

Olympic Meadows Preserve

Special Board Meeting
May 16, 2019



Tonight's Presenters



Perry Norris

Executive Director, TDLT



Mike Geary

General Manager, SVPSPD



Dave Hunt

District Engineer, SVPSPD



David Fama

Shareholder, Jones Hall



Charles Heath

Partner, TBWB Strategies



Greg Davidson

Director, NBS



Purpose



1. Inform the public about the results of the Voter Survey.
2. Inform the public about the work the District and Land Trust has done to develop the vision and budget needed to support the public financing for this Project.
3. Explain the public financing proposed to fund the acquisition, capital improvements and O&M of the OMP.
4. Explain how the vision needed to support public financing relates to the community's vision that will come from Master Planning efforts scheduled for 2020.
5. Describe the vision and budget recommended for public financing.
6. The Board to determine the scope of services and supporting budget for the operation and maintenance of the OMP. The scope of services dictates revenue requirements. The budget needs to be included in the Resolution of Intention to Form a Community Facilities District (CFD) to be considered for approval by the PSD's Board of Directors next week at the Special Board Meeting on Friday, May 24th.
7. Inform the public about the project's next steps.
8. Answer questions.



Presentation Overview



Project Background & Update

Voter Survey Results

Due Diligence & Budget Development

- Acquisition
- Capital Improvements
- Capital Replacements
- Operations and Maintenance

Community Facilities District – Public Financing

Budget Scenarios

Public Financing Vision & Master Plan Vision

Election Timeline

Community Q&A

Board Direction - Scope of Services and Budget for Public Financing



Project Background



History

Founding Family's Original Campsite



Location

30 Acres – Eastern End of the Meadow



Vision

Preserve Meadow for Public Benefit





Project Update



Appraisal – \$12.5 Million



Voter Survey – Completed



Ownership / Management



Refining Vision and Budget

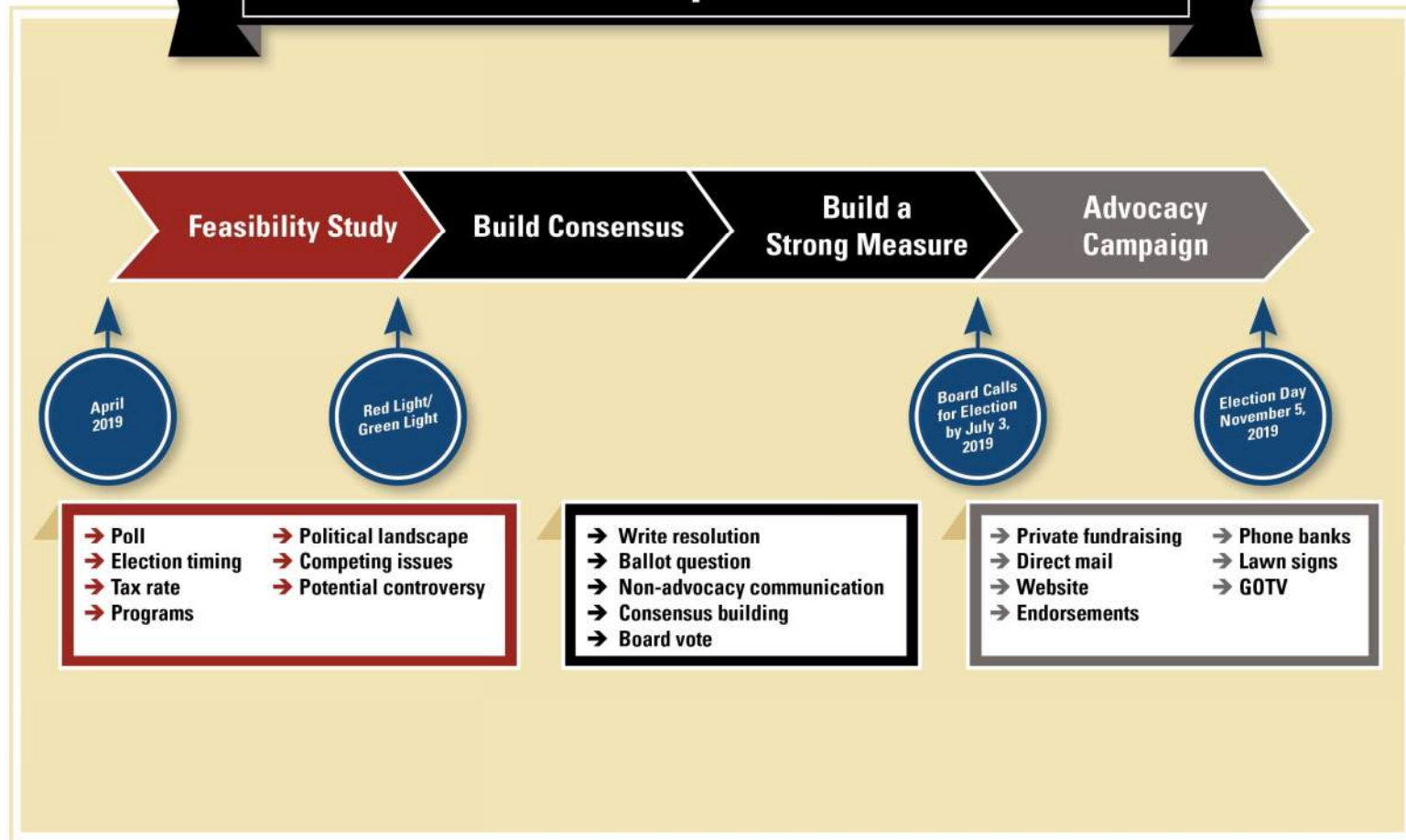


Ballot Language – June 25th Board Meeting



Project Timeline

November 2019 Special Tax Timeline



SPECIAL TAX FEASIBILITY SURVEY

CONDUCTED FOR THE
SQUAW VALLEY PUBLIC
SERVICE DISTRICT

5/16/2019



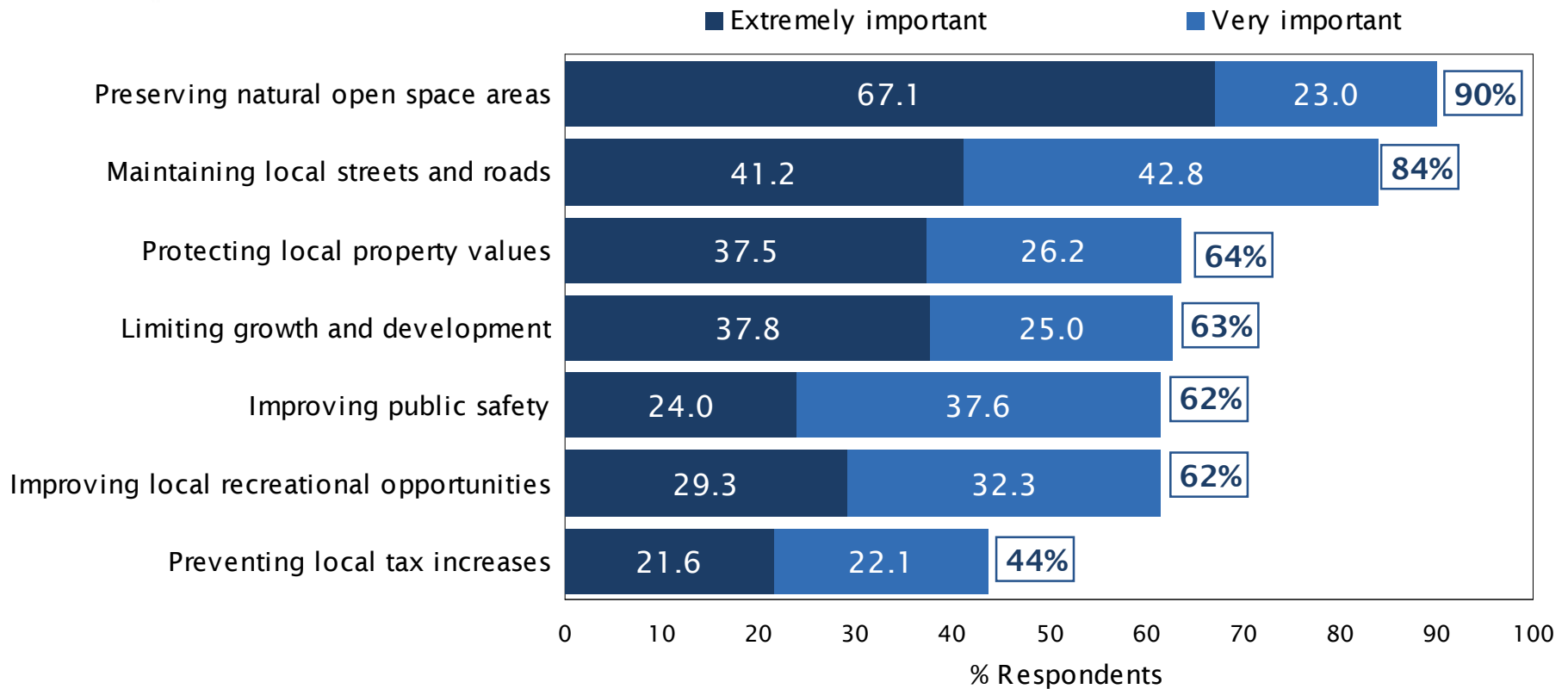


METHODOLOGY OF STUDY

- Conducted March 25th to April 10th, 2019
- Random sample: 157 District likely voters
 - Weighted to reflect likely turnout at different elections
- Mixed-Method approach
 - Recruited via mail, phone and email
 - 16-minute average interview length
- Margin of Error: +/- 6.2%



IMPORTANCE OF ISSUES



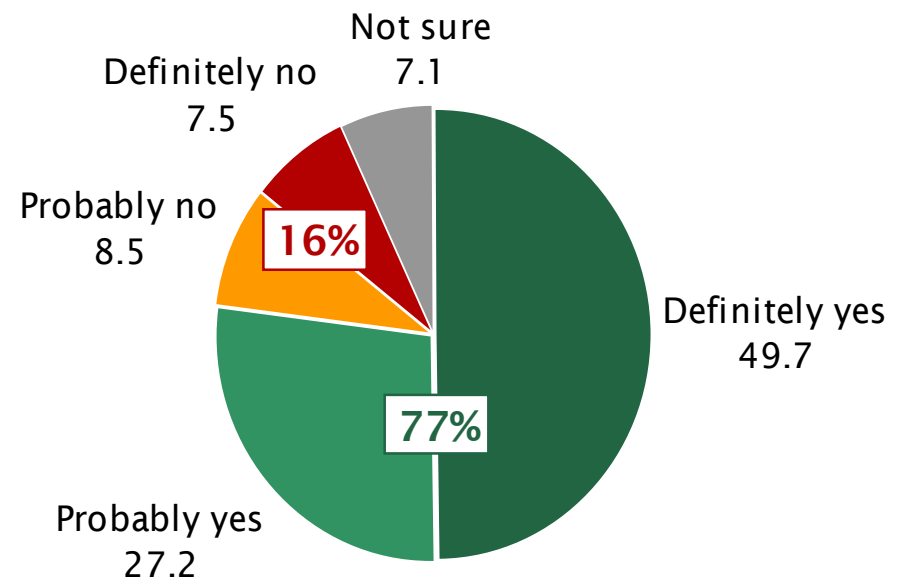


INITIAL BALLOT TEST

In order to:

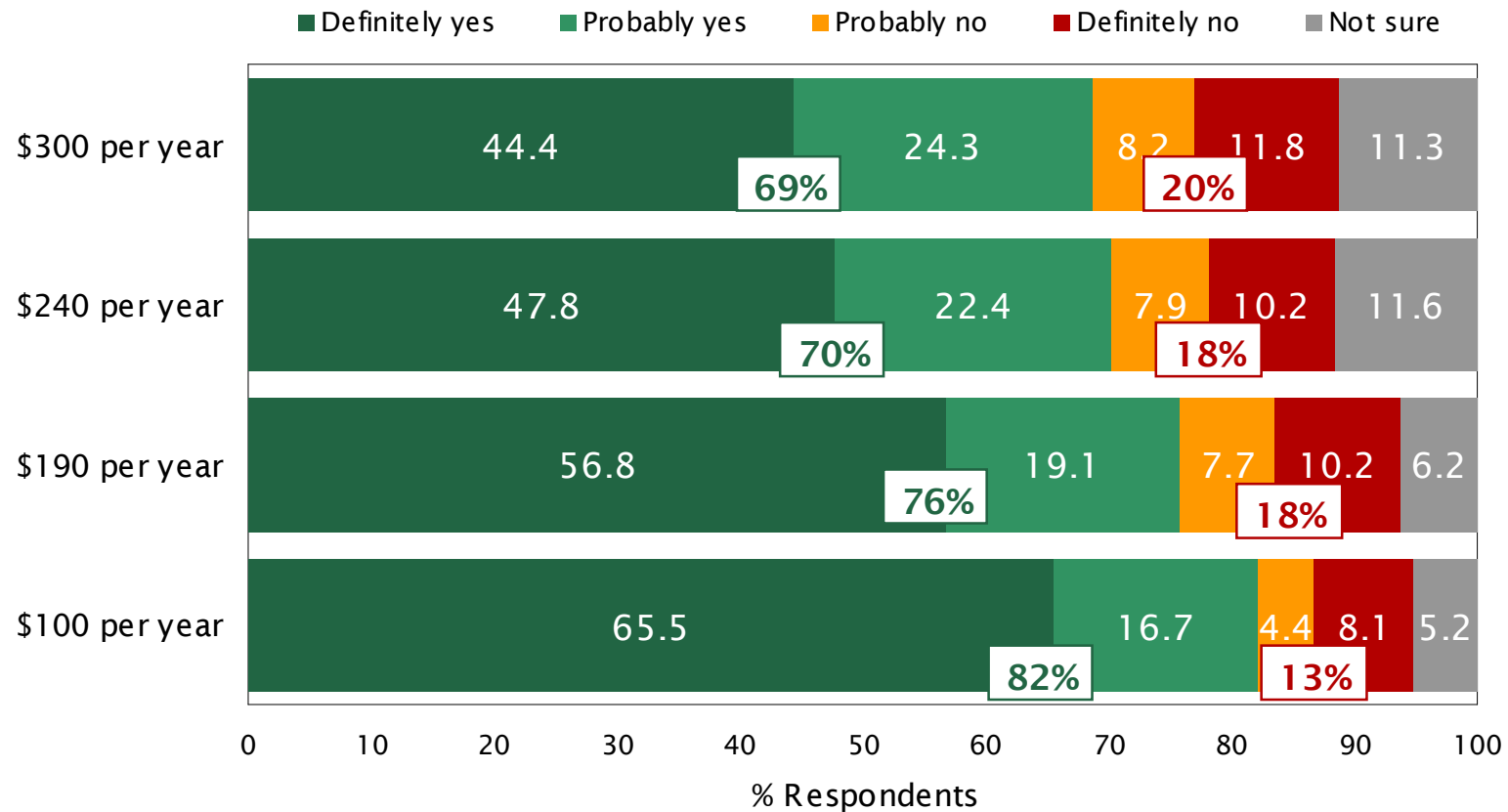
- Acquire and preserve 30 acres of natural open space at the eastern end of Olympic Valley known as the Poulsen Property
- Protect Squaw Creek and the surrounding watershed
- And permanently protect the site from private development

Shall the Squaw Valley Public Service District levy \$300 annually per residential property, with higher rates for commercial and resort properties as described in the voter pamphlet, raising \$2.7 million per year until ended by voters, with citizen oversight and all money staying local?



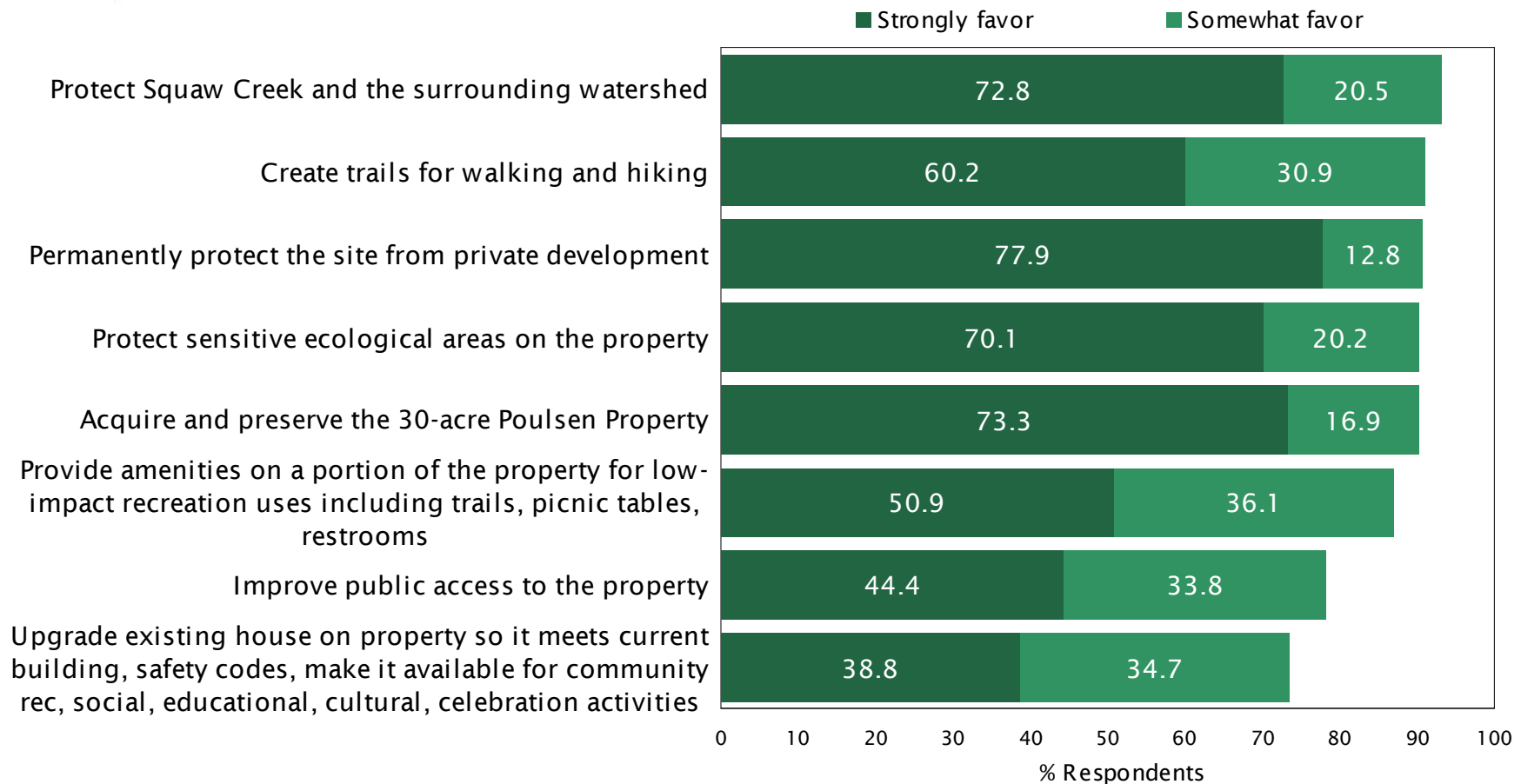


TAX THRESHOLD





PROJECTS & SERVICES





POSITIVE ARGUMENTS TIER 1

Measure collaboration between Truckee Donner Land Trust & Squaw Valley PSD; Trust has protected 35,000+ acres since 1990

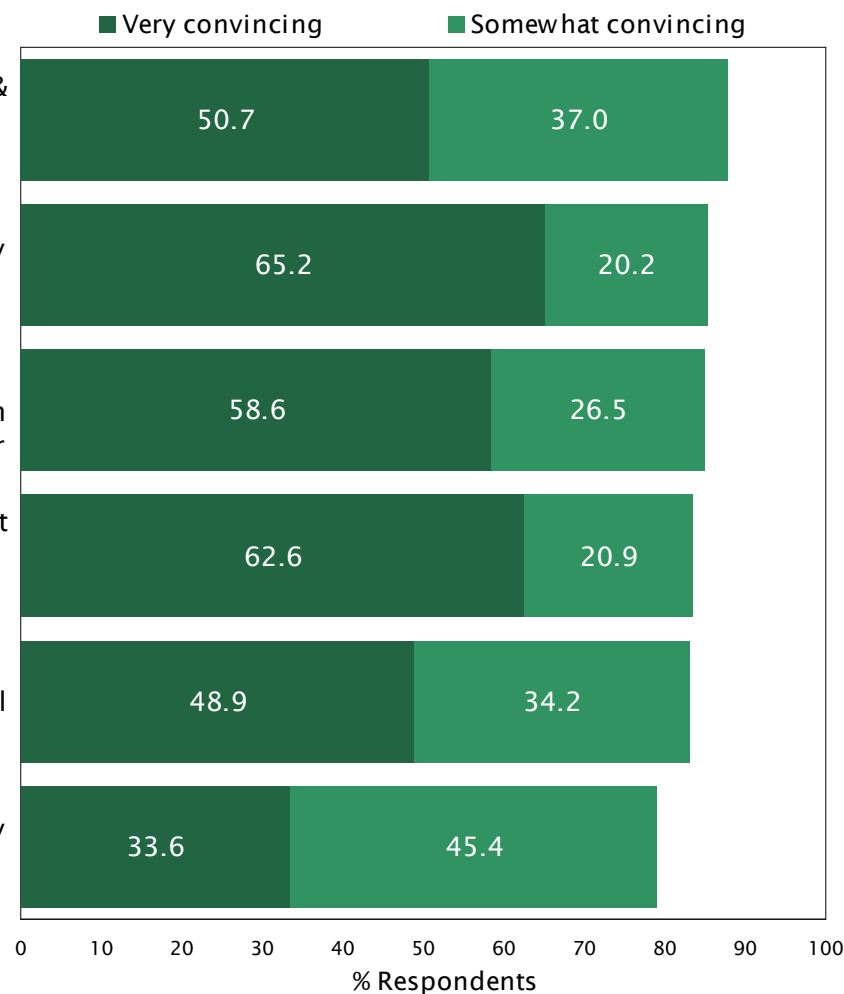
If Poulsen property sold to developer, up to 300 condos could be built, with roads, lights, other facilities, potentially worsening traffic, other concerns associated with increased density

Poulsen property is currently privately owned; measure is our chance to purchase the land for community, protect open space; if we don't, it will likely be sold to a private developer

Poulsen property is a natural jewel that should never be lost to developers; measure will ensure that property is permanently preserved for community, future generations

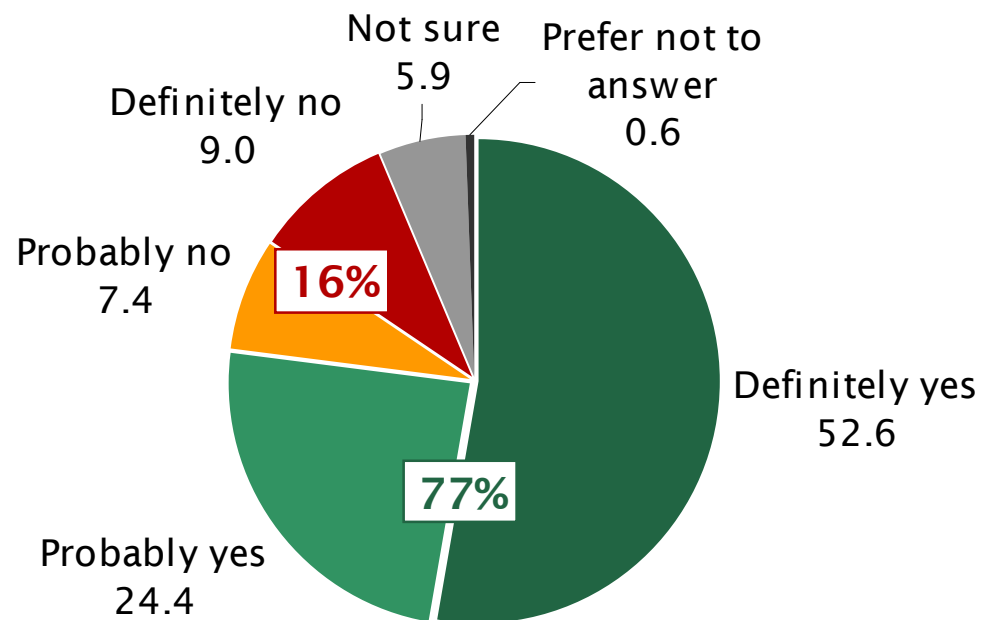
Measure is an excellent way to preserve our quality of life, protect local property values, keep Olympic Valley a special place to live

With sufficient upgrades to allow public use, the home on property could provide a modest sized community facility for recreational, social, educational, cultural, celebration activities



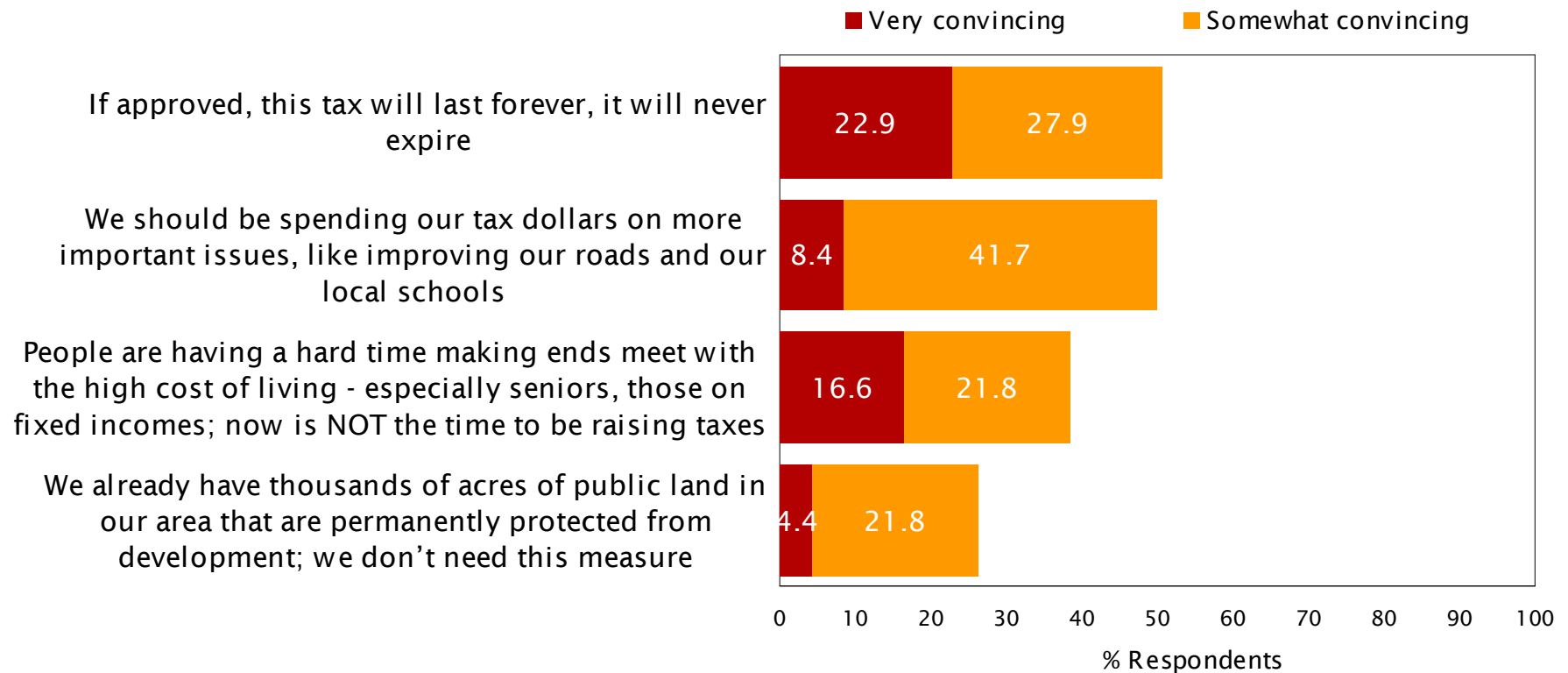


INTERIM BALLOT TEST



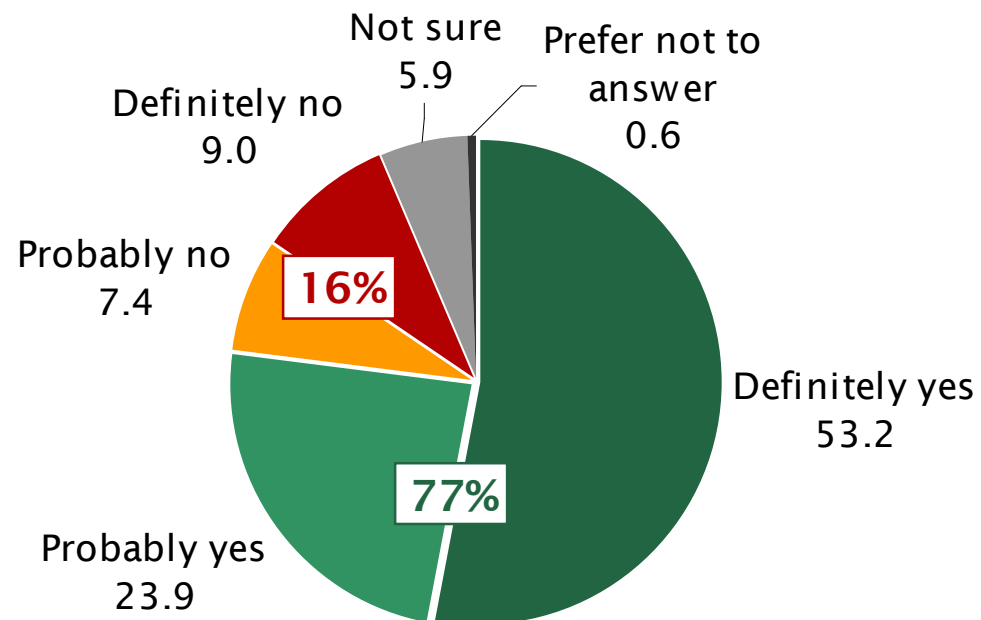


NEGATIVE ARGUMENTS





FINAL BALLOT TEST





KEY CONCLUSIONS

Is a revenue measure feasible? *Yes.*

- Voters perceive that preserving natural open space areas is the most important issues facing the community by a large margin
- Strong natural support for a measure (77%)
- All proposed uses of the funds favored by 70%+ of voters, although protecting the property from private development is key
- Positive arguments resonate with the community
- All ballot tests well above the 2/3 threshold

Tax Rate: Voters were supportive up to \$300 per residential property

Election Timing: Support is similar across low and high turnout electorates, which provides flexibility in choosing election date

Communications & Outreach: Expand the conversation with the community so voters are aware of the plan and its benefits



MOU – Land Trust and PSD



Considerations

- Costs – Impact on Election
- Impact to District's Operations – Create New Parks Dept.
- Public Expectations – Levels of Service – Local Board Oversight
- Master Planning – Decisions on Park Improvements and Use

SVPSD

- Own, Manage, Operate & Maintain, Staffing
- Decisions on Use
- Master Plan, Design, & Construct Improvements
- Sponsor & Administer CFD

TDLT

- Design & Construct Trails, Picnic Areas
- Stewardship Support
- Volunteer Days



Budget Considerations



- Existing property tax revenue is fully allocated; no funding available to support a new Parks Dept.
- Labor, equipment, materials and services are paid by funds available from the department benefitting from the expense.
- Special Tax revenue established now can *never* be increased.
- Public Financing deadline for budget is late May.
- Do not exceed \$300 / parcel / year. Success on Election Day.
- Minimize financial impact to businesses.
- PSD's ownership creates direct relationship between taxpayer / park-user / voter and the Park's governing Board
- District's expense justified by desired level of service.
- Fiscally responsible decisions.



Acquisition Expenses



- Land Acquisition
- Financial team expenses – advisors, bond counsel, etc.
- Pre-acquisition TDLT staff time, direct costs
- Pre-acquisition PSD staff time, direct costs
- Consultant Expenses
- Due Diligence



Capital Improvement Plan



1. Capital Improvements – Accessibility and Code Compliance
2. Capital Replacements – Existing Assets
3. Capital Improvements – New Amenities
4. Operation and Maintenance – Equipment



Due Diligence



Accessibility and Code Compliance:

- Architectural/Lead: Larry Young, Ward-Young Architects
- Structural: Linchpin Structural
- Pool Consultation: Jim Redman, Water Design Inc.

Capital Replacement Plan – Existing Assets

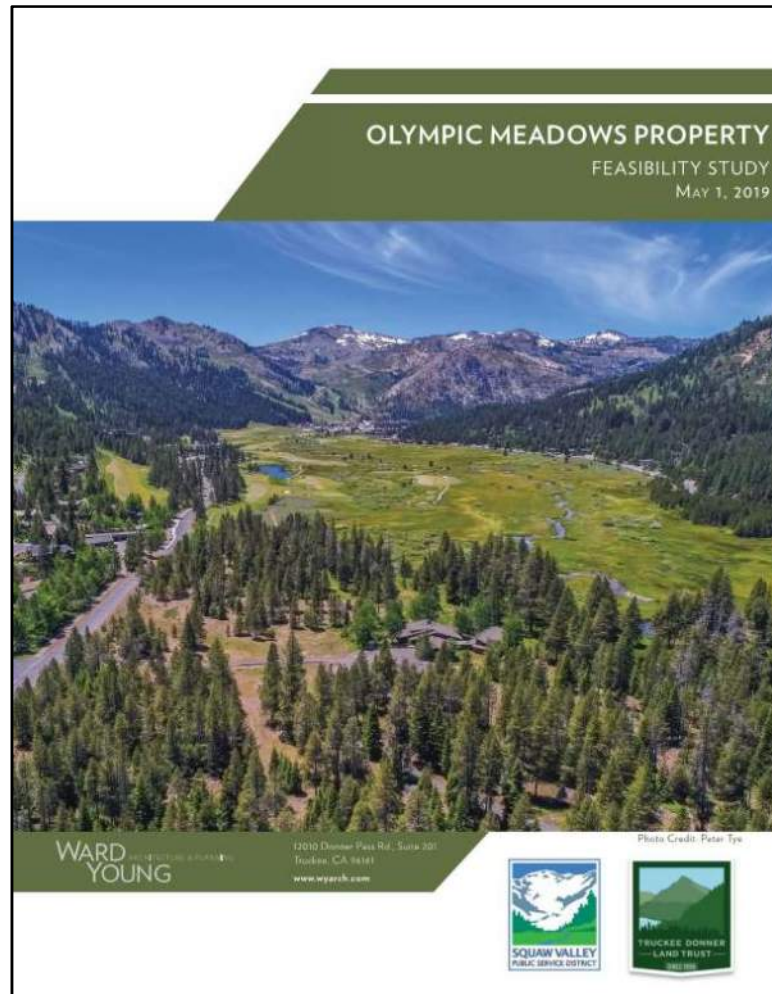
- District staff

Home Inspections:

- General: Saturno Inspections
- Hazardous Materials (asbestos, lead, mold): Wise Consulting



Capital Improvements – Accessibility & Code Compliance



Change of occupancy from
residential use to public use:

- ADA and CBC requirements
- Fire and life safety
- Structural adequacy



Accessibility & Code Compliance Costs



Main House:

- Accessibility: \$90,000
- Fire and Life Safety: \$55,000
- Structural Adequacy: \$45,000
- TOTAL: \$190,000

Caretakers Unit:

- Accessibility: \$545,000
- Fire and Life Safety: \$12,500

Pool:

- Upgrade to Publicly Accessible Pool: \$940,000
- Conversion of Pool to Public Space: \$285,000





Capital Replacement Plan



Replacement of Existing Assets

- Age
- Condition
- Useful (Design) Life
- Cost of Replacement

Due Diligence Inspections

- House inspection
- Hazardous materials inspection (asbestos, lead, mold)

100-Year Plan

- Year 2020 costs based on initial replacement needs
- Annual schedule based on age and useful life



Capital Replacement Plan



House, Caretaker's, and Site:

- Exterior (AC Paving, Wood Siding, Roof Replacement, Garage Doors, etc.)
- Interior (Paint, Windows, Flooring, Furnishings, Doors and Locks, etc.)
- HVAC (Boiler, Air Handling)
- Electrical (Fixtures, Switches/Receptacles, Electrical Panels)
- Irrigation System (Sprinkler System, Irrigation Well)



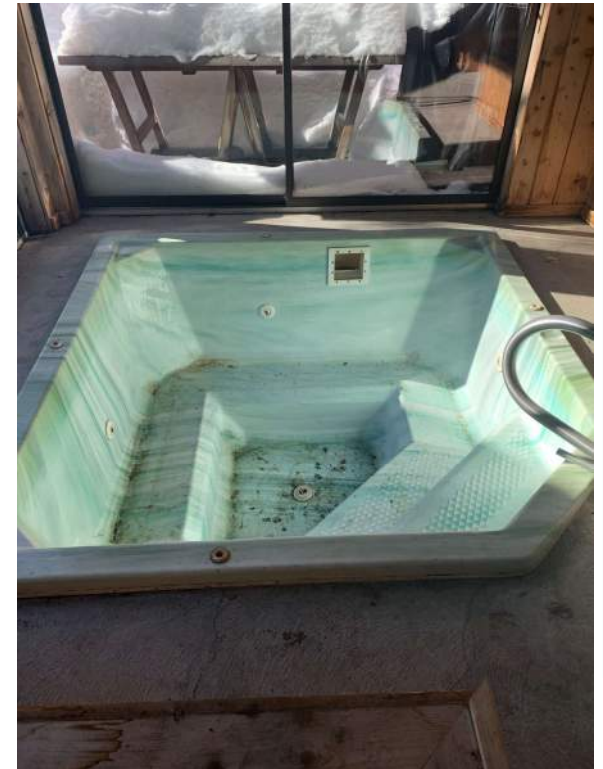


Capital Replacement Plan



Pool :

- Mechanical Equipment
- Pool Cover
- HVAC, Dehumidifying system





Capital Replacement Summary



Initial CRP Costs

- Structures
 - Roof Replacement
 - Pavement Replacement
 - Lodge Pole Fence Maintenance
 - HVAC Systems
 - Windows
 - Flooring
 - Electrical Upgrades
- Site
 - Irrigation System
 - Fencing

	Cost
Structures	\$420,500
Site	\$108,000



Capital Improvements Park Amenities



Park Development:

- Park Amenities (Benches, picnic tables, trails, boardwalks, signage, kiosks, CEQA): \$440,000
- Bathroom: \$280,000
- Pavilion: \$310,000
- Storage/Site improvements: \$160,000
- O&M Equipment: 134,000
- **Total: \$1.3M**



Operations



Budgeting includes:

- Labor, equipment, materials & services for on-site operations and maintenance
- Planning, design, permitting, environmental compliance, construction & inspection of capital improvements and replacements.
- Master Planning expenses and voter survey.
- Community outreach, communication materials, website
- Utilities
- CFD Administration
- Customer service
- Administrative Expenses such as accounting, financial reporting, HR, Board, software, engineering, IT



Use of a Community Facilities District



- California law known as the “Mello-Roos Act” authorizes public entities to create a special financing district (a “CFD”) to finance:
 - (1) construction and/or acquisition of public facilities;
 - (2) public services.
- “Services” includes maintenance of public facilities and reserves for rehabilitation or replacement.
- CFD can finance land acquisition, new structures and/or improvements to the land, maintenance of the land in perpetuity.
- Would be managed by SVPD for the authorized purposes



Overview- What the CFD Can Provide



- Annual revenue stream to:
 - (1) fund the land purchase;
 - (2) fund SVSPD's budget for maintaining it;
 - (3) funding source for creation and implementation of a Master Plan for the property.
- Allows SVSPD to move forward to create a park department and provide the public a park, related amenities and maintenance.
- Create revenue by authorizing levy of a special tax on parcels in the CFD- payable along with April 10 and December 10th property taxes.
- Authorizes SVSPD to issue Bonds.



Initiating the CFD Process



- Board meetings/resolutions needed to complete CFD procedure – over few months.
- Public Hearing required.
- Election required – 90-180 days after the hearing.
- Passes with 2/3rds approval by registered voters returning a ballot.
- If voters approve: Levy of Special Tax is authorized.
- Special Tax payable annually, similar to property taxes.
- Bonds can be issued for capital assets, payable from the Special Taxes.



The Special Tax Amount



- Rate is established in “Rate and Method of Apportionment of Special Taxes” (“RMA”) document as a maximum
- Actual levy can be less than the authorized maximum.
- Rate Flexibility –rates and limitations are decided by SVPD and registered voters- can vary by parcel, land use, other variables.
- Typically rate reflects bond debt service, administration costs and costs of maintenance and services.
- Not necessary to match amount of tax to property value, expected benefit or an impact study.
- Obligation to pay the special tax stays with the parcel upon sale.
- Payable semi-annually, similar to property taxes.
- Foreclosure remedy for non-payment of Special Tax.
- No SVPD general fund liability for delinquent Special Taxes.



CFD Formation Steps



- CFD formation occurs through the following steps taken by the SVPD Board:
 - **First Step: Resolution of Intention to Form- targeted for May 24):** States SVPD's intent to form a new CFD and sets the date of the public hearing.
 - The resolution includes a boundary map, the RMA, and a general list of public facilities and services eligible to be financed by the CFD.
 - **Resolution of Intention to Bond:** States SVPD's intent to issue bonds and sets a maximum amount that can be issued.
 - **Second Step (30-60 days later- targeted for June 25): Resolution of Formation:** SVPD conducts a public hearing, and if no majority protest, resolutions to form the CFD, set tax rate, maximum bonding amount and set the election date.



The Election



- Vote is required to impose a Special Tax and allow bonding.
 - **Third Step (90-180 days after Formation-targeted for November 2019):** Election is Held: The election must obtain approval by at least 2/3 vote of the registered voters in the CFD who return ballots.
 - If approved by voters, SVPD next certifies the results and passes an Ordinance giving it the ability to annually levy the Special Tax.
 - Authority to issue Bonds is established.
 - The special tax levy is placed on the County roll, levied, billed and collected in the same manner as property taxes.



CFD Bonds



- SVPD, on behalf of the CFD can issue bonds to finance the land and master plan amenities.
 - Bonds are payable from and secured by the Special Taxes.
 - Proceeds can only finance capital assets, not services.
 - Typical term is 30 years.
 - Principal and interest payable each year.
 - The bonds are not a debt of the general fund of SVPD.
 - Can be issued in now and in the future, up to the amount authorized, as decided by SVPD.
 - Typically interest on the bonds is tax-exempt for investors.
 - Only remedy for non-payment is foreclosure.
 - Bond proceeds also fund a debt service reserve fund as required by the bond investors.



Revenue Measure Funding



The SVPD RMA will:

- Define parcel categories
- Establish Maximum Special Tax for each parcel classification
- Establish procedures for the annual levy process
- Provide for prepayment of the bond/facilities portion of the special tax

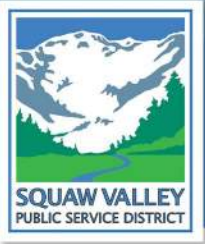


Revenue Measure Funding



Initial Funding:

	Rate
Residential (per Parcel)	\$373
Hotel (per Room)	\$187
Non-Residential (per Acre)	\$187
Timeshares	\$94



Scenario Introduction



Scenario	1	2	3	4
Park Development				
Caretaker's Unit				
Main House				
Pool				



Scenario Cost Summary



	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Acquisition (One-time)	\$ 12,826,000	\$ 12,826,000	\$ 12,826,000	\$ 12,826,000
Capital Improvements (One-time)	\$ 3,235,000	\$ 2,449,000	\$ 2,267,000	\$ 1,668,000
Required Maintenance (One-time)	\$ 662,000	\$ 652,000	\$ 319,000	\$ 251,000
Capital Replacement Plan (Annual)	\$ 74,000	\$ 72,000	\$ 52,000	\$ 41,000
Operations and Maintenance (Annual)	\$ 617,000	\$ 464,000	\$ 434,000	\$ 395,000

Scenario 1: Create Park, Upgrade all Structures, Upgrade Pool

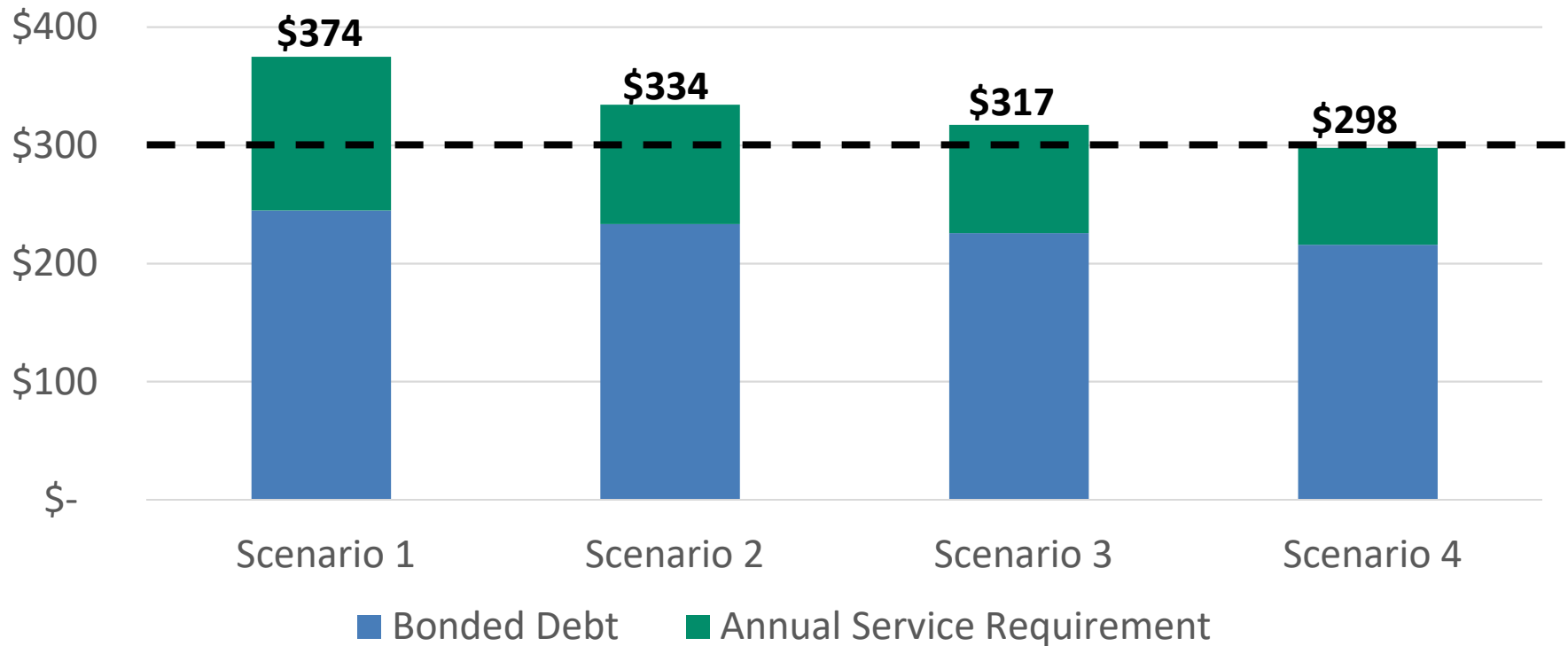
Scenario 2: Create Park, Upgrade all Structures

Scenario 3: Create Park, Upgrade Caretakers Unit

Scenario 4: Create Park, Return Land to Natural Condition



Scenario Cost Summary - Annual



Scenario 1: Create Park, Upgrade all Structures, Upgrade Pool

Scenario 2: Create Park, Upgrade all Structures

Scenario 3: Create Park, Upgrade Caretakers Unit

Scenario 4: Create Park, Return Land to Natural Condition



Revenue Measure Funding



Full Proceeds from Special Tax:

	Rate
Residential (per Parcel)	\$298
Hotel (per Room)	\$150
Non-Residential (per Acre)	\$150
Timeshares	\$75

Anticipated Required Proceeds from Special Tax:

	Rate
Residential (per Parcel)	\$267
Hotel (per Room)	\$134
Non-Residential (per Acre)	\$134
Timeshares	\$67



Recommended Park Vision



In order to maintain costs under \$300/SFR customer, and realistic grants and fundraising targets, the “Park Only” option is most practical.

Budget includes funding for construction and maintenance for:

- Restoration of the site
- Access to Squaw Creek
- An open, covered pavilion for picnic tables, gatherings
- A bathroom building
- Trails and boardwalks
- Signage and kiosks
- Picnic tables
- Park benches
- Bike racks
- Parking





2020 Master Planning Process



- Community Outreach.
- Assess feasibility of desired land use(s).
- Prioritize projects. Develop a plan / schedule of improvements.
- Estimate costs / budget to support that vision.
- If in excess of budget recommended for public financing, additional funding source will need to be identified.
- The house, pool and caretakers unit will remain through the Master Planning process.



Election Planning Timeline



May 2019

- Continue outreach to Olympic Valley community and collect feedback on Poulsen Property acquisition
- **May 24:** Adopt CFD goals and policies, Resolution of Intention to establish CFD and Resolution of Intention to incur bonded indebtedness
- **May 28:** SVPD Board of Directors meeting and Poulsen Property discussion

June – July 2019

- **By June 7:** Record boundary map with Placer County Recorder
- **By June 18:** Publication of Notice of Hearing in local newspaper
- **June 25:** SVPD Board Meeting regarding:
 - Formation of CFD and incurrence of bonded indebtedness,
 - Adoption of resolution of formation, resolution determining to incur bonded indebtedness and resolution calling election
- **By July 3:** Submit resolution calling election to Placer County Registrar of Voters
- Conclude community outreach regarding Poulsen Property acquisition



Recommended Motion



Staff and Consultants to establish the budget and scope of services based on Scenario 4 as presented and direct Staff and Consultants to develop the Resolution of Intent to form a Community Facilities District.



Community Q&A



*The full credit for our life here goes to my husband – a man with a dream who had the courage and initiative to make his dream come true in spite of seemingly insurmountable obstacles, **not “some sweet day” but now.** – Sandy Poulsen, 1952*



Upcoming Board Meetings:

Special Meeting – May 24

Regular Meeting – May 28

June Special Meeting – As needed

Regular Meeting – June 25

Email OMPinfo@svpsd.org to be added to our project distribution list