

DW
9/27/11

Agenda Item 19
October 5, 2011
File No. 260-40

AGENDA BILL

Subject: The purpose of this agenda item is to allow the Town Council to review and approve the 5-Year Capital Improvement Program (CIP) and Public Facilities and Finance Plan (PFFP) Work Program/Scope of Work

Initiated by: Mark Wardlaw, Community Development Director
Ray Jarvis, Public Works Director
Jen Daugherty, Associate Planner

BACKGROUND:

The purpose of this agenda item is for the Town Council to review and approve the Draft 5-Year Capital Improvement Program (CIP) and Public Facilities and Finance Plan (PFFP) Work Program/Scope of Work. The Planning Commission reviewed this draft scope of work on September 28, 2011; comments from the Planning Commission will be verbally reported at the October 5th Council meeting.

On November 18, 2009, the Town Council adopted policy recommendations developed by the Capital Facilities Funding Committee (CFFC). The CFFC recommended the Town reform the CIP by establishing a more comprehensive and rational Resort Investment and Public Facilities Strategy to guide both public and private investment in the community. The PFFP is a part of this overall strategy. The PFFP concept was introduced at the July 27th Joint Commissions workshop on the draft Resort Investment Element.

ANALYSIS/DISCUSSION:

General Plan

The General Plan includes nine elements which focus on different aspects of the town. Additionally, the General Plan includes the Community Vision which embodies important values and principles of the town. The Community Vision describes a high quality of life for our residents with a stable economy that makes Mammoth Lakes a great place to live and work. The PFFP, along with the General Plan Elements, implements this vision of economic sustainability.

Public Facilities and Finance Plan (PFFP) Work Effort

The purpose of the PFFP is to adopt an integrated and reconciled plan for the Town's prioritization, funding, construction, operation, and maintenance of existing and proposed public facilities. The PFFP will allow for the Town to make deliberate and informed decisions about public facilities in a more comprehensive, and less ad hoc, manner than in the past. This strategy will allow the Town to avoid financial missteps, reduce lost opportunities, be adaptive to changing conditions, and attract investment. The PFFP work program will also incorporate the 5-year Development Impact Fee Study.

The PFFP work program is driven and influenced by three programs or components:

1. The 5-Year Capital Improvement Program (CIP),
2. The PFFP facilities list/catalog, and
3. Individual plans and policy documents.

5-Year Capital Improvement Program (CIP)

The 5-year CIP provides a more thorough and comprehensive approach to the short to mid-term planning for asset management (i.e., maintenance and operations of existing facilities and programs) and capital improvement projects. The CIP is reviewed and updated annually, and serves as a planning tool to identify projects for annual funding; the CIP does not appropriate funds.

The CIP will include projects from the PFFP, which includes facilities that are forecast over a longer planning horizon (i.e., 20-years). The Public Works Department manages the comprehensive CIP process. The CIP effort will integrate with the Town budget process and schedule.

Public Facilities and Finance Plan (PFFP)

The PFFP work program is designed to recommend a comprehensive town-wide plan that integrates and reconciles facilities proposed in master plans, district studies, specific plans, RecStrats, DRCEDS, and the General Plan; it will replace the "Master Facilities Plan." The PFFP will describe the scope, available financing tools (including Development Impact Fees) and opportunities, priority, and timing for each individual project or facility such as Air Service; Parks and Recreation; Mammoth Lakes Trails System; Event, Festival, and Cultural Facilities; Public Parking; Streets; Hardscape and Landscape; Storm Water Management; Municipal Buildings; and Vehicles.

The PFFP is a coordinated effort between the Community Development and Public Works Departments. This program implements a number of General Plan goals and policies.

Individual Plans and Policy Documents

The Town has a large number of individual plans and policy documents that identify recommended public facilities. As part of the initiation of the PFFP process and CIP annual review and update, staff is conducting a review of these plans and documents to compile a list of identified projects and/or facilities. The list of plans and documents to review is extensive; some examples of these documents are:

1. Airport Layout Plan
2. General Bikeway Plan
3. General Plan
4. Master Facilities Plan
5. Mobility Plan
6. Neighborhood District Plans
7. Park and Recreation Master Plan
8. RecStrats
9. Sidewalk Master Plan
10. Storm Drain Master Plan
11. Trail System Master Plan
12. Transit Plans
13. Other Master and Specific Plans (e.g., Clearwater, Juniper Ridge, Snowcreek, etc)

The compilation and reconciliation of the facilities identified in these plans and documents will allow for a comprehensive understanding of all proposed and anticipated public facilities and projects. The PFFP will then organize all of the facilities by scope, available financing tools and opportunities, priority, and timing.

Commission and Public Involvement

The CIP and PFFP will be developed through a transparent community-based process, with extensive Commission and public involvement. Joint Commission workshops will be scheduled throughout the process. Separate individual Commission meetings will be scheduled to review the CIP and PFFP project and facilities specific to the Commission's expertise and focus (e.g., recreation projects and facilities will be reviewed with the Recreation Commission).

CIP/PFFP Committee

Staff is requesting the Council appoint a CIP/PFFP Committee that will be involved throughout the CIP and PFFP processes and will make recommendations to the Commissions and Council. The Council requested the list of DIF Blue Ribbon Committee and Capital Facilities Financing Committee (CFFC) members to assist in establishing the members for the CIP/PFFP Committee (Attachment 2).

The DIF Blue Ribbon and CFFC Committees have already completed extensive work on the subject of public facilities and financing tools, and maintaining some continuity between those Committees and the CIP/PFFP Committee is desirable.

It is anticipated that the CIP/PFFP Committee will include representatives from the following areas:

- Town Council representatives (TBD)
- Planning Commission representative (Rhonda Duggan)
- Airport Commission representative (Pam Murphy)
- Mobility Commission representative (John Vereuck and/or Sandy Hogan)
- Public Arts Commission representative (TBD)
- Recreation Commission representative (TBD)
- CFFC Committee representatives (Chuck Lande and Jim Smith)
- Economic Stimulus Council representative (Dan O'Connell)
- Others as appointed by Town Council

The Committee's first meeting is expected to be held before the end of October 2011.

Draft Work Program/Scope of Work

The CIP/PFFP work program/scope of work is laid out in conjunction with the fiscal year budget process. The overall CIP and PFFP work program includes the following major phases.

Phase 1 (October 2011 through January 2012)

- Approve scope of work, which includes the PFFP and CIP (Asset Management Plan and Capital Improvements Projects) for public review as part of the budget process.
- Appoint CIP/PFFP Committee.

- Recommend a revised list of needed facilities, major facilities that should be studied and re-scoped, and the priority of plans to update and revise (building on the CFFC recommendations, Master Facilities list, and the review of adopted and draft plans and strategies).
- Recommend financing and implementation approaches for the revised list of facilities (including the application of development impact fees and potential new sources of fiscal revenues).
- Present Committee recommendations to Town Council and receive direction.

Phase 2 (February 2012 through June 2012)

5-Year CIP

- Complete public and Commissions review of draft CIP.
- Town Council FY 2012-2013 Fiscal Year Budget and CIP review and approval.

PFFP

- Research and develop new fiscal resources.
- Modify Development Impact Fees as directed and prepare the 5-year Development Impact Fee Study.
- Present recommendations to Town Council and receive direction.

Phase 3 (July 2012 through June 2013)

- Update planning documents as directed.
- Resize/re-scope and prepare feasibility studies for key projects.

The complete and detailed Draft CIP/PFFP Work Program/Scope of Work is included as Attachment 1.

TOML Fiscal Strategy

Situations and events including the recession, CFFC Committee recommendations, Town Budget, discussions about Mammoth View fee reductions, as well as the Economic Stimulus Council (ESC) have made it apparent that there is a need for a clear and pointed Town fiscal strategy. Additionally, the coming year will pose different challenges than past years due to legal obligations. These have raised important questions about what the Town's fiscal goals and objectives are and how they can be achieved:

- What are our fiscal goals and objectives relative to transient occupancy, sales and property tax revenues?
- What strategies achieve these goals and objectives?
- What tactics implement the strategies?

Building on the General Plan and DRCEDS as well as remarks made by people attending the ESC workshops, staff has outlined the following fiscal goals, objectives, and strategies which serve as a starting point for the development of a fiscal strategy:

Key Resort Goals (Excerpted from DRCEDS):

1. Annually increase Town visitation and occupancy rates.
2. Stabilize and strengthen local businesses.
3. Annually increase municipal revenues and their reliability.

Key Fiscal Objectives:

- a. Improve revenue collection
 - i. Implement TOT enforcement program
 - ii. Streamline and automate payment
 - iii. Receive payment more timely (monthly)

- b. Increase visitation and occupancy
 - i. Increase return visits
 - ii. Extend length of stay
 - iii. Increase shoulder season visits

- c. Improve town-wide Average Daily Rate (ADR) and RevPAR (revenue per available room)

- d. Improve and increase nightly lodging
 - i. Improve existing nightly lodging product
 - ii. Increase nightly lodging product
 1. Brand hotel
 2. Hotel and motel
 3. Condominium and single family rental

- e. Develop new fiscal revenue sources
 - i. Facility assessment district
 - ii. Maintenance assessment district
 - iii. Business improvement district
 - iv. Increase taxes
 - v. Increase local share of taxes

Key Resort Strategies (DRCEDS):

1. Air service

2. Mobility
3. Visitor driving activities, programs and services
 - a. Meeting and conference spaces
 - b. Indoor and outdoor event venues
4. Place-making
5. Prepare for reinvestment
6. *Attract investment (new)*
7. Natural resources
8. Marketing and promotion
9. Special events and cultural arts
10. Business assistance, diversification and retention
11. Market-focused government

This outline underpins both the Economic Development Program and the 5-year CIP/PFFP program; as such they are contained in each staff report.

OPTIONS ANALYSIS:

Option 1: Approve, with any modifications, the Draft Work Program/Scope of Work for the Capital Improvement Program and Public Facilities and Finance Plan.

Option 2: Do not approve the Draft Work Program/Scope of Work for the Capital Improvement Program and Public Facilities and Finance Plan.

Option 1 would allow staff to continue working on the CIP and PFFP work effort with clear direction and support from Council.

Option 2 may result in a short postponement of work on the CIP and PFFP, until Council approves an acceptable scope of work.

VISION CONSIDERATIONS:

Implementation of a Capital Improvement Program and Public Facilities and Finance Plan advances the General Plan Community Vision of being a great place to live and work by providing a stable economy, a broad range of community services, and a participatory government. The CIP and PFFP would also assist the Town if being a premier, year-round resort based on outdoor recreation, multi-day events, and an ambiance that attracts visitors by identifying and planning for projects that support these activities. Lastly, the CIP and PFFP would also help in offering a variety of transportation options that emphasize connectivity, convenience, and alternatives to use of personal vehicles with a strong

pedestrian emphasis, by including related projects in the list of facilities and asset management.

FINANCIAL CONSIDERATIONS:

Staff time for this work effort was budgeted in the FY 2011-2012 work program for the Community Development and Public Works Departments. The funding opportunities and strategies for each facility will be identified in the CIP and PFFP.

STAFFING CONSIDERATIONS:

This work effort was identified in the FY 2011-2012 work program for the Community Development and Public Works Departments. Town staff will support this work program, as well as support the CIP/PFFP Committee.

ENVIRONMENTAL CONSIDERATIONS:

The required environmental review process will be completed for each project in the CIP and PFFP prior to construction.

LEGAL CONSIDERATIONS:

The CIP and PFFP work effort will consider and include an evaluation of legal issues related to Development Impact Fees (DIF) and other fees, as appropriate.

RECOMMENDATION:

Therefore, it is recommended that the Town Council: choose Option 1 and approve, with any modifications, the Draft Work Program/Scope of Work for the Capital Improvement Program and Public Facilities and Finance Plan.

Attachments

Attachment 1: Draft CIP/PFFP Work Program/Scope of Work

Attachment 2: Capital Facilities Financing Committee (CFFC) and DIF Blue Ribbon Committee members

ATTACHMENT 1

5-Year Capital Improvement Program (CIP) & Public Facilities and Finance Plan (PFFP) Work Program / Scope of Work

September 26, 2011

1. July – October: Program Initiation

- a. Begin fiscal year CIP development, review, and approval process
- b. Staff prepares background data and information
- c. Staff begins to compile PFFP facilities list from plans and policy documents
- d. Initial Commission review of CIP and introduction of PFFP concept:
 - i. Joint Commission Meeting (7/27/11)
 - ii. Recreation Commission (9/19/11)
 - iii. Mobility Commission (9/20/11)
- e. Work program/scope of work approved:
 - i. Planning Commission review (9/28/11)
 - ii. Town Council review (10/5/11)
- f. Town Council appoints CIP/PFFP Committee (10/5/11)
- g. Joint Commission Workshop following Council direction (10/12/11 tentative)

2. October – November: CIP/PFFP Committee Introduction and Background

- a. CIP/PFFP Introduction
 - i. Review committee purpose established by Town Council
 - ii. Review work program and approach
- b. CIP/PFFP Background
 - i. Financial and community outlook (EPS report), fiscal strategy, adopted strategies
 - ii. Finance and implementation tools (funding approaches, funding sources and mechanisms)
 - iii. Asset management and capital facilities best practices

3. **December – January: CIP and Compiled PFFP Facilities List Review**

a. CIP

- i. CIP/PFFP Committee and Commissions review CIP:
 1. Asset Management Plan
 2. Capital Improvement Projects
 3. Commissions focus on projects and facilities under their expertise or focus (i.e., Recreation Commission reviews recreation projects and facilities)
- ii. Staff assembles revised CIP based on Committee and Commission comments

b. PFFP

- i. Staff completes compiled PFFP facilities list
- ii. CIP/PFFP Committee reviews compiled PFFP facilities list applying fiscal strategy, financing and implementation tools, and asset management and capital facilities best practices
- iii. Joint Commission workshop to review compiled PFFP facilities list

4. **February – March: Publish Draft CIP and Draft PFFP Facilities List**

a. CIP

- i. Draft 2012-2013 5-year CIP published for public review
- ii. Committee and Commissions review Draft CIP
 1. Recommend needed facilities and projects
 2. Recommend funding strategies and tools
- iii. Present Committee and Commissions CIP recommendations to Council for direction

b. PFFP

- i. Staff researches and develops potential new fiscal resources
- ii. Staff revises compiled PFFP facilities list based on Committee and Commissions comments, and includes draft prioritization
- iii. Modify Development Impact Fees (DIF) as directed and initiate the 5-year DIF Study
 1. Evaluate and address financial and legal considerations related to DIF

- iv. Draft revised PFFP facilities list prepared and published for public review
- v. Present PFFP facilities list to Council for direction

5. **March – April: Revise Draft CIP and Draft PFFP Facilities List**

- a. Staff revises draft CIP and draft PFFP facilities list based on Council direction
- b. CIP/PFFP Committee final review draft CIP and draft PFFP facilities list
- c. Joint Commissions workshop to make final recommendations to Council

6. **April – May: Fiscal Year Budget Review**

- a. Town Council reviews final draft CIP and final draft PFFP facilities list
- b. Revise and reconcile draft CIP, draft PFFP facilities list, and budget

7. **June: Fiscal Year Budget and CIP Adoption**

- a. Town Council adopts Fiscal Year Budget and CIP (appropriates funds for capital projects and asset management)

8. **July – June (FY 2012-2013): Follow Up**

- a. CIP
 - i. Implement CIP funded projects (on-going throughout fiscal year)
 - ii. Re-size/re-scope and prepare feasibility studies for key projects
 - iii. Annual 5-year CIP review process (initiated every October) (see above steps for CIP annual review, excluding PFFP tasks)
- b. PFFP
 - i. Revise DIF (as appropriate)
 - ii. Final PFFP document
- c. Update planning documents as directed

ATTACHMENT 2

Capital Facilities Financing Committee Members (July 09 – August 10)

- Mayor – Neil McCarroll
- Recreation Commissioner – Bill Sauser
- John Cunningham
- Chuck Lande
- Jim Smith
- Tony Taylor

DIF Blue Ribbon Committee Members (2007)

- Town Council Representatives – John Eastman (Neil McCarroll alternate) and Kirk Stapp
- Planning Commission Representative – Elizabeth Tenney, Rhonda Duggan, and Jo Bacon (includes alternates)
- Airport Commission Representative
- Recreation Representative – Shields Richardson
- Gordon Alper
- Mark Carney
- Stacy Corless
- Mary Ann Dunnigan
- Rusty Gregory
- Brent Harper
- Dave Harvey
- Catherine Hiatt
- Byng Hunt and/or Brian Muir
- Craig Knight
- Chuck Lande
- Paul Rowan
- Eric Wasserman
- John Wentworth