreages by land use based on the 2014 County Assessor's land use data file and the City's General Plan base file.

Subtask 3.2 – Conduct Entitlement Research and Projections

DTA shall coordinate with the Community Development Department to determine the amount of future residential and non-residential development within each of the Benefit Areas. Projections of population, households and employment will be prepared from the base year through City buildout. This capacity analysis will be based on a quantification of the City's General Plan land use map which is understood to be in a geographic information system (GIS) electronic file. The future development capacity will be projected based on the development of existing vacant acres by land use categories and at average residential densities and non-residential floor area ratios as specified in the General Plan and adjusted based on the city's development experience. The remaining capacity will be the buildout projections less existing development. Additionally, based on discussion with City staff, some infill development assumptions may be included. Also, these growth projections can be compared to the latest adopted SCAG 2015 – 2035 forecasts.

Task 4 Public Infrastructure Improvements to be Funded

City shall provide DTA with a list of all of the infrastructure improvements that the City is proposing to include in the City-wide Assessment District. Emphasis will be placed on (i) City-wide street improvements for major arterials, followed by (ii) street improvements for miscellaneous residential streets, and (iii) phases I and II of Festival Park. City staff may select additional improvements at a later date should the costs of these three sets of improvements not require a higher an assessment that is greater than some maximum level (e.g., \$100 average per dwelling unit) established by the City.

Task 5 Confirm Costs for Constructing Infrastructure Improvements

City shall provide DTA with cost estimates for all of the street and park improvements proposed under Task 4, and DTA shall confirm such costs. The objective of this effort will be to prepare planning level cost estimates for all of the street and appurtenant improvements ("Traffic Improvements") and park facilities ("Park Facilities") identified under Task 4. The cost estimates for the Traffic Improvements to be funded through the proposed AD shall be developed by DTA based on available cost data index (i.e. Caltrans' database), current costs estimated by the City, recent bid results in the area, and/or relevant published construction bulletins. The cost estimates for the Park Facilities to be funded through the proposed AD shall be based on current costs estimated by the City, as well as DTA's data base, which includes park costs developed in 2015 by DTA

for a study we prepared for the County of Los Angeles to develop a Countywide Parks Plan that covered all 72 cities in LA County. We also recently completed a similar study for the City of Costa Mesa that analyzed park improvement costs throughout central Orange County.

Task 6 **Review Traffic Count Information, Park Demand and Related Documents**

When possible, City shall provide DTA with an assessment of the existing traffic conditions impacting the Traffic Improvements, as well as the need for additional park space within the City or additional demand information for the Park Facilities. Any recent studies or documents available to the City related to roads or parks shall be provided to DTA.

Regarding the Traffic Improvements, a list of all available recent traffic counts, or traffic volumes generated from a recent traffic model, will be provided from the City for use in the technical analysis. Using the compiled traffic count database and assumed capacities, peak hour intersection levels of service will be calculated, and locations of current congestion and capacity deficiencies for the Transportation Improvements will be identified. It is particularly important to have a solid understanding and documentation of existing capacity deficiencies in the transportation network when preparing special assessment apportionment formulas, as the benefit for existing development from improvements that mitigate existing deficiencies will differ from the benefit to existing development from improvements that increase capacity that is necessary solely to serve future development.

- DTA shall identify current and future capacity deficiencies based on the acceptable levels of service that the City chooses to apply to its Transportation Improvements, as well as to its Park Facilities.
- DTA shall identify Benefit Areas, if appropriate, in which current and/or future Transportation Improvements and Park Facilities deficiencies exist, and will calculate the magnitude of such deficiencies.
- DTA will discuss these issues with City staff and finalize the standards to be used for determining levels of benefit for property owners of existing and future development within the City, both Citywide and in the Benefit Areas.

DTA shall not generate its own traffic counts under this Scope of Work and budget, and will depend on traffic count data provided by the City.

Task 7 **Assessment Lien and Financing Analysis**

DTA shall evaluate the relationships between the deficiencies determined under Task 6 (on a Citywide basis and a Benefit Area basis) and the specific Transportation Improvements and Park Facilities identified by the City under Task 4. DTA will then determine the appropriate lien apportionment methodology and apportion the costs of the Transportation Improvements and Park Facilities based on to the benefit received by each parcel, again on a

Citywide basis and a Benefit Area basis.

Task 8 **Boundary Map and Assessment Diagram**

DTA shall prepare the boundary map and assessment diagram based on the parcel configuration per the County Assessor's maps. Pursuant to the Streets and Highways Code the Assessment Diagram will make reference to the Assessor's maps for parcel dimensions. The map and diagram will be prepared to the standards required by the County Recorder's Office for recordation.

Task 9 **Engineer's Report**

DTA will be the "Engineer of Work" in conformance with the Municipal Improvement Act of 1913 and prepare the Final and Preliminary Engineer's Reports pursuant to the requirements of Section 10204 of the Streets and Highways Code and Proposition 218. As required by law, the report shall contain, or included by making reference to, the following:

- Plans and specifications describing the general nature, location, and extent of the improvements and services proposed;
- An estimate of the total costs in connection with the improvements and services;
- The Assessment Diagram;
- The proposed assessment of the total amount of the cost and expenses of the proposed improvements upon all parcels in the AD in proportion to the benefits to be received by each parcel;
- The proposed maximum annual assessment to be levied on each parcel in the district to pay costs associated with the administration and collection of assessments, the administration or registration of any associated bonds or reserve or other related funds; and
- A description of the methodology and formula for apportioning the assessments. The apportionment methodology will assess parcels based only on the special benefit they receive from the Traffic Improvements and Park Facilities, as required by Proposition 218.

Pursuant to Proposition 218, all parcels on which special benefit is conferred shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement and/or the maintenance and operation expenses of a public improvement. Special benefits must be separated from general benefits. Parcels owned or used by any public agency, the State of California, or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

Task 10 **Meetings**

In addition to the kickoff meeting, DTA shall attend four (4) additional meetings with the City and various stakeholders, including the City Council meeting at which the Resolution of Intention is adopted.

PHASE 2 – ASSESSMENT DISTRICT FORMATION AFTER COMPLETION OF ENGINEER’S REPORT

The specific activities and tasks to be performed under Phase 2 include the following:

Task 11 **Prepare Public Notices and Ballots**

The design of notices and ballots is critical to success. DTA has developed many ballot/notice packages, as well as arguments for and against the formation of a finance district, working with agencies, financial engineers, and attorneys to determine how best to communicate the benefits of building the selected new infrastructure to property owners. DTA assumes that City legal counsel will assist in the drafting of the notice and ballot text.

Task 12 **Print, Assemble and Mail Ballots (OPTIONAL)**

DTA will print and mail notices and assessment ballots. For purposes of this proposal, DTA shall undertake two separate mailings. The first mailing shall include a sample ballot and the arguments for and against the formation of the four ADs. The second mailing shall include the actual ballot as well as a Qualified Business Reply Mail envelope that would ensure that voters would not pay postage for submitting their ballots.

Task 13 **Ballot Tabulation**

DTA shall tabulate ballots submitted by property owners to determine whether a majority protest exists. This tabulation will be completed prior to the close of the public hearing, and the results will be provided to the City Clerk for inclusion in the public record.

Task 14 **Final Engineer’s Report**

DTA shall prepare the Final Engineer’s Report to include the final assessment diagram, and shall certify this Report. For purposes of this proposal, DTA has assumed no revisions to the original assessments in the Final Engineer’s Report resulting from substantially lower confirmed costs based on financed Road Improvements and Park Facilities being put out to bid.

Task 15 **Post-Formation Services**

After confirmation of the assessments by the City Council, DTA will provide the following services:

- Mail the notice of cash collection;
- Prepare a paid and unpaid list and calculate the new amount to bond after the end of the thirty-day cash collection period; and
- Record the assessment roll and diagram.

Task 16 **Meetings**

DTA shall attend one (1) additional meeting with the City and various stakeholders, including the Public Hearing at the City Council at which the Final Engineer's Report has been approved.

FEE SCHEDULE FOR CITY-WIDE ASSESSMENT DISTRICT FORMATION

David Taussig & Associates, Inc. (“DTA”) proposes to charge time and materials for the completion of all 16 tasks in both Phases 1 and 2 (except Optional Task 12) up to an estimated maximum of **\$87,500** for labor (plus out-of-pocket expenses), subject to a series of limitations, as listed below. All fees shall be charged at the hourly rates listed in Table 1.

Table 1

David Taussig & Associates, Inc. 2016 Fee Schedule	
President/Managing Director	\$230/Hour
Vice-President/Engineer	\$190/Hour
Associate	\$155/Hour
Senior Analyst	\$145/Hour
Analyst	\$135/Hour
Research Assistant	\$110/Hour

In addition, Client shall reimburse DTA for out-of-pocket and administrative expenses by paying a charge equal to 3% of DTA’s monthly billings for labor, plus travel costs and any outside vendor payments, not to exceed **\$4,000**. All hourly rates for services apply through December 31, 2016 and are subject to a cost-of-living increase at that time. Each month, DTA shall present to Client an invoice covering the current consulting services performed and the reimbursable expenses incurred during the prior month.

This budget covers only those tasks outlined in the Scope of Work attached to this proposal. Additional consulting services (“Additional Work”) may be provided for additional fees if they cause the budget maximum to be exceeded. Examples of Additional Work may include, but are not limited to:

- Time expended related to obtaining Project data assigned in the Scope of Work to the City
- Additional analyses based on revised land use assumptions after Task 3 has been completed
- Preparation of traffic count or traffic modelling analysis under Task 4
- Additional analyses based on revised Traffic Improvements and Park Facilities after Task 4 has been completed
- Additional analyses based on revised Traffic Improvements and Park Facilities costs after Task 5 has been completed
- Any field surveys

- Negotiations with stakeholders, such as property owners or land developers within the City
- Revisions to Draft Engineer's Report once it has been approved by staff (e.g., major revisions due to stakeholder issues or City Council issues after Draft Engineer's Report has been completed)
- Attendance at more than six (6) total meetings
- Any work occurring over 12 months from the date the consulting services agreement is executed

OPTIONAL TASK 12 PRINT, ASSEMBLE AND MAIL BALLOTS

The cost of completing the printing, assembling and mailing ballots for the AD election, as described under Optional Task 12 which would include **two separate sets of mailings to 19,000 parcels** in the City, would be **\$35,000**. This fee would include all postage costs, including postage costs on the return envelopes to be submitted by voters along with their ballots, and is based on a bid from a sub-consultant to DTA who specializes in this area (and to whom DTA has subcontracted on a prior election mailing).

This bid for Optional Task 12 assumes one City-Wide Assessment District. Complex mailings that involve separate geographic benefit assessment districts or zones with different ballots required in each district or zone to pay for different improvements or different assessment amounts assigned to each district or zone could require higher fees from DTA's vendor.

http://localhost/resources/Proposals/AD/Cathedral City/Scope_Fee Schedule.docx

The logo for David Taussig & Associates (DTA) features the letters 'DTA' in a bold, sans-serif font. The 'D' and 'T' are dark green, while the 'A' is yellow. To the right of the logo, the company name 'DAVID TAUSSIG & ASSOCIATES' is written in a dark green, serif font.

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