

City of Hesperia

STAFF REPORT



DATE: March 3, 2020

TO: Mayor and City Council Members
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance

SUBJECT: Consideration of Contract for CFD Formation Services

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to amend the existing agreement with NBS Government Finance Group (NBS) for an additional \$36,630 related to the Golf Course Community Facilities District (CFD) feasibility, outreach, and formation services, for a total not-to-exceed contract of \$86,630 for City-wide district administration services.

BACKGROUND

The City contracts with NBS to provide Assessment District/CFD administration/delinquency services for the City's CFD 2005-1 Belgate Development and for the closeout of the Water District's former Assessment District (AD) 3.

These services were expanded to include conducting a CFD feasibility study for the Golf Course as a result of the August 20, 2019 Council Meeting, during which the Council provided direction for staff to proceed with an agreement with Donovan Bros. for the operation of the Golf Course and a CFD feasibility study for homes that receive benefit from proximity to the Golf Course.

ISSUES/ANALYSIS

With the completion of the feasibility study, the next step is the development of the proposed CFD formation documents and public engagement outreach (including a dedicated City webpage, resident surveys, and in-person meetings), culminating with a registered voter election.

The combined total of the services related to the City's CFD 2005-1 Belgate Development, Water District AD 3, and formation services related to the proposed Golf Course CFD now exceed \$50,000, therefore an amendment is requested for the services as referenced below:

CFD 2005-1 Belgate – Administration and Delinquency Management	\$24,630
Water District AD 3 – Closeout Analysis	<u>12,500</u>
Subtotal	\$37,130
Golf Course Proposed CFD:	
Feasibility Study	\$ 9,500
Public Engagement Outreach	25,000
CFD Formation Documents and Election	<u>15,000</u>
Subtotal	\$49,500
Total Not-to-Exceed	\$86,630

FISCAL IMPACT

Funding for the proposed Golf Course CFD formation and election services was not included in the Fiscal Year 2019-20 Budget and will be submitted as a budget amendment during the Fourth Quarter Budget Review if savings are not available.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None.