

CITY OF YUBA CITY  
STAFF REPORT

**Date:** May 21, 2019  
**To:** Honorable Mayor & Members of the City Council  
**From:** Administration  
**Presentation by:** Diana Langley, Interim City Manager

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**Summary**

**Subject:** Bogue Stewart Master Plan – Master Tax Exchange Agreement – Designation of Council Sub-Committee

**Recommendation:** Designate two City Councilmembers to assist with negotiations of a Master Tax Exchange Agreement with Sutter County for a period of less than one year

**Fiscal Impact:** Nominal – Staff time to participate and assist with negotiations

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**Purpose:**

To work with Sutter County to prepare a Master Tax Exchange Agreement for the Bogue Stewart Master Plan.

**Background:**

The Bogue-Stewart Master Plan (BSMP) guides the orderly development of 741.5 acres located along the southern edge of Yuba City outside the existing Sphere of Influence (Attachment 1). The BSMP provides for a mix of residential and commercial uses, parks and recreational sites, and public facilities.

The Draft BSMP and corresponding Draft Environmental Impact Report (EIR) were released for public comment on May 3<sup>rd</sup> with the comment period closing on June 17<sup>th</sup>. The goal is to have the Planning Commission consider the Draft BSMP and Draft EIR in September followed by Council consideration in October. If the project is approved by the City Council, the next step will be to file an application with the Sutter County Local Agency Formation Commission (LAFCo) requesting an expansion of the City's Sphere of Influence. In order for the LAFCo Board to consider the project, a Master Tax Exchange Agreement (MTEA) must be in place between the City and Sutter County.

In 2000, Sutter County and Yuba City entered into a MTEA which delineates allocation of local tax revenues (including Property Tax and Sales Tax) and provision of local services such as Police/Sheriff and Fire. The current MTEA only applies to the City's existing Sphere of Influence (Attachment 2).

**Analysis:**

On February 26, 2019, the Sutter County Board of Supervisors awarded a Professional Services Agreement to David Taussig & Associates to serve as chief negotiator for sales and property tax sharing negotiations (Attachment 3).

The City has hired Al Johnson Consulting, LLC, to perform the following scope of work (Attachment 4):

- Meet with City to recommend alternatives and strategy for dealing with tax sharing negotiations and Sutter County
- Meet with elected and appointed City staff regarding the Agreement
- Meet with County elected officials and/or appointed officials
- Review fiscal reports prepared by the County
- Prepare various memos or reports for City staff as needed

With the public release of the Draft BSMP and Draft EIR, the project is at a point to start discussions with the County related to the MTEA. To facilitate discussion, staff is requesting that the City Council appoint two Councilmembers to assist with negotiations with the County. It is anticipated the Sutter County Board of Supervisors will also appoint two Supervisors to assist with negotiations. The two Council negotiators will work with the consultants and staff to negotiate a MTEA for the BSMP.

**Fiscal Impact:**

There will be nominal costs associated with staff time to work on the development of the BSMP MTEA.

**Alternatives:**

Direct staff to work with the consultants to develop a BSMP MTEA without direct assistance from Councilmembers.

**Recommendation:**

Designate two Councilmembers to assist with negotiations of a Master Tax Exchange Agreement for a period of less than one year.

**Attachments:**

1. Bogue Stewart Master Plan Map
2. 2000 Master Tax Exchange Agreement between the City and Sutter County
3. Sutter County Staff Report – David Taussig & Associates Agreement
4. Al Johnson Consulting, LLC scope of work

**Prepared and Submitted by:**

*/s/ Diana Langley*

Diana Langley  
Interim City Manager

**Reviewed by:**

Finance

RB

City Attorney

SLC by email

# ATTACHMENT 1

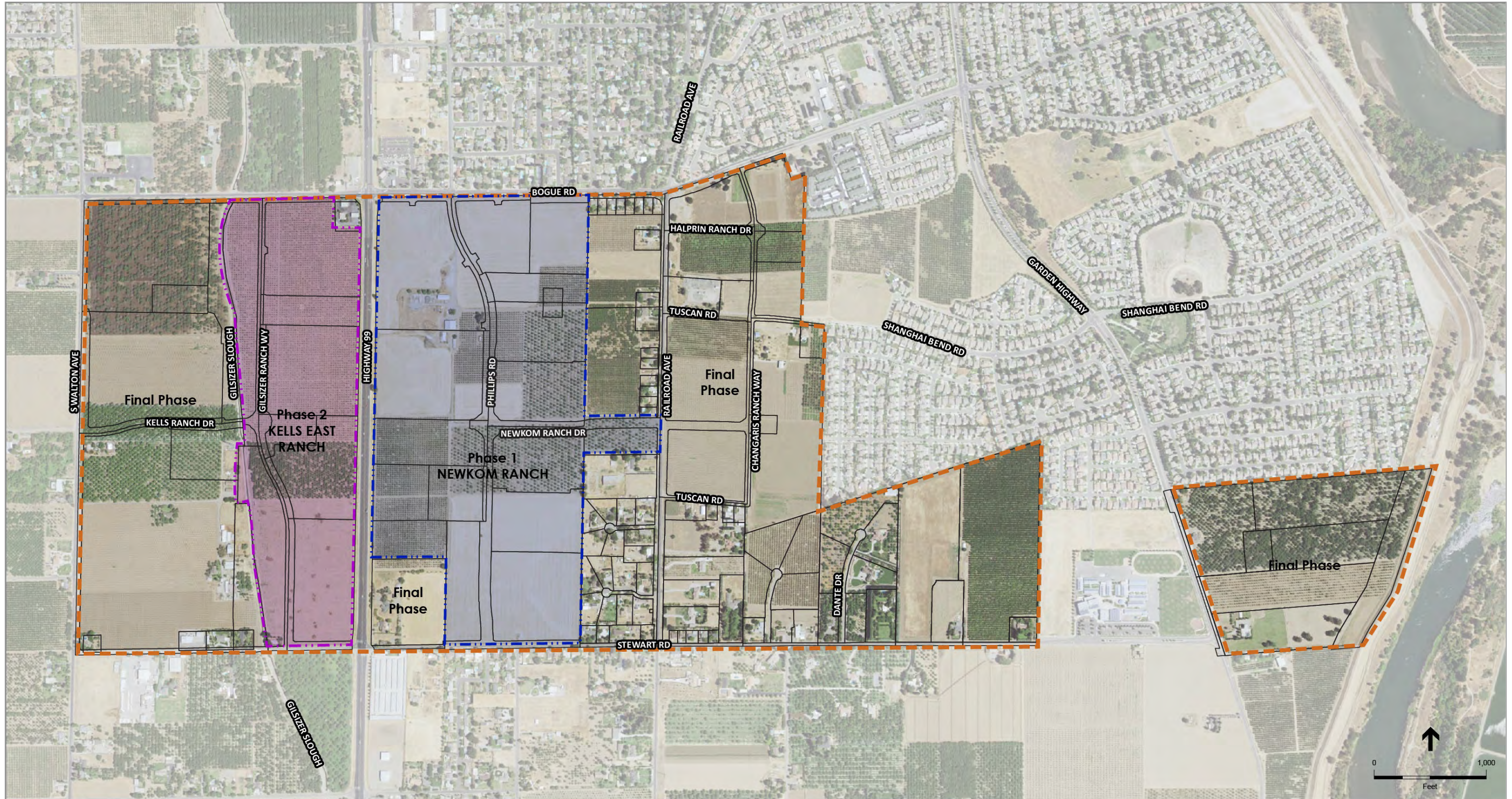


Figure I-2: BSMP Phase Areas

# ATTACHMENT 2

BEFORE THE CITY COUNCIL OF THE CITY OF YUBA CITY AND THE  
BOARD OF SUPERVISORS, COUNTY OF SUTTER, STATE OF CALIFORNIA

AMENDMENT TO THE JOINT	)	
RESOLUTION OF THE SUTTER COUNTY	)	SUTTER COUNTY
BOARD OF SUPERVISORS AND THE	)	RESOLUTION NO. 07-050
YUBA CITY SPHERE OF INFLUENCE	)	
PLANNING, SALES TAX SHARING, AND	)	YUBA CITY
A MASTER PROPERTY TAX EXCHANGE	)	RESOLUTION NO. 07-075
<u>AGREEMENT</u>	)	

WHEREAS, on July 6, 2000, the Sutter County Board of Supervisors and the Yuba City City Council adopted a joint resolution providing for Yuba City Sphere of Influence planning, sales tax sharing, and a master property tax exchange agreement, a copy of which is attached as Exhibit 1 and incorporated by reference; and

WHEREAS, the agreement, in part, established two law enforcement patrol beats, and provisions and statistical thresholds for transferring service responsibility in these beats from the County Sheriff's Department to the City Police Department; and

WHEREAS, the City and County believe it is in the public interest that the boundaries of the law enforcement beats be amended and that the City Police Department should, notwithstanding the thresholds established in the Agreement, assume responsibility for providing service in the north beat as soon as possible.

NOW, THEREFORE, BE IT RESOLVED THAT the July 6, 2000 Agreement be, and hereby is, amended by adding Section XI to the Agreement as follows:

- XI. Notwithstanding any other provision of this Agreement, the City and County agree to redefine the boundaries of the South Beat and the North Beat as described in Paragraph VI-C and Attachment B of this Agreement. Effective January 1, 2008, the boundaries of the two Beats will be as shown on Attachment E.
1. Effective January 1, 2008, the City will assume full law enforcement responsibility for the incorporated territory within the North Beat.
  2. In recognition of the assumption by the City of law enforcement services in the North Beat pursuant to (1) above, the County's Guaranteed Amount will be reduced by 25% in Fiscal Year 2007-08, and by 50% commencing with Fiscal Year 2008-09.

All other provisions of the Agreement shall remain the same.

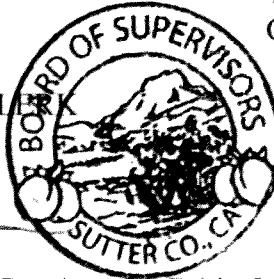
PASSED AND ADOPTED this 21<sup>st</sup> day of August 2007, by the following vote of the Council Members, City of Yuba City and the Board of Supervisors, County of Sutter:

AYES: Supervisors Montna, Cleveland, Munger, Whiteaker, and Silva  
NOES: None  
ABSENT: None  
ABSTAIN: None



DAN SILVA  
CHAIRMAN BOARD OF SUPERVISORS

ATTEST:  
JOAN BECHTEL, COUNTY CLERK



By   
DEPUTY

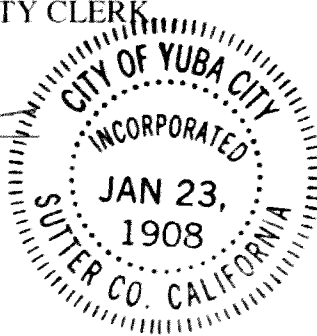
AYES: Councilmembers Ramirez, McBride, Maan, and Mayor Miller  
NOES: None  
ABSENT: Councilmember Gill  
ABSTAIN: None



JOHN MILLER  
MAYOR, CITY OF YUBA CITY

ATTEST:  
TRACI SLOAN, DEPUTY CITY CLERK

By 

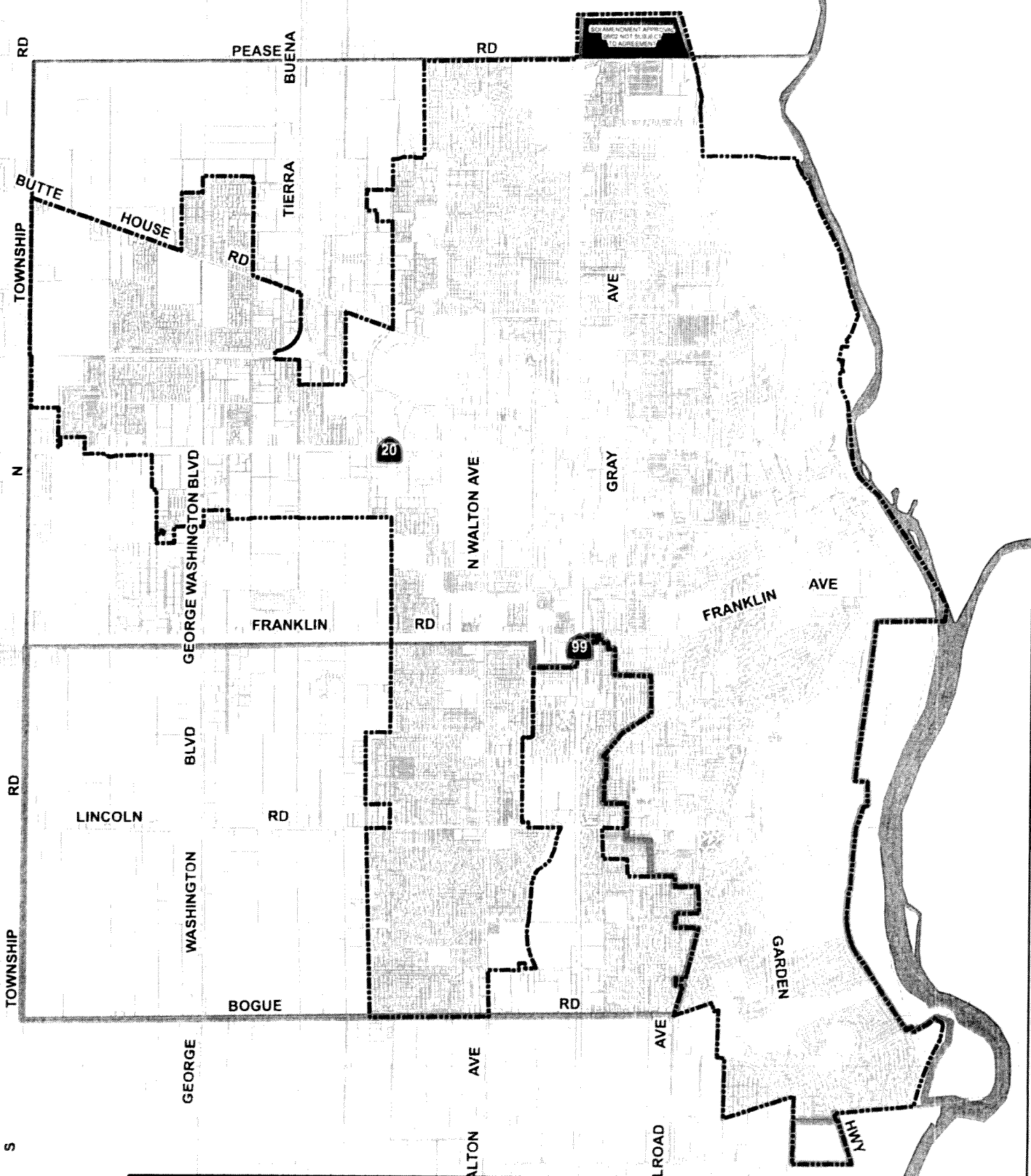


NUESTRA

# ATTACHMENT E

## AMENDED MASTER TAX EXCHANGE AGREEMENT

ADOPTED AUGUST 21, 2007  
(BUTTE COUNTY RESOLUTION NO. 2007-001)  
 (YUBA CITY RESOLUTION NO. 2007-001)



	City Limits		Not Subject to Agreement		North Beat (Includes all Franklin Rd addresses)
	Sphere of Influence		County Coverage		South Beat
	City Coverage				



COPY

00-115 <sup>cor</sup>  
1150

BEFORE THE CITY COUNCIL OF THE CITY OF YUBA CITY AND THE BOARD OF SUPERVISORS, COUNTY OF SUTTER, STATE OF CALIFORNIA

JOINT RESOLUTION OF THE SUTTER )	
COUNTY BOARD OF SUPERVISORS AND )	SUTTER COUNTY
THE YUBA CITY CITY COUNCIL )	RESOLUTION NO. <u>00-050</u>
PROVIDING FOR YUBA CITY SPHERE OF )	
INFLUENCE PLANNING, SALES TAX )	YUBA CITY
SHARING, AND A MASTER PROPERTY TAX )	RESOLUTION NO. <u>00-092</u>
EXCHANGE AGREEMENT )	
_____ )	

WHEREAS, the Sutter County Local Agency Formation Commission (LAFCO) periodically receives applications for changes of organization and reorganizations involving the City of Yuba City; and

WHEREAS, the LAFCO Executive Officer is prohibited by law from issuing a Certificate of Filing for such applications until the City of Yuba City (City) and the County of Sutter (County) determine, pursuant to section 99 of the California Revenue and Taxation Code, the amount of property tax revenues to be exchanged between and among the local agencies whose service areas or responsibilities will be altered should the reorganization or change of organization occur; and

WHEREAS, the local agencies affected by such changes of organization or reorganizations are the City, the County, with respect to both its general fund and its special road fund, the Walton Fire Protection District the Sutter County Consolidated Street Lighting Maintenance District, and the Urban Area Street Lighting Maintenance District; and

WHEREAS, Proposition 11, which was enacted by the State of California's electorate on November 3, 1998, added subsection (b) to section 29 of article XIII of the state Constitution which authorizes counties and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor provisions, and that is collected for them by the state;

NOW, THEREFORE, BE IT RESOLVED that the following agreement is entered into by the County and City to provide, pursuant to section 99 of the Revenue and Taxation Code, for the exchange of property tax revenues among and between the affected local

agencies, and for the apportionment of sales tax revenue between the City and County, and for certain provisions regarding the land-use planning of properties within the Yuba City Sphere of Influence, all of which provisions are to be applicable to changes of organization or reorganizations which occur during the period of effectiveness of this agreement. Either or both the City and/or the County are authorized to present this resolution to LAFCO and/or the LAFCO Executive Officer so long as the master property tax exchange agreement incorporated herein has not been cancelled.

I. Land-Use Planning

- a. Land-use planning within the City's unincorporated sphere of influence will be a joint effort by the County and the City. The joint planning of this area shall commence by January 1, 2001, and will result in an amendment to both the City and the County general plans.
- b. The parties intend that the product of this planning process will be for the City and County to adopt General Plans for the unincorporated sphere of influence which are consistent, provide for orderly growth, the prevention of premature development and urban sprawl; and recognize the City's role as the provider of urban services in the sphere of influence.

II. Exchange of Base Revenue Tax Dollars Between the County of Sutter General Fund Property Taxes and the City of Yuba City:

- a. It is agreed that the amount of base revenue tax dollars equal to forty-five percent (45%) of the product of "A x B x C" as in this section defined shall be transferred from the property tax revenue of the County of Sutter general fund to the property tax revenue of the City of Yuba City, effective with the first fiscal year commencing after the lien date on which the change of organization or reorganization is placed on the tax roll:

" A" equals: The total tax rate in effect in the tax rate area(s) of the annexing properties during the fiscal year in which the organization or reorganization is completed, exclusive of voter approved tax rates for the redemption of bonds, and

" B" equals: The taxable assessed valuation of all property, both real and personal, of the annexing territory as shown on all assessment rolls of the County of Sutter and the State of California for the fiscal year during which the organization or reorganization is completed, and

" C" equals: The percentage of the total property taxes levied within the tax rate areas of the annexing property which are distributed to the Sutter County general fund in the fiscal year during which the organization or reorganization is completed.

### III. Exchange of Base Revenue Tax Dollars Between the County of Sutter Special Road Property Taxes and the City of Yuba City

It is agreed that an amount of base revenue tax dollars equal to one hundred percent (100%) of the product of " A x B x C" as in this section defined shall be transferred from the property tax revenue of the County of Sutter Special Road Fund to the property tax revenue of the City of Yuba City, effective with the first fiscal year commencing after the lien date on which the organization or reorganization is placed on the tax roll.

" A" equals: The total tax rate in effect in the tax rate area(s) of the annexing properties during the fiscal year in which the annexation is completed, exclusive of voter approved tax rates for the redemption of bonds, and

" B" equals: The taxable assessed valuation of all property, both real and personal, of the annexing territory as shown on all assessment rolls of the County of Sutter and the State of California for the fiscal year during which the organization or reorganization is completed, and

" C" equals: That percentage of the total property taxes levied within the tax rate areas of the annexing property which are distributed to the Special County Road fund in the fiscal year during which organization or reorganization is completed.

IV. Exchange of Base Revenue Tax Dollars Between the Walton Fire Protection District and the City of Yuba City

It is agreed that an amount of base revenue tax dollars equal to one hundred percent (100%) of the product of " A x B x C" as in this section defined shall be transferred from the property tax revenue of the Walton Fire Protection District to the property tax revenue of the City of Yuba City, effective with the first fiscal year commencing after the lien date on which the organization or reorganization is placed on the tax roll.

" A" equals: The total tax rate in effect in the tax rate areas) of the annexing properties during the fiscal year in which the organization or reorganization is completed, exclusive of voter approved tax rates for the redemption of bonds, and

" B" equals: The taxable assessed valuation of all property, both real and personal, of the annexing territory as shown on all assessment rolls of the County of Sutter and the State of California for the fiscal year during which the organization or reorganization is completed, and

" C" equals: That percentage of the total property taxes levied within the tax rate areas of the annexing property which are distributed to the Walton Fire Protection District in the fiscal year during which the organization or reorganization is completed.

Nothing in this agreement shall prevent the City and Walton Fire Protection District from reaching a contractual agreement to provide fire service.

## V. Tax Increments

The tax increments for the current and future years will be automatically distributed according to the new percentages within the new tax rate area which are based on the base revenues as transferred into this new tax rate area.

## VI. Sales and Use Tax Apportionment

A. For the purposes of this section VI, the following geographic area definitions shall apply:

1. Area A--Subject to the following exceptions, Area A includes the entire unincorporated area within the City's sphere of influence as of July 1, 2000. Those properties included in the Harter Annexation are included in Area A. The unincorporated islands within the City limits are excluded from Area A, although the sales tax collected within the island areas will be included in the County's guaranteed sales tax amount as discussed below.
2. Area B--The area within Area A annexed into the City after July 1, 2000, and the land included within the Harter annexation.
3. Area C--Area A minus Area B.

The boundaries of each area on July 1, 2000, are shown on Attachment A.

B. Establishing the Guaranteed Amount: The amount of sales tax received by the County and attributed to Area A for the year preceding July 1, 2000 (the base year) shall be the amount of sales tax guaranteed to County (guaranteed amount), adjusted as provided in this subsection B and subsection C:

1. When the original guarantee amount is calculated, major sales tax generators (as defined in B.2 below) shall be checked to confirm that sales tax from other offices of that business outside of Area A are not calculated into the Area A guaranteed amount.
2. For a major sales tax generator in Area A (a business that generates in excess of \$70,000 in local sales tax

revenue in the year preceding July 1, 2000) the following shall apply:

a) If, in any year after the base year, the amount of sales tax that a major sales tax generator creates drops below its portion of the original guaranteed amount by 25 percent or more, the guaranteed amount for that year shall be reduced by the same amount as the generator's sales tax decrease. However, if the total sales tax in Area A does not decrease, then the guaranteed amount shall not be reduced. If the decrease in total sales tax in Area A is less than the amount of reduction caused by the loss in tax revenue from the major tax generator, then the decrease in the guaranteed amount shall be that lesser amount.

b) If a major sales tax generator vacates Area A, the guaranteed amount shall be reduced by the original base year sales tax generated by that generator. However, if the total sales tax in Area A does not decrease, then the guaranteed amount shall not be reduced. If the decrease in total sales tax in Area A is less than the amount of reduction caused by the loss in tax revenue from the major tax generator, then the decrease in the guaranteed amount shall be that lesser amount. This subsection shall not apply if the business vacates Area A by moving its location into the incorporated area of the City as it existed prior to July 1, 2000.

3. The City's guarantee to the County of a portion of the sales tax also shall not apply to the shortfall resulting from a decline in sales tax in Area A below the guaranteed amount.

C. Both the County and the City agree to transfer law enforcement responsibilities from the County to the City when the City has annexed sufficient dwelling units for City police to service either of the two existing patrol beats. "Dwelling units" as used in this subsection means residential units or structures for which building permits have been issued. When City police have assumed the provision of law enforcement service to either of the beats, the guaranteed amount will be reduced by fifty percent (50%). The two beats are shown on Attachment B, but are generally the area south of Highway 20 (South Beat) and

the area north of Highway 20 (North Beat), within the unincorporated sphere of influence. For the South Beat area, this transfer of law enforcement services to the City shall occur when the City has annexed eighty-two percent (82%) of the dwelling units within that beat. Law enforcement responsibilities for the North Beat shall become the responsibility of the City once ninety percent (90%) of the dwelling units in that beat area are annexed into the City. County and City agree to develop a contract for law enforcement services within Area B. The contract will include the existing level of service and appropriate indemnification.

County and City agree to work together to develop a procedure to transition appropriate sheriff's department staff to the City police department in conjunction with these law enforcement responsibility transfers.

When the City has assumed responsibility for all law enforcement within both beats, the City will no longer ensure receipt by the County of a guaranteed amount of the sales tax although the percentages set out below shall continue to apply.

D. Establishing the Percentage of Sales Tax Shared: County and City agree to share sales tax generated within area A in the following ratios:

1. Years one through five of this agreement:

Area B - The City shall pay to the County 100% of the sales tax until the guaranteed amount is achieved. Once the guaranteed amount is met for all of Area A, the City shall pay to the County 12.5% of the sales tax generated within Area B.

Area C - The County shall retain 100% of the sales tax until the guaranteed amount is achieved. Once the guaranteed amount of Area A is met, the County shall pay to the City 12.5% of the sales tax County receives from properties within Area C after deducting the guaranteed amount.

2. Years six through ten of this agreement:

The percentage of sales tax to be paid after the amount guaranteed to the County by this agreement has been met shall be 12% in year six, 11.5% in year seven, 11% in

year eight, 10.5% in year nine, and 10% in year ten. These are the percentages of sales taxes generated within Area B which the City shall pay the County after the guaranteed amount has been reached and, after deducting the guaranteed amount, the County shall pay to the City from sales taxes generated within Area C.

3. Year eleven and beyond:

The percentage of sales tax paid between the City and County shall remain at 10%.

E. Calculating the Payment:

Once a year the County and the City shall apply this formula to the sales tax collected for the previous year and calculate the amount to be paid by and to each entity. The calculation shall be based on the July 1-June 30 period prior to a meeting that shall occur prior to November 15 of each year between City and County staff. At that meeting, the calculation shall be made and a transfer of funds which reflects the result of the calculation shall be made by January 15 of the next year.

F. Sales Tax Examples: See Attachments C & D.

VII. Street Lighting Contributions:

Upon annexation of properties, the City shall take over those County street-lighting districts, or portions thereof, covering the properties annexed. City will receive all shares of property tax and assessments received by those districts or portions thereof to the extent legally permissible.

VIII. Scope:

The provisions of this resolution and agreement apply only to lands within the Yuba City Sphere of Influence. This Agreement and Resolution amends and supercedes the provisions of the Property Tax Revenue and Sales Tax Revenue Exchange Agreement applicable to the Harter property annexation to the City of Yuba City approved by Resolution 99-02 of the Local Agency Formation Commission of the County of Sutter all as contemplated by section VII of that earlier agreement.



IX. Cancellation of the Agreement:


Either party may cancel this agreement on 180 days' written notice to the other. If this agreement is ever cancelled by either party, the apportionment of taxes and assessments, including sales taxes, for the properties annexed while this agreement was in effect shall remain the same unless re-negotiated and agreed to by both parties. This provision shall survive cancellation of this agreement.

X. Counterparts:

This joint resolution and agreement may be signed in one or more counterparts and shall be effective when signed by the Chairman of the Board of Supervisors and the Mayor of Yuba City.


This joint resolution of the Board of Supervisors of the County of Sutter and the City Council of the City of Yuba City was duly introduced, passed, and adopted at a special meeting of both entities thereof on the 6th day of July, 2000.

AYES: Supervisors Kroon, Nelson, Bechtel, Akin, and Munger  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
JOAN BECHTEL  
Chairman, Board of Supervisors

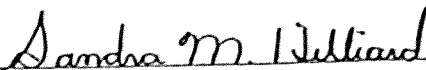
ATTEST:

LONNA B. SMITH, COUNTY CLERK

By   
Deputy



AYES: Councilmembers Barkhouse, Doolittle, Hellberg, Welch, and Mayor Hilliard  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
SANDRA HILLIARD  
Mayor, City of Yuba City

ATTEST:

SUSAN PEARSON, CITY CLERK

  
\_\_\_\_\_  
Susan Pearson

ATTACHMENT C

Sales Tax Example

Assumptions:

1. Area A base year sales tax (July 1, 2000) - \$1,000,000
2. Sales tax exchange rate - 87.5% and 12.5%
3. Sales tax in year 2003 (no services dropped as yet):
  - Area A = \$1,500,000
  - Area B = ( 300,000)
  - Area C = \$1,200,000

In Year 2003:

County would receive:

1. Guaranteed amount - \$1,000,000
2. 12.5% of Area B since guaranteed amount is met - 37,500
3. 87.5% of Area C minus \$1,000,000 - 175,000
- Total - \$1,212,500

City would receive:

1. 87.5% of Area B since guaranteed amount is met - \$ 262,500
2. 12.5% of Area C minus \$1,000,000 - 25,000
- Total \$ 287,500

Grand Total - \$1,500,000

ATTACHMENT D

Sales Tax Example with the South Beat Services Transferred

Assumptions:

1. 50% of area A base year sales tax (July 1, 2000) - \$500,000
2. Sales tax exchange rate - 87.5% and 12.5%
3. Sales tax in year 2004 (with South Beat transferred):
  - Area A = \$1,500,000
  - Area B = ( 503,000)
  - Area C = \$ 997,000

In Year 2004:

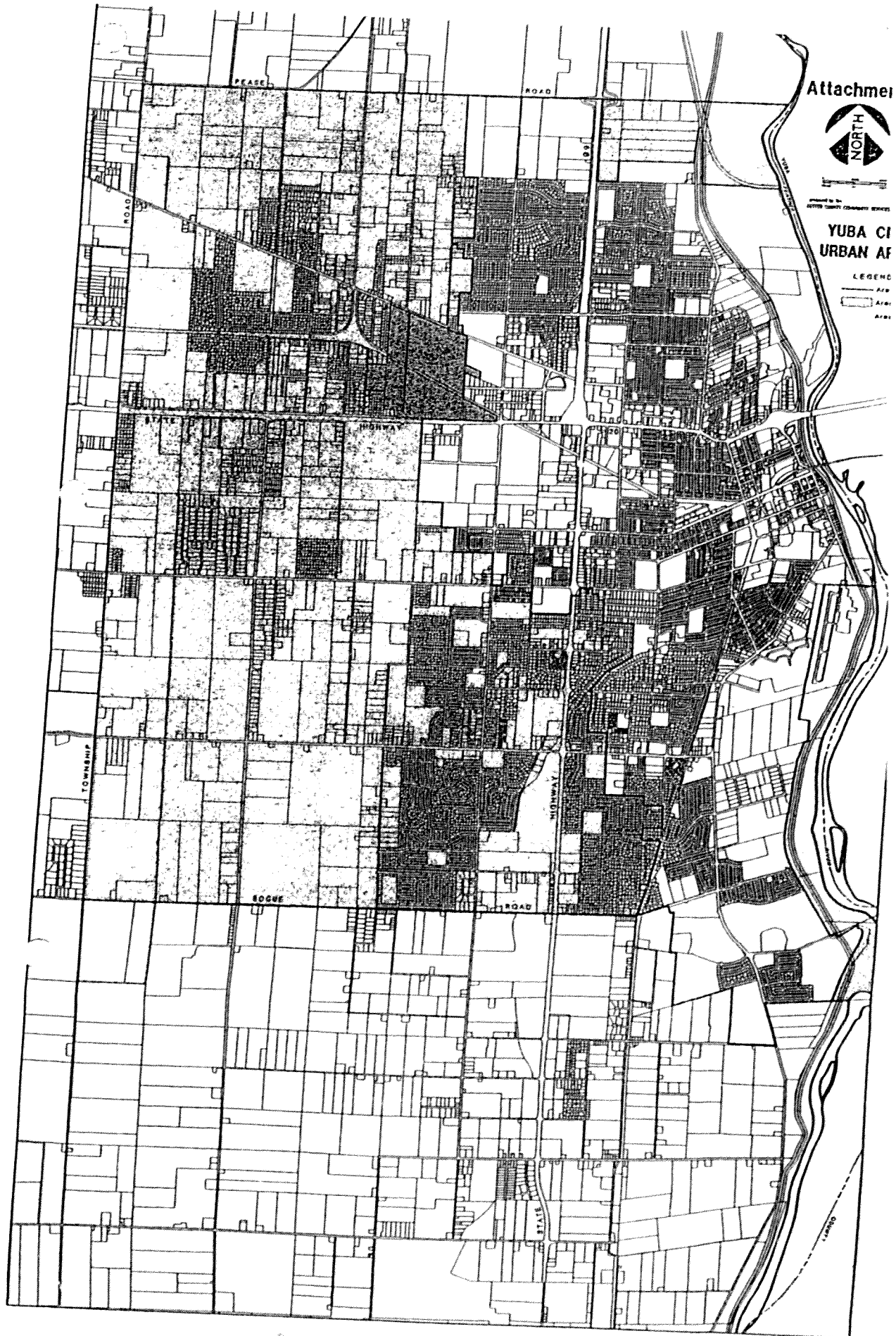
County would receive:

1. Reduced guaranteed amount - \$ 500,000
2. 12.5% of Area B - 62,875
3. 87.5% of Area C minus \$500,000 - 434,875
- Total - \$ 997,750

City would receive:

1. 87.5% of Area B - \$ 440,125
2. 12.5% of Area C minus \$500,000 - 62,125
- Total - \$ 502,250

Grand Total - \$1,500,000



Attachment



Prepared by the  
COUNTY CLERK'S OFFICE

### YUBA CITY URBAN AREA

LEGEND

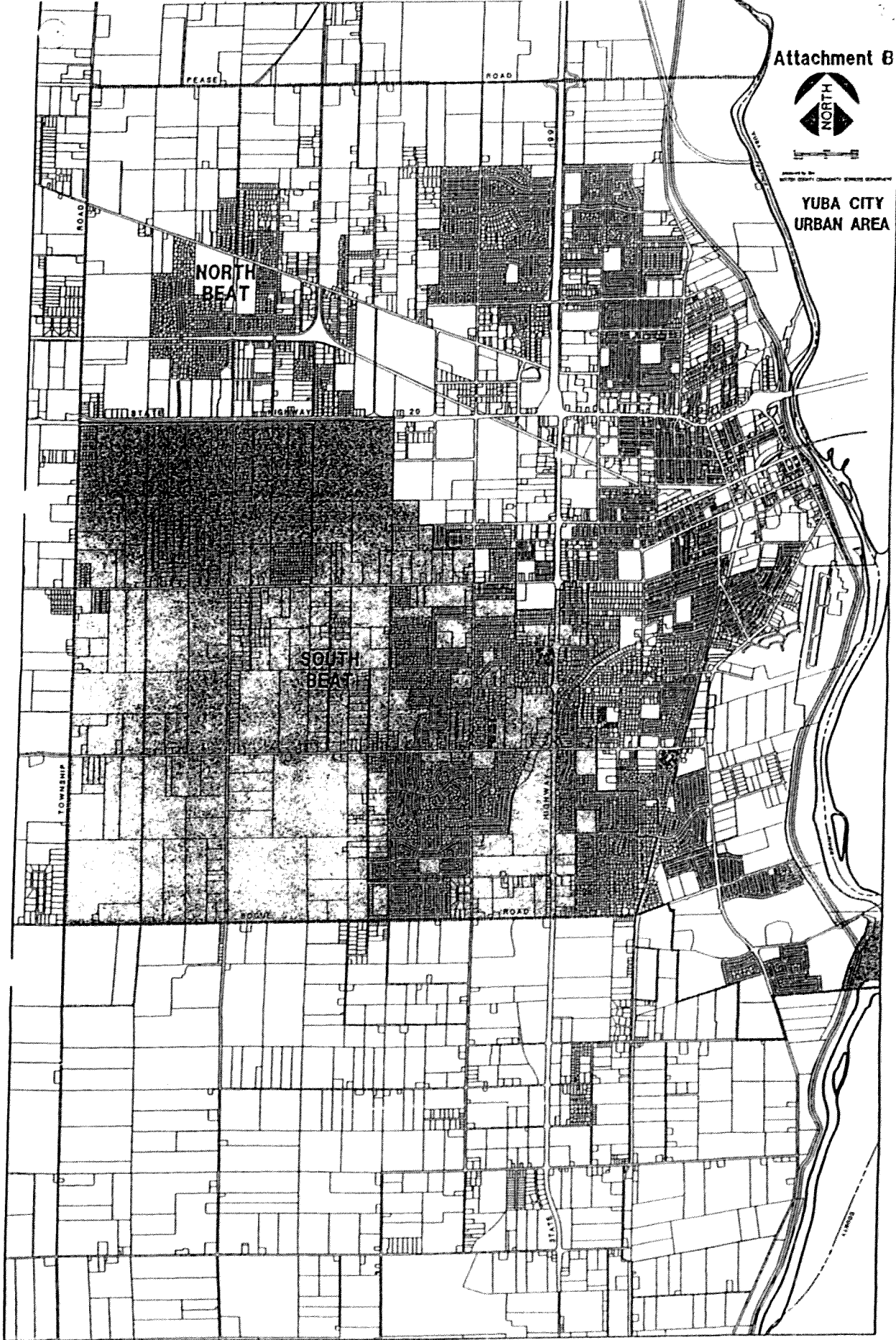
- Road
- ▭ Area
- ▭ Area

Attachment B



Prepared by  
Yuba County Planning Services Department

YUBA CITY  
URBAN AREA



# ATTACHMENT 3



Agenda Date: February 26, 2019  
Agenda Placement: CONSENT CALENDAR

## SUTTER COUNTY BOARD OF SUPERVISORS

### Board Agenda Staff Report

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**To:** Honorable Board of Supervisors

**From:** Steven Smith, Interim County Administrator

**Department:** County Administrator

**Subject:** Approval of the proposed Professional Services Agreement in the amount of \$25,000 with David Taussig & Associates to serve as Chief Negotiator for Sales and Property Tax Sharing Negotiations

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**Recommendation:**

The Board of Supervisors approve the proposed Professional Services Agreement with David Taussig & Associates to Serve as Chief Negotiator for Sales and Property Tax Sharing Negotiations.

**Background:**

Over the past two decades, Yuba City has pursued annexations of various areas within its Sphere of Influence. In order to effectuate such annexations, Sutter County and Yuba City entered into what is known as a Master Tax Exchange Agreement (MTEA) which delineates allocation of local tax revenues (including Property Tax and Sales Tax) and provision of local services (such as Police/Sheriff and Fire).

Over the past few years, Yuba City has been pursuing annexation of what it refers to as "South Yuba City" (otherwise known as the "keyhole" area). In order for staff to fully understand the impact of such annexations, an independent and objective financial review of the effect of past annexations and the proposed South Yuba City annexation is needed.

In addition, Yuba City is seeking to expand its existing Sphere of Influence southward to allow for development of the Bogue-Stewart Master Plan area. In order to do this, a new MTEA would need to be prepared for this area.

Given the potential significant General Fund financial impact, the Board authorized staff to prepare a third-party financial review. With this goal in mind, on November 14, 2017, the Board approved a professional services agreement with David Taussig & Associates to look at all impacted revenue sources (Property Tax, Sales Tax, Gas Tax, Franchise Fees, Special District revenues, etc.) and expenditures/service levels (Sheriff, Fire, Streets/Roads, District Attorney, Probation, Public Defender, Facilities, Support Services, Administration, etc.).

Multiple angles of analysis have been progressing as planned. With these analyses nearing completion, staff now is preparing for future tax sharing negotiations with the City of Yuba City. With David Taussig & Associates' experience in doing these analyses, staff now requests their services in representing the County as Chief Negotiator for tax sharing negotiations. Their proposal is attached to this staff report as "Exhibit A."

RESPONSE TO REQUEST FOR  
QUALIFICATIONS (RFQ)

COUNTY OF SUTTER

CHIEF NEGOTIATOR  
FOR  
SALES AND PROPERTY TAX SHARING  
NEGOTIATIONS

PROPOSAL SUBMISSION DEADLINE:  
Friday, January 4, 2019  
3:00 p.m.

Public Finance  
Public Private Partnerships  
Urban Economics  
Clean Energy Bonds

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Newport Beach  
San Jose  
San Francisco  
Riverside  
Dallas  
Houston





**CHIEF NEGOTIATOR  
FOR  
SALES AND PROPERTY TAX SHARING NEGOTIATIONS**

**PROPOSAL SUBMISSION DEADLINE:  
FRIDAY, JANUARY 4, 2019, AT 3:00 P.M.**

**Prepared for  
MATT MICHAELIS, DEPUTY COUNTY ADMINISTRATIVE OFFICER  
Sutter County Administrative Office  
1160 Civic Center Blvd, Suite A  
Yuba City, CA 95993  
(530) 822-7100**

**Prepared by  
DAVID TAUSSIG & ASSOCIATES, INC.  
100 West San Fernando Street, Suite 430  
San Jose, CA 95113  
(800) 969-4382**

## COVER LETTER

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January 4, 2019

Attention: Matt Michaelis, Deputy County Administrative Officer  
Sutter County Administrative Office  
1160 Civic Center Blvd, Suite A  
Yuba City, CA 95993

**RE: Response to RFQ for Chief Negotiator for Sales and Property Tax Sharing Negotiations**

Dear Mr. Michaelis,

**DAVID TAUSSIG & ASSOCIATES, INC. ("DTA")** is pleased to submit this proposal to the County of Sutter (the "County"). It is our understanding that the County is seeking a qualified Financial Planning firm to represent the County as it pursues equity during property and sales tax sharing negotiations related to various annexations.

Notably, DTA performed the recent fiscal impact analysis for the "Keyhole Area," which tests the Master Tax Exchange Agreement between Yuba City and the County.

Past projects in the region include assisting Butte County in establishing a Community Facilities District Procedure Manual in order to finance public infrastructure, facilities and services, and assisting Yuba County with development impacts fees for both the County and the newly formed South Yuba Transportation Improvement Authority ("SYTIA"). We have also been retained by El Dorado County to provide a fiscal impact model to help the County and Board of Supervisors evaluate proposed projects and development agreements, and public financing advisory services, including assistance in identifying and exploring options available for financing public projects.

**Additionally, DTA has been licensed and registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor (No. 867-01160) and is in compliance with all of the fiduciary requirements associated with this designation.**

As described in greater detail in the attached statement of qualifications, DTA is a public finance consulting firm in San Jose with offices located elsewhere in Newport Beach, San Francisco, and Riverside, California, as well as Dallas, Texas and Houston, Texas. Since its establishment in 1985, DTA has completed consulting assignments pertaining to the financing of public infrastructure and services for over 3,000 clients in ten (10) states. During this period, the firm has been involved in the formation of over 1,500 public finance districts, with total authorized bonded indebtedness over \$60 billion. Our financing programs have utilized a variety of public financing mechanisms such as Community Facilities Districts ("CFDs"), EIFDs, Assessment Districts, Certificates of Participation, Redevelopment Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Landscaping and Lighting Districts, Integrated Financing Districts, and various types of fee programs.

**DTA's level of experience with the formation and issuance of bonds for CFDs is unequalled, as our firm is the State of California's leading special tax consultant, having prepared special tax formulas on behalf of public agencies for the establishment of over 1,000 CFDs. In addition, we have substantial experience with tax increment financing through our role as Fiscal Consultant on dozens of redevelopment tax allocation bonds.**

DTA's greatest strength, aside from our ability to retain senior staff persons for as long as twenty-five (25) years, is our ability to combine a variety of public finance programs on the same project. DTA can utilize CFD financing, benefit area impact fee programs, various types of revenue bonds, State grants, New Markets Tax Credits, and other programs to cover any potential funding shortfall.

## COVER LETTER

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DTA is also heavily involved in the fiscal and economic analysis of land development impacts, project feasibility studies, retail market analyses, and economic development studies. Our firm's ability to thoroughly analyze the revenues and costs to a local jurisdiction resulting from new development relates specifically to our extensive experience in the fiscal impact analysis of land development projects. DTA staff has prepared over 675 fiscal impact reports ("FIRs") estimating the revenue and cost impacts of various land use decisions on cities, counties, and special districts.

Over the past 33 years, DTA has earned the trust of public agencies, bond investors, and other industry participants. Our name is synonymous with quality, accuracy, and responsiveness. DTA stays abreast of legal, political, and economic events affecting our fields of expertise, and we are often the innovator of new techniques and methodologies that are necessary to adapt to a new public finance environment. Notably, all of our managers at the Vice President level and above have obtained a Series 50 license as a registered Municipal Advisers with the SEC/MSRB, under rules promulgated following the Dodd-Frank Act in 2010.

If you have questions regarding this proposal, please call me at (800) 969-4382. My staff and I look forward to the prospect of working with the County to promote sustainable growth.

Best regards,



Nathan D. Perez, Esq.  
Managing Director  
Phone: (800) 969-4382  
Fax: (408) 340-1130  
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## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

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David Taussig and Associates, Inc. (“DTA”) is a public finance consulting firm with a national practice focusing on public private partnerships and the establishment and implementation of infrastructure and public services financing programs for local municipalities in California and ten (10) other states. Organized as a corporation, the firm is based in San Jose, California. DTA also has branch offices in Newport Beach, Riverside, and San Francisco, California, as well as Dallas and Houston, Texas. The firm currently employs more than 65 public finance professionals. **Real estate/public finance consulting is the singular focus of the services provided by DTA.**

Sections I.A through I.F below, provide an overview of our firm’s experience and the qualifications of our key personnel, respectively.

### A. EXECUTIVE SUMMARY

Since its formation in 1985, DTA has assisted over 3,000 public and private sector clients in meeting their infrastructure and public services goals. **DTA has been licensed and registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor (No. 867-01160) and is in compliance with all of the fiduciary requirements associated with this designation.** Additional information on DTA is available on our website ([www.taussig.com](http://www.taussig.com)).

DTA’s consulting services include the following:

- Enhanced Infrastructure Financing District (“EIFD”) Formation and Ongoing Management
- Assessment Engineering and Special Tax Consulting
- Annual Administration of Assessment Districts and Community Facilities Districts
- Proposition 218 and AB 1600 Compliance Studies and User Fee Studies
- **Public Infrastructure and Public Services Financing Strategies**
- Public Private Partnerships
- **Fiscal and Economic Impact Analyses**
- Clean Energy Bonds
- Federal and State Grant, Loan, and Tax Credit Applications
- Economic Development and Revitalization Studies
- Public Improvement Construction Management Services

DTA has been involved in the formation of over 2,000 public finance districts, with total authorized bonded indebtedness over \$60 billion. Our financing programs have utilized a variety of public financing mechanisms such as Community Facilities Districts (“CFDs”), 1913/1915 Act Assessment Districts (“ADs”), 1972 Act Landscaping and Lighting Districts (“LLDs”), Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Integrated Financing Districts, and various types of fee programs. **DTA’s level of experience with special district formations is unequalled, as our firm is the State of California’s leading special tax and assessment consultant, having prepared special tax and assessment formulas on behalf of public agencies for the establishment of over 1,200 CFDs, ADs, and LLDs.** DTA also has considerable experience establishing a variety of financing districts and property owner associations for the purpose of funding public service shortfalls created by new development.

On a statewide basis, DTA has planned and implemented public facilities financing plans that have ranged from the quantitative analysis of a single financing mechanism for an individual facility, to the preparation of a comprehensive financing plan, covering multiple facilities and public services through a series of financing mechanisms. We at DTA feel strongly that our financial analyses provide public officials, and landowners and other interested parties, with the

## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

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level of information to make fully informed decisions regarding land use, infrastructure, and public services financing issues. **DTA staff has extensive experience working with various stakeholder groups including public agencies, public agency municipal staff, residents, local chapters of the Building Industry Association, the Chamber of Commerce, and other interested parties.**

DTA's special assessment formulas, some of which have been in use since 1985, are based on a variety of methodologies that have withstood the test of time and legal scrutiny. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing. DTA's knowledge and experience has enabled our firm to maximize the capacity of land-secured financing programs while minimizing burden on homebuyers and other property owners.

DTA has earned the trust of public agencies, bond investors, and other industry participants. Our name is synonymous with quality, accuracy, and responsiveness. Our clients understand there is a quantifiable difference to our consulting services, a clear edge over the competition. Clients that retain us to clean up after our competitors' mistakes do not leave.

DTA is committed to excellence and innovation which allows us to attract and retain the most experienced and knowledgeable personnel in the industry. Our work product is simply better. And our commitment to our clients' needs is unsurpassed. We have been providing leading edge annual special tax setting/assessment levy services for over 33 years.

### B. DETAILED DISCUSSION

#### 1. Fiscal Impact Analysis

DTA has been preparing Fiscal Impact Reports ("FIRs") utilizing computerized models since its formation in 1985, and over the past 30 years has prepared over 675 such analyses related to the fiscal impacts of proposed and existing development and land use plans on the General Funds and Special Funds of cities and other public agencies. As these developments and plans have included a variety of land uses and have often encompassed unique taxing structures (e.g., redevelopment project areas, county fire districts, etc.) that have required the preparation of specialized modules within DTA's computer models, DTA has accrued a series of models that can be adapted to virtually any type of land use. **To date, DTA's FIRs have been prepared in conjunction with general plans, specific plans, community plans, environmental impact reports, incorporations and annexations, reuse studies, general plan amendments, development agreements, and individual project proposals, covering different types of residential, commercial/industrial, and mixed-use projects.**

The objective of each FIR prepared by DTA is to ensure that public services are adequately financed in a timely manner and are allocated in a way that is equitable, financially feasible, and consistent with local and regional guidelines and policies. DTA's fiscal impact models typically utilize a combination of a Per Capita/Employee Multiplier Approach which emphasizes average expenditures and revenues on a Countywide basis, and a Case Study Approach, which provides revenue and cost data specific to a project or land use plan that is under consideration for approvals. The Per Capita/Employee Multiplier Approach tends to work best for revenues and costs that are uniform County-wide (e.g., franchise and licensing fees and permits, County management and library services costs), while the Case Study Approach is employed for revenues and costs that

are more individualized by project (e.g., property and sales tax revenues, and landscape

**Demographic and Employment Projections:** There are numerous sources of information on existing and projected population and employment within a jurisdiction, and it has been DTA's experience that all such information must be considered and analyzed in the development of an accurate FIR model. The projections prepared by SACOG and other regional agencies are generated on a top-down basis, and often do not consider local zoning and growth restrictions. On the other hand, local zoning and other land use restrictions do not consider the actual regional demand for certain land uses, and therefore are often misleading in assuming that certain development may occur when there is little demand in the foreseeable future for such development. A common example of this problem is the over-zoning of commercial development, with a local jurisdiction approving entitlements for millions of square feet of retail and office space that will not occur for decades.

Having dealt with conflicting demographic data in much of its previous work, DTA staff has developed expertise in balancing population and employment projections from regional planning agencies with local planning documents to determine the likely timing and magnitude of population and employment growth. These projections are significant, in that the need for services (and associated services costs) are often a function of the number of future residents and employees within a newly developing area, and measuring the ability of a city or county to fund these services is the major reason for preparing a FIR.

**Funding Fiscal Impact Shortfalls:** Once the FIR model has been completed, it is sometimes determined that new development (particularly residential development) will not pay its own way. DTA has expertise not only in the preparation of FIRs and related computer models, but also in developing methods of dealing with fiscal shortfalls. Through the use of special financing districts, property owner associations, enterprise funds, and other creative mechanisms, DTA has contributed to balanced services funding programs for new communities throughout the State. This expertise would prove to be of substantial benefit to the County in implementing its plans once the computer model is completed.

In terms of economic impact analyses, DTA has prepared over 125 economic impact studies for public agencies and land development firms that identify the general economic impacts of a future or existing development or plan on a municipality in terms of economic output gains or losses, and job and wage creation opportunities. General economic impacts include additions to economic output (gross receipts or sales), earnings (the wages, salaries and benefits, other labor income, and employer and employee contributions to social security) and employment (number of average full- and part-time jobs). DTA subscribes to the IMPLAN economic analysis data base service, which we utilize to determine induced and indirect economic impacts that act as multipliers to the direct economic impacts of new development and plans. Our firm's economic analyses also distinguish between one-time impacts that occur on a non-recurring basis because of construction activity, and impacts that recur annually over the entire term of a development's life.

2. Public Financing Advisory Services

DTA has provided public finance consulting services to virtually every major City and County in California. Our County clients have included, but are not limited to, the Counties of Alameda, Butte, Colusa, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Luis Obispo, Santa Barbara, Santa Clara, Shasta, Sutter, Stanislaus, and Yuba. DTA has also provided public finance consulting services for over 325 school districts, water districts, and fire protection districts throughout the state.

As a pioneer in the industry, our firm is well acquainted with the variety of options available in the State of California for financing public projects. To give a few examples, following is a summary of DTA's experience with respect to Community Facilities Districts ("CFDs"), Assessment Districts ("ADs"), and Lighting and Landscape Maintenance Districts ("LLDs").

**CFD Formation:** While DTA's financing district formation consulting services have covered all types of residential, commercial, and mixed-use developments, we have been particularly successful in financing infrastructure for large-scale projects, including dozens of planned communities. DTA has been singularly responsible for a majority of the technical innovations which have occurred in the special tax consulting field, and many of these innovations are now considered standards in the industry. For example, DTA developed and implemented the first CFD "back-up" taxes, the first efficient special tax prepayment formula (which is now employed industry-wide), special tax zones and improvement areas, principal buydown formulas that allow for flexibility in the land uses ultimately developed within a CFD, and other innovations that strengthen the credit worthiness of CFD bonds. Listed below are examples of some additional techniques that DTA pioneered which are now being employed throughout the State:

- Utilization of escalating debt service to increase bonding capacity in CFDs.
- Employment of a series of CFDs or one CFD with a series of Improvement Areas or zones for a multi-issue bond program, so future residents cannot lower the Special Tax and void future bond issues, and to increase bonding proceeds by reflecting increases in property values when later Improvement Areas or zones are established.
- Combining a series of small CFD bond issues, sometimes on separate properties owned by small landowners, into a Marks-Roos Bond Pool to attain economies of scale and build regional as well as local improvements.
- Establishment of boundaries for a CFD that include properties affected by the CFD's improvements, as well as properties located elsewhere (sometimes owned by the same landowner) in order to increase the CFD's land values for value to lien purposes. The properties located elsewhere can be removed from the CFD when the properties affected by the financing have appreciated to a satisfactory level of value.
- Combining tax-exempt and taxable bonds within a CFD bond issue to finance public and private improvements.



## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

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- Establishment of an A-B bond structure, with senior and junior liens, where B bonds convert to A bonds automatically as property within the CFD is developed.

DTA's special tax formulas have been utilized to provide debt service coverage for the sale of hundreds of land-secured bond issues and have provided the firm with considerable experience working with landowners, public agencies, underwriters, bond counsels, and financial advisors to provide special tax apportionment methods satisfactory to all parties. DTA has also worked frequently with institutional bond purchasers, all of whom are familiar with the firm and its expertise in the field of special tax consulting. DTA has also developed substantial experience and a strong reputation in the areas of overlapping debt analysis, value to lien studies, developer disclosure documentation, and other elements of the bond issuance process.

DTA's special tax formulas, some of which have been in use since 1985, are based on a variety of methodologies that have withstood the test of time. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing.

DTA is aware of - and has contributed to - the most innovative and creative concepts in land secured public financing. This knowledge and experience has allowed DTA to *maximize the capacity* of land secured financing programs *while minimizing burdens* on homebuyers and other property owners.

**AD Experience:** Since 1985, DTA has represented hundreds of municipalities in their negotiations with developers and other property owners related to the formation and implementation of ADs as well as CFDs. This has included deliberations related to Development Agreements, Acquisition and Funding Agreements, and a variety of formation documents, including most importantly, Engineer's Reports, as well as special assessment apportionments. We understand developer proformas and the impacts of AD special assessments on property owners' investment returns. Our reputation for developing creative solutions and designing specialized AD apportionments to resolve conflicts between municipalities and property owners has been well established with our municipal clients, as well as among underwriters, bond counsels, and other financial professionals.

From the drafting of appropriate Special District Goals and Policies through the preparation of AD apportionments that constitute a win-win for both public agencies and property owners, DTA has been a leader in the industry. Additionally, we have been able to automate our work through a state-of-the-art cloud-based proprietary software we have developed that enables our firm to handle AD formation and administration work quickly and efficiently for a competitive price.

**LLD Experience:** DTA has unique experience with the application of Lighting and Landscape Maintenance Districts. Since 1991 DTA has acted as Assessment Engineer for over a dozen school district and other public agency initiated LLDs in California. Three of our school district LLDs were challenged by the Howard Jarvis Taxpayers Association in California Superior Court, and all of them were upheld. On August 20, 1992, a Superior Court ruling on DTA's methodology was issued for both Whittier Union High School District and Bonita Unified School District.

In 2003, after the approval of Proposition 218 by the State's voters, DTA provided assessment engineering services for an LLD initiated by the Irvine Unified School District ("IUSD"). The purpose of the LLD is to pay for maintenance and operating costs of IUSD recreation facilities. The Orange County Register issued an editorial in opposition. The Howard Jarvis Taxpayers Association indicated its opposition to the LLD. There was no court challenge, however, which we believe was due in large part to the detailed assessment methodology DTA employed to separate general from special benefits and determine the proportional benefit of each parcel.

Our staff is extremely knowledgeable with respect to the relevant law governing the enrollment of special taxes and has helped establish the industry's practices through our participation in various trade groups, such as CASTOFF. We are also intimately familiar with County Auditor-Controller, Assessor, Treasurer-Tax Collector, and Recorder practices, which is critical for the successful administration of special districts. DTA fully utilizes all Internet resources, and our staff regularly accesses Assessor and title company files as necessary to establish overlapping debt information and perform other due diligence functions related to special district formations and annual administration. We are pleased to provide additional information on our special district administration consulting services upon request.

### C. REAL ESTATE MARKET DEMAND ANALYSIS

When taking on a real estate market demand analysis, DTA's approach is to evaluate high-level supply and demand conditions for each proposed land use to determine the best development option for maximizing residual land value in an area based on market conditions. To meet this objective, DTA identifies and surveys comparable developments regarding pricing and absorption. Resale brokers representing the sale of varying product types are interviewed to better understand the opportunities and risks. The end result enables DTA to make recommendations for development of viable land uses with product suggestions, revenue, and sales targets.

DTA also specializes in commercial and retail market demand analyses to determine the most viable uses for properties that are vacant or are appropriate for rehabilitation or reconstruction. Our firm is also known for its urban decay study analyses ("UDAs"), which utilize DTA's retail market demand studies to determine if a newly proposed retail development will have a deleterious impact on existing retail outlets. DTA's market studies routinely include evaluations of office and industrial components, and retail/commercial reviews.

### D. REAL ESTATE FINANCIAL FEASIBILITY/PROFORMAS

Recent proformas prepared by DTA include (i) the 543-acre master planned residential Highland Hills project in San Bernardino County, (ii) a 450,000-square-foot shopping center project called The Source in Buena Park, and (iii) the Hunters Point Shipyard redevelopment project in San Francisco.

DTA's proformas not only measure project feasibility, but they can also determine the highest and best use for a site. Each proforma considers real estate market trends and projected product absorption levels, horizontal and vertical development and construction costs for both onsite and offsite improvements, fees, sales and marketing costs, and product pricing to determine potential profit levels (e.g., internal rates of return) and residual land values based on both leveraged and unleveraged financing scenarios. Through a systematic, thorough, and objective financial analysis of each parcel, DTA can ensure that the agency can gain a clear understanding of the potential profits – and, more importantly, costs - of developing a specific parcel of real estate.

## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

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Our firm can also summarize the pros and cons of land sale versus ground lease versus joint venture options for a property owner.

### E. PUBLIC PRESENTATION EXPERIENCE

Senior management team personnel from DTA have made formal presentations at literally hundreds of public meetings attended by public agency staff, governing boards and councils, land developers and builders, bond investors, professional associations, associated government councils, investment bankers, hedge funds, colleges and universities, and State legislators. We have also been frequently assigned to meet with groups of stakeholders, such as citizens' groups and homeowner associations, to introduce finance programs or to diffuse problematic situations.

Because of DTA's vast experience and ability to stay abreast of new developments in public finance, each of DTA's senior members has made dozens of presentations to professional organizations such as the Urban Land Institute, League of California Cities, California Society of Municipal Finance Offices, Coalition of Adequate School Housing, and the California Redevelopment Association. We have also spoken to classes and conferences held at USC, UCLA, and UC Davis. In addition, DTA has been heavily involved in working with state legislatures in Illinois, Hawaii, New Mexico, and Washington in successfully enacting public finance legislation similar to California's Community Facilities District Act. This has involved series of presentations to separate committees, and the entire legislative bodies in these states.

DTA's staff has developed presentations for a wide variety of audiences and interested parties. This has enabled our clients to attain enough understanding to adopt financing programs for public infrastructure and services. If selected for this engagement, a DTA Vice President or above will attend public forums, workshops, Planning Commission meetings, County Board of Supervisor meetings and/or City Council meetings, as requested by the County.

### F. QUALIFICATIONS OF THE PROJECT TEAM

DTA has assembled a project team to provide fiscal impact studies, and related real estate/public financing advisory services to the County, with the breadth of experience needed to provide these services in a professional and timely manner. The County's work would primarily be handled out of DTA's office located in San Jose.

**Project Team:** DTA's proposed key project team members are as follows:

**Nathan Perez, ESQ:** Principal-in-Charge/Legal Review – Mr. Perez will handle primary account responsibilities for this engagement and would be responsible for any technical and legal analysis required of DTA. He will attend meetings as necessary and supervise all project staff.

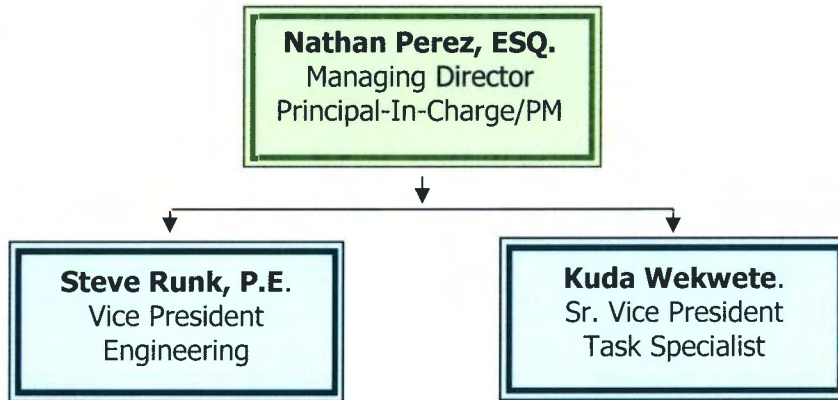
**Stephen Runk, PE:** Engineering Review – Mr. Runk, a DTA Vice President, will be responsible for any engineering work related to DTA's services. This engineering work would include the preparation of assessment district diagrams (if requested), and infrastructure needs analysis and costing, as well as benefit apportionments.

**Kuda Wekwete:** Project Manager/Technical Review – Mr. Wekwete, a DTA Senior Vice President, will be the County's primary technical reviewer throughout the course of this engagement.

The senior staff assigned to this engagement includes three (3) staff members, each with over 15 years of experience with our firm. In addition, DTA's Assessment Engineer (State License

## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

Number C23473 – California Registered Civil Engineer) has been in the industry for more than 30 years. An organization chart showing the proposed relationships among the Consultant staff projected to play significant role in the County’s on-call assessment engineering services is presented below. Individual resumes for our proposed key project team members are provided on the following pages.



### NATHAN PEREZ, ESQ.



Managing Director | [nperez@taussig.com](mailto:nperez@taussig.com)  
Project Role – *Principal-In-Charge, Project Manager, Legal Analysis*

Mr. Perez has a background in law, economics, business administration, and statistical analysis. Since joining DTA, Mr. Perez has managed all aspects of the formation and implementation of hundreds of special districts, including Mello-Roos Community Facilities Districts (“CFD”) and Assessment Districts, to fund infrastructure and services throughout California, Washington, Texas, New Mexico, and four other states.

While managing the firm’s Northern California, Texas, and New Mexico practices, he has recently supervised the sale of billions in “new money,” refunding, and parity land-secured bonds, including those involving multiple landowners, improvement areas, bond pools, capital appreciation bond structures, variable rate bond structures, and subordinate bond tranches. Responsibilities relate to the development of hundreds of tax spread proforma analyses, municipal bond documentation concerning issuance (e.g., the Rate and Method of Apportionment) and disclosure, and the preparation of public reports, overlapping debt analyses, development agreement negotiations, escrow release provisions, private placement requirements, and letter of credit determinations.

Mr. Perez has prepared several dozen Public Facilities Financing Plans for municipalities that provide a variety of financing mechanisms to fund infrastructure and public services for new development. He is also responsible for the implementation and structuring of the Statewide Community Infrastructure Program (“SCIP”), which was established by the California Statewide Community Development Authority (“CSCDA”).

Mr. Perez’ background as an attorney has enabled him to assist developers in negotiating development agreements and facilities mitigation agreements with public agencies. His familiarity with a variety of real estate legal issues has also given him a prominent role in assessing the legal impacts of much of DTA’s

## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

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work. This experience has allowed Mr. Perez to effectively and efficiently evaluate dozens of state and Federal legal, regulatory, and administrative frameworks related to public finance and infrastructure development.

Furthermore, Mr. Perez has completed over 155 fiscal impact reports and 75 economic impact development analyses for a variety of residential, commercial, and mixed-use developments throughout California, New Mexico, Washington, and Texas. Mr. Perez also has extensive expertise in the preparation, peer-review, and defense of hundreds of development impact fee studies. This includes considerable work related to the preparation of facilities needs lists and the apportionment of infrastructure and services costs to a variety of land uses based on benefit criteria.

Prior to joining DTA, Mr. Perez worked for the Boston office of an international law firm, where he advised sponsors, managers, and investors on the tax aspects of fund formation and investment. Mr. Perez is admitted to the bar in both Massachusetts and California. Mr. Perez received his law degree from Harvard Law School, and his B.A. in Economics and History, with highest distinction, from the University of North Carolina at Chapel Hill.

Mr. Perez is an active member of the Urban Land Institute (where he both sits as a member of the national Community Development Council and regularly volunteers with the UrbanPlan Program), the California Bar Association, and the Hispanic National Bar Association. He also holds a Series 50 license as a registered Municipal Adviser with the SEC/MSRB, under rules promulgated following the Dodd-Frank Act in 2010.

### STEVE RUNK, P.E.



Vice President, Engineering Services | [srunk@taussig.com](mailto:srunk@taussig.com)  
*Project Role – Price Estimation Engineer (State License Number C23473 – California Registered Civil Engineer)*

Mr. Runk has over 40 years of experience in the design and construction management of major civil engineering projects, including roadways, bridges, sewer and water improvements, and flood control facilities, as well as grading for public works projects and the construction of commercial and industrial buildings. Mr. Runk's specific responsibilities have included design, quality control, specifications, estimates, construction bid packages, construction coordination and construction management, cost analysis and control, scheduling, manpower forecasting, staffing and marketing. He has also assisted public agencies and developers in the procurement of funding from Caltrans and other federal and state agencies.

Mr. Runk has a proven track record of meeting schedules and adhering to budgets. Since joining DTA in 2000, he has worked with local agencies to resolve community issues and to negotiate scope changes

with contractors to ensure the timely and satisfactory completion of construction projects. He has also acted as project manager for the establishment of Assessment Districts and the preparation of numerous AB 1600 Development Fee Justification Studies. Mr. Runk specializes in preparing assessment apportionment formulas and fee studies for roads and storm drains, and water and wastewater facilities.

Prior to joining David Taussig & Associates, Mr. Runk, as Senior Construction Manager for Holmes & Narver, Inc., successfully completed the construction of SR-41 Freeway in Fresno County, which was the County's first Measure "C" sales tax funded freeway. Prior to this project, Mr. Runk successfully completed SR-71 Freeway in Chino/Chino Hills, Calif. This \$98 million project was the first Measure "M" sales tax

## SECTION I ■ CONSULTANT CAPABILITIES AND EXPERIENCE

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funded project for the San Bernardino Association of Governments. Mr. Runk's responsibilities on both included contract management, quality control, public relations, cash flow analysis, project closeout and compliance with Federal and State funding requirements.

Previously, Mr. Runk held positions with various public and private engineering entities in which he delivered projects requiring a wide variety of engineering expertise. He holds a B.S. in Engineering from the University of California at Los Angeles and a M.S. in Civil Engineering from California State University at Long Beach. Mr. Runk is a registered Civil Engineer in the States of California and Washington.

### KUDA WEKWETE



Senior Vice President | [kwekwete@taussig.com](mailto:kwekwete@taussig.com)

*Project Role – Technical Review*

Mr. Wekwete has a background in mathematical modeling and statistical analysis. Since joining DTA in 2005, Mr. Wekwete has been involved in all aspects of the formation and implementation of special districts to fund infrastructure and services, as well as the sale of over \$300 million in Community Facilities District (CFD) bonds. His work has involved the preparation of tax spreads and overlapping debt analyses for the formation and/or sale of bonds for over 125 special Districts established throughout California. In this role, Mr. Wekwete has prepared Rates and Methods of Apportionment, CFD and Engineers' Reports, and documents required for the formation of a CFD, the sale of property, and the annual levying of a special tax.

Mr. Wekwete has also been actively involved in the preparation of impact fee studies, especially in the areas of transportation and flood control infrastructure costing and the apportionment of these costs over various land use types based on benefit criteria. His engineering background has enabled him to assist DTA's Vice President of Engineering Services in preparing applications for State flood control grants under the Prop 84 and Prop 1E Programs, as well as applying a variety of apportionment methodologies to the development of fee studies and the establishment of benefit assessment Districts for public sector clients.

Mr. Wekwete also has experience in the preparation of Fiscal Impact Reports, Tax Increment Analyses, Public Facilities Financing Plans, Stormwater Grants and Implementation Grants, and has performed due diligence services and disclosure documentation for land purchasers, public agencies, and lenders.

Mr. Wekwete received his B.S. in Operations Research & Industrial Engineering from Cornell University. He also holds a Series 50 license as a registered Municipal Adviser with the SEC/MSRB, under rules promulgated following the Dodd-Frank Act in 2010.

## SECTION II ■ WORK PLAN

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As an extension of its previous Fiscal Impact Analysis (“FIA”) work provided to the County, DTA stands ready to assist in the following:

- ✓ Continued refinement of all fiscal, economic, and land use impact models
- ✓ Development and implementation of public finance strategies (for both infrastructure and services)
- ✓ Scenario-analysis of various property and sales tax sharing agreements (“togglng” inputs)
- ✓ Assistance with negotiations/mediations with other public agencies, special districts, LAFCOs, or similar

### FISCAL IMPACT ANALYSIS (“FIA”)

Essentially, a FIA is required by the Cortese-Knox-Hertzberg (“CKH”) Act and LAFCOs to allow for the assessment of the fiscal and Level of Service (“LOS”) impacts on other affected agencies. The FIA consists of three scenarios, or in essence, three Fiscal Impact Analyses (“FIAs”): (1) a fiscal analysis of the annexation area as if it was annexed, this includes the net cost of all services provided by the City through build-out; (2) a fiscal analysis of the annexation area as if it remained unincorporated, this includes the net cost of all services provided by the County (both Countywide and municipal services); and (3) the third analysis determines the net cost of those County services assuming the area is fully annexed. The impact of the annexation itself on the City would be Scenario #1; with the difference between Scenarios #2 and #3 reflecting the impact on the County.

This Fiscal Impact Analysis mainly utilizes a Per Capita/Employee Multiplier Approach (emphasizing average expenditures and revenues) to evaluate the City/County General Fund revenues expected to be generated by the annexation, and to evaluate the costs associated with municipal services expected to be extended by the City to the new area. Under this approach, DTA thoroughly reviews the City/County current annual budget to determine costs related to the City/County provision of services to its residents, and to determine all current City/County revenue sources. DTA ultimately determines the specific costs and revenues associated with the components of the City following annexation. DTA determines whether the annexation is likely to generate a net fiscal surplus or net fiscal deficit for the City/County General Fund.

### PUBLIC FACILITIES FINANCING PLAN (“PFFP”)

Upon request, DTA shall prepare a Public Facilities Financing Plan (the “PFFP”) for Keyhole Area. DTA will propose appropriate financing mechanisms to support all public backbone infrastructure costs (“Public Facilities”) and public services (“Public Services”) associated with the Keyhole Area. The intent of the PFFP will be to ensure that the financial goals and objectives of the County are achieved, and that County public financing policies are appropriately addressed. Some of these goals are listed below:

- All Public Facilities and Public Services listed in the PFFP are adequately financed and provided in a timely manner;
- The County is able to maximize the availability of public debt financing (and the use of federal and state grants and loans) for the Project’s backbone infrastructure needs, while minimizing cashflow payments required from property owners to fund these facilities;
- Public financing for the Project is equitable, financially feasible, efficiently utilized and consistent with County guidelines and public policies, and, when necessary, meets all relevant nexus and benefit criteria;
- Public financing mechanisms avoid, as much as possible, creating a financial and administrative burden to the County.

DTA’s specific objectives in preparing the PFFP are to (1) confirm the required public capital facilities costs and phasing for the public improvements covered by the PFFP, (2) determine the fair share

## SECTION II ■ WORK PLAN

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allocation of facilities costs to different land uses and subareas, (3) select the appropriate public financing mechanism(s) to pay for the Public Facilities and Public Services, (4) compute the annual and total financing burden by land use type and financing mechanism within the Project, (5) provide a quantitative evaluation of the overall feasibility of the proposed land uses and capital facilities subject to public policy and market constraints, and (6) provide a public financing plan implementation blueprint for the County and other agencies.

### OTHER ADVISORY SERVICES

- **Selection of County Team**

This task involves DTA assisting the County in the selection and formation of its extended team, including preparing a list of services required of market consultant, underwriter, appraiser, trustee, verification agent, and other professionals, as necessary.

- **Stakeholder Meetings**

DTA staff shall attend meetings with County and other public agency staff and consultants, as well as other interested parties.

- **Advisory Services**

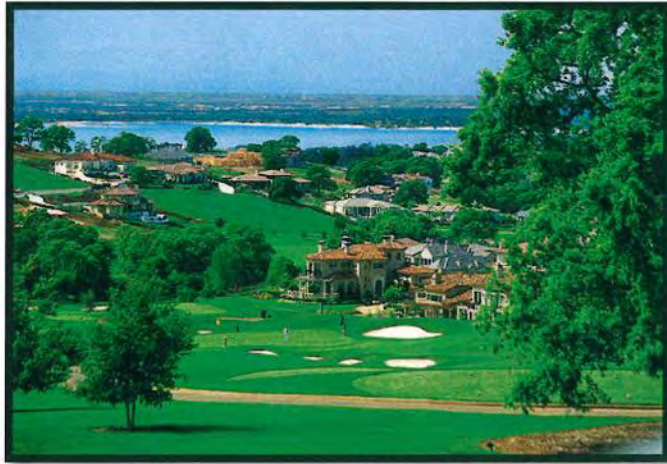
Answer questions and provide technical advice to County regarding the MTEA proceedings and financing during the period in which the tasks above are being completed. These negotiations could involve, but are not limited to, joint community facilities agreements, interlocal agreements, modifications/amendments to the MTEA, MOUs, and various cooperation agreements.

DTA shall:

- ✓ Advise on the appropriate terms and conditions of the negotiation with the County and its counsel to fine-tune the structure including determining covenants, requirements, etc.
- ✓ Estimate potential debt service cost for each financing alternative, as well as operating and maintenance cost for the Projects based on information provided by the County and assess the County's ability to cover these costs.
- ✓ Perform quantitative analyses to assist the County in selecting the most advantageous funding options and review impact to the County.
- ✓ Review existing County debt commitments to determine potential impacts, if any, on the proposed MTEA, and make appropriate recommendations to the County's financing team.



### 1. El Dorado County Community Services District



**Reference:**

Mr. Kevin Loewen  
General Manager  
El Dorado Hills Community Services District

1021 Harvard Way  
El Dorado Hills, CA 95762

Phone: (916) 933-6624  
Email: [Kloewen@edhcsd.org](mailto:Kloewen@edhcsd.org)

**Service Dates:** 2016-Present

The El Dorado Hills Community Services District (EDHCS D) engaged DTA to develop both a Development Impact Fee Study and a Cost Allocation Plan for the District. The purpose of this second plan was to establish a rational and consistent methodology for identifying and allocating indirect costs across the District's various direct cost programs. The Plan provided a basis from which District staff can assess its use of organizational resources, perform expense analyses, and evaluate the costs of performing services. Additionally, it provided an element of transparency on the how the hourly rates for District staff, and consequently the full cost of its service programs, have been determined. The Plan was also used by the District to review and update, annually, its various fees and charges to ensure full cost recovery.

In addition, DTA administers the El Dorado Hills Community's Service District's twenty-eight (28) Landscaping and Lighting Districts (LLADs) with a total annual levy well in excess of \$1 million. To complete these tasks, DTA performs background research based on data provided by the El Dorado Hills Community Services District , including reviewing the engineer's reports and analyzing specific services provided by each underfunded LLAD in the EDHCS D; including the costs assigned for those services and the rationale for the apportionment of costs for those services.

2. Yuba County



**Reference:**

Kevin Mallen  
Director  
Community Development & Services Agency  
Yuba County

918 8<sup>th</sup> Street Suite 123  
Marysville, CA 95901

Phone: (530) 749-5430  
Email: [kmallen@co.yuba.ca.us](mailto:kmallen@co.yuba.ca.us)

**Service Dates:** 2013-Present

DTA updated the County of Yuba's mitigation fee program and AB 1600 Fee Justification Study. The purpose of this study was to identify additional public facilities required by new development and determine the level of fees that may be imposed to pay the costs of the Future Facilities in the County. Public facilities in the areas of Transportation, Law Enforcement, General Government, Quality of Life, Health and Human Services, Criminal Justice, Drainage and Administrative Costs Components required by new development were acknowledged. DTA also identified the level of fees that need to be imposed to finance the expansion or creation of these facilities to adequately serve projected future development in the County.

In addition, DTA is currently involved in the South Yuba Transportation Improvement Authority's (SYTIA) Impact Fee Study. DTA was retained to provide demographic assistance to ensure consistency with the recent countywide fee update and technical assistance to ensure compliance with applicable regulatory frameworks and legal requirements. Specifically, DTA led the effort to create a database of baseline and future demographics, including land use quantities for residential and non-residential uses, population and employment numbers, and anticipated demographic shifts in adjacent jurisdictions that may affect the study area, including other cities within Yuba and adjacent counties such as Placer and Sutter County. The study continues with DTA developing a comprehensive and future demographic database for the entire SYTIA operating area.

3. Kings County



**Reference:**

Rebecca Campbell  
County Administrative Officer  
Kings County

1400 W. Lacey Blvd.  
Hanford, CA 93230

Phone: (559) 852-2375  
Email: [Rebecca.campbell@co.kings.ca.us](mailto:Rebecca.campbell@co.kings.ca.us)

**Service Dates:** 2015-Present

DTA was retained by the County of Kings to conduct a comprehensive study of the Development Impact Fees and completion of a Nexus Study in accordance with the California Mitigation Fee Act. The purpose of this study was to identify the public facilities and community amenities needed to serve future development in the County. Public facilities in the areas of Public Protection, Fire, Library, Animal Control, and Sheriff and Investigative facilities were identified.

DTA also provides continuing reporting services for the County.

6. City of Paso Robles



**Reference:**

Mr. Warren Frace  
Community Development Director  
City of Paso Robles

1000 Spring Street  
Paso Robles, CA 93446

Phone: (805) 237-3860  
Email: [planning@prcity.com](mailto:planning@prcity.com)

**Service Dates:** 2004-Present

DTA is currently working on an update to an original AB 1600 Fee Justification Study that our firm prepared for adoption by the Paso Robles City Council in 2006. DTA's 2006 engagement involved the preparation of the Fee Justification Study and a Fiscal Impact Analysis for the City. DTA prepared its original work in 2006, and has prepared updates in 2009, 2012, and 2014. We are currently working with the City on an additional update to establish new land use categories for small apartments to encourage affordable housing. Major project objectives included a comprehensive review of existing City fee programs and ordinances, identification of needed backbone infrastructure, with emphasis on the transportation facilities required east of State Highway 101, as well as costs related to any existing infrastructure deficiencies in that area, an update of the City's existing fee program, and preparation of a draft ordinance to be utilized by the City for collection of fees.

In addition, DTA also successfully completed the formation of a City-wide Mello-Roos Community Facilities District to mitigate the police and fire protection services shortfalls determined through the preparation of the Fiscal Impact Analysis. Furthermore, DTA has very recently prepared a series of cash flow proformas for each major infrastructure category of the City's Public Facilities Needs List (the "Needs List") for long-term budget and financial planning purposes.

7. City of Irvine



**Reference:**

Kristin Griffith  
Administrative Services  
City of Irvine

1 Civic Center Plaza,  
Irvine, CA 92623

Phone: (949) 724-6255  
Email: [as@cityofirvine.org](mailto:as@cityofirvine.org)

**Service Dates:** 2004-Present

DTA has been the City of Irvine's Public Finance Consultant since 2004. DTA assisted with the formation and is administering all of the City's three Community Facilities Districts. Two of those which are close to buildout are CFD No. 2004-1 (Central Park West), with 1,380 dwelling units and approximately 120,000 square feet of office and retail, and CFD No. 2005-1 (Columbus Grove), which comprises 409 dwelling units. In addition, DTA was the City's Special Tax Consultant for the formation of CFD No. 2012-1, which includes both public improvements and park maintenance services for Heritage Fields, a 5,000-dwelling unit master planned community that includes the City's "Great Park."

CFD No. 2004-1 recently sold a second bond issue, so all of its \$27 million in authorized indebtedness has been issued. CFD No. 2005-1 has also issued all of its bonds (\$24,375,000).

The Great Park is a 1,347 acre metropolitan park on the site of the former El Toro Marine Corps Air Station within the City. In establishing CFD No. 2012-1, DTA was heavily involved on behalf of the City in the negotiation of a series of entitlements and a Development Agreement with the land developer. The firm also prepared numerous Fiscal Impact Reports analyzing a series of alternative proposed land use alternatives to determine which would be most cost-effective to the City to generate sufficient revenues for the General Fund to pay all of the project's costs. In preparing the Rate and Method of Apportionment for the CFD, DTA included a Special Tax A to fund over \$300 million in infrastructure improvements, and a Special Tax B to fund up to \$9 million per year in Great Park operations and maintenance costs.

**Prior Board Action:**

On November 14, 2017, the Board approved the existing professional services agreement with David Taussig & Associates for \$35,000. Staff later returned to the Board to increase the agreement amount by \$25,000 for additional scope of work modifications.

**Board Alternatives:**

The Board may opt to not approve Agreement; however, this would result in delays in the tax sharing negotiating process.

**Other Department and/or Agency Involvement:**

The tax sharing negotiations will primarily be led by the County Administrator's Office.

**Action Following Approval:**

County Administrator's Office staff will work with David Taussig & Associates as needed to complete the tax sharing negotiations with the City of Yuba City.

**Fiscal Impact:**

The proposed Agreement is for \$25,000. This increase will be absorbed by the existing FY 2018-19 Adopted Budget within the Non-Departmental Professional Expense 0001-1103-00-52180. A budget amendment will not be required.

**Standing Committee Review:**

This item was reviewed in the Agriculture/Public Protection and General Government Committee meeting on February 11, 2019 and recommended for consent.

Respectfully Submitted,

*s/ Steven Smith*

Interim County Administrator

**Attachments:**

1. Exhibit A - DTA Proposal
2. INDEPENDENT CONTRACTOR AGREEMENT - DTA

## INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is made and entered into this \_\_\_ day of February, 2019, by and between Sutter County, a political subdivision of the State of California ("County"), and David Taussig & Associates, Inc. ("Consultant").

### RECITALS:

A. County has determined that it is desirable to retain Consultant to serve as Chief Negotiator for Sales and Property Tax Negotiations; and

B. Consultant represents that it possesses the qualifications, experience, and facilities necessary to perform the services contemplated herein and has proposed to provide those services; and

C. The County desires to retain Consultant to perform the proposed services.

County and Consultant agrees as follows:

### AGREEMENT:

1. Scope of Services. Pursuant to Government Code Section 31000, County retains Consultant to perform all the requested professional services which shall include serving as Chief Negotiator for Sales and Property Tax Sharing Negotiations with the City of Yuba City ("Services").

2. Term. Services under this Agreement shall commence upon execution, and shall continue until the agreement is terminated by either party in accordance with the provisions of this Agreement.

3. Compensation.

A. To the extent that Consultant is entitled to reimbursement for travel, meals, and lodging, such reimbursement shall be subject to the prior approval of the County Purchasing Agent or authorized deputy and shall be reimbursed in accordance with the County's Travel and Business Expense Policy.

B. **The total compensation payable under this Agreement, inclusive of all expenses, shall not exceed Twenty Five Thousand dollars (\$25,000.00).** The County shall make no payment to Consultant in any greater amount for any extra, further, or additional services, unless such services and payment therefore have been mutually agreed to and this Agreement has been formally amended in accordance with the provisions of this Agreement.

C. Consultant agrees to testify at County's request if litigation is brought against County in connection with Consultant's work. Unless the action is brought by Consultant or is based upon Consultant's negligence or intentional tortious conduct, County will compensate Consultant for the testimony at Consultant's hourly rate.

4. Invoice and Payments. Consultant shall submit invoices for services rendered during the preceding month. Consultant shall attach to each invoice documentation for the hours charged (if applicable) and the documentation shall include an itemized narrative of work completed during the period billed. The County shall pay invoices that are undisputed within thirty (30) days of receipt and approval. The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts.

5. Notice. Any invoices, notices, or other documents required to be given under this Agreement shall be delivered either personally, by first-class postage pre-paid U.S. Mail, or overnight courier to the following addresses or such other address provided by the parties in accordance with this section:

**If to the County:**

*County Administrative Officer  
Sutter County  
1160 Civic Center Blvd  
Yuba City, California 95993  
Telephone: (530) 822-7400*

**If to Consultant:**

*David Taussig & Associates  
100 West San Fernando Street, Suite 430  
San Jose, CA 95113*

Notice shall be effective upon receipt.

6. Independent Contractor.

A. It is understood and agreed, and is the intention of the parties hereto, that Consultant is an independent contractor, and not the employee or agent of County for any purpose whatsoever. County shall have no right to and shall not control the manner or prescribe the method by which the professional services are performed by Consultant herein. Consultant shall be entirely and solely responsible for its acts and the acts of its agents, employees, and subcontractors while engaged in the performance of services hereunder. Consultant shall have no claim under this Agreement or otherwise against County for vacation pay, sick leave, retirement benefits, Social Security, workers compensation, disability, or unemployment insurance benefits or other employee benefits of any kind. The parties acknowledge that County shall not withhold from Consultant's



compensation any funds for income tax, FICA, disability insurance, unemployment insurance or similar withholding and Consultant is solely responsible for the timely payment of all such taxes and related payments to the state and federal governments, for itself and for its employees, agents, and subcontractors who might render services in connection with this Agreement. The Consultant shall inform all persons who perform any services pursuant to this Agreement of the provisions of this section.

B. In the event that the Consultant's activities under this Agreement, or any of them, are found by any state or federal agency to be those of an employee rather than an independent contractor, Consultant agrees to indemnify County and hold County harmless for any damages, costs, or taxes imposed upon it pursuant to the Internal Revenue Code or state or federal taxing laws, including but not limited to any penalties and interest which County may be assessed by such state or federal agency for failing to withhold from the compensation paid to Consultant under this Agreement any amount which may have been required to be withheld by law.

7. Authority of Consultant. It is understood that Consultant is to provide information, research, advice, recommendations, and consultation services to the County. Consultant shall possess no authority with respect to any County decision. The County is responsible for and shall make all governmental decisions related to work of Consultant.

8. Subcontracting and Assignment. Consultant shall not subcontract or assign any portion of the work to be performed under this Agreement without the prior written consent of County.

9. Ownership of Work Product. All technical data, evaluations, calculations, plans, drawings, details, specifications, estimates, reports, documents, or other work product of Consultant, in both paper and original electronic program forms, shall become the property of the County as they are produced and shall be delivered to the County upon completion of services. Consultant may retain copies for its files and internal use, however, Consultant shall not disclose any of the work products of this Agreement to any third party, person, or entity, without prior written consent of the County. Upon reasonable notice, County representatives shall have access to the work for purposes of inspecting same and determining that the work is being performed in accordance with the terms of the Agreement.

10. Indemnification. To the fullest extent permitted by law, Consultant shall defend (with legal counsel reasonably acceptable to the County), indemnify and hold harmless the County, its officers, employees, and agents, from and against any and all claims, losses, costs, damages, injuries (including injury to or death of an employee of Consultant or its subcontractors), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Consultant, any subcontractor, anyone directly or indirectly employed by them, or

anyone that they control (collectively "Liabilities"). Such obligation to defend, hold harmless and indemnify the County, its officers, agents and employees, shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the County, its officers, agents and employees. The provisions of the California Government Claims Act, Government Code section 810 et seq., including its defenses and immunities, will apply to allegations of negligence or wrongful acts or omissions by the County. To the extent there is an obligation to indemnify under this paragraph; Consultant shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from Consultant's negligence, recklessness, or willful misconduct.

11. Insurance. Without limiting Consultant's indemnification of the County, Consultant shall provide and maintain at its own expense and keep in force during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

Workers' Compensation Insurance with statutory limits, as required by the laws of the State of California and; Employer's Liability insurance on an "occurrence" basis with a limit of not less than \$1,000,000.

Commercial General Liability Insurance at least as broad as CG 00 01, covering premises and operations and including but not limited to, owners and contractors protective, product and completed operations, personal and advertising injury and contractual liability coverage with a minimum per occurrence limit of \$1,000,000 covering bodily injury and property damage; General Aggregate limit of \$2,000,000; Products and Completed Operations Aggregate limit of \$2,000,000 and Personal & Advertising Injury limit of \$2,000,000, written on an occurrence form.

Automobile Liability Insurance at least as broad as CA 00 01 with Code 1 (any auto), covering use of all owned, non-owned, and hired automobiles with a minimum combined single limit of \$1,000,000 per occurrence for bodily injury and property damage liability.

Professional Liability Insurance covering liability imposed by law or contract arising out of an error, omission or negligent act in the performance, or lack thereof, of professional services and any physical property damage, bodily injury or death resulting there from, with a limit of not less than \$1,000,000 per claim and in the aggregate. The insurance shall include a vicarious liability endorsement to indemnify, defend, and hold harmless Sutter County for claims arising out of covered professional services and shall have an extended reporting period of not less than two years. That policy retroactive date coincides with or precedes Consultant's start of work (including subsequent policies purchased as renewals or replacements).

If the policy is terminated for any reason during the term of this Agreement, Consultant shall either purchase a replacement policy with a retroactive date coinciding with or preceding the retroactive date of the terminating policy, or shall purchase an

extended reporting provision of at least two years to report claims arising from work performed in connection with this Agreement and a replacement policy with a retroactive date coinciding with or preceding the expiration date of the terminating policy.

If this Agreement is terminated or not renewed, Consultant shall maintain the policy in effect on the date of termination or non-renewal for a period of not less than two years there from. If that policy is terminated for any reason during the two year period, Consultant shall purchase an extended reporting provision at least covering the balance of the two year period to report claims arising from work performed in connection with this Agreement or a replacement policy with a retroactive date coinciding with or preceding the retroactive date of the terminating policy.

All policies of insurance shall provide for the following:

(i) Name Sutter County, members of the Board of Supervisors of Sutter County, its officers, agents and employees, as additional insureds except with respect to Workers' Compensation and Professional Liability.

(ii) Be primary and non-contributory with respect to all obligations assumed by Consultant pursuant to this Agreement or any other services provided. Any insurance carried by Sutter County shall not contribute to, or be excess of insurance maintained by Consultant, nor in any way provide benefit to Consultant, its affiliates, officers, directors, employees, subsidiaries, parent company, if any, or agents.

(iii) Be issued by insurance carriers with a rating of not less than A VII, as rated in the most currently available "Best's Insurance Guide."

(iv) Include a severability of interest clause and cross-liability coverage where Sutter County is an additional insured.

(v) Provide a waiver of subrogation in favor of Sutter County, members of the Board of Supervisors of Sutter County, its officers, agents and employees.

(vi) Provide defense in addition to limits of liability.

Upon execution of this Agreement and each extension of the Term thereafter, Consultant shall cause its insurers to issue certificates of insurance evidencing that the coverages and policy endorsements required under this Agreement are maintained in force and that not less than 30 days written notice shall be given to Sutter County prior to any material modification, cancellation, or non-renewal of the policies. Certificates shall expressly confirm at least the following: (i) Sutter County's additional insured status on the general liability, and auto liability policies; (ii) and the waiver of subrogation applicable to the workers' compensation and professional liability policies. Consultant shall also furnish Sutter County with endorsements effecting coverage required by this insurance requirements clause. The endorsements are to be signed by a person authorized by the Insurer to bind coverage on its behalf. The

certificate of insurance and all required endorsements shall be delivered to Sutter County's address as set forth in the Notices provision of this Agreement.

All endorsements are to be received and approved by the County of Sutter before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Unless otherwise agreed by the parties, Consultant shall cause all of its Subcontractors to maintain the insurance coverages specified in this Insurance section and name Consultant as an additional insured on all such coverages. Evidence thereof shall be furnished as Sutter County may reasonably request.

The coverage types and limits required pursuant to this Agreement shall in no way limit the liability of Consultant.

12. Professional Services.

A. All work performed under this Agreement shall be performed and completed in a professional manner. All services shall be performed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Consultant and any subcontractors are engaged.

B. Consultant represents and warrants that it is professionally qualified to perform the services described herein; acknowledges that County is relying upon Consultant's qualifications to perform these services in a professional manner; and agrees that County's full or partial acceptance of any work does not release Consultant from its obligation to perform the services in accordance with this Agreement unless County expressly agrees otherwise in writing.

C. Consultant shall not be considered to be in default because of any nonperformance caused by occurrences beyond its reasonable control. The compensation specified in Paragraph 3 may be reduced to account for such nonperformance.

13. Responsibility of Consultant.

A. Consultant shall be solely responsible for the quality and accuracy of its work and the work of its consultants performed in connection with this Agreement. Any review, approval, or concurrence therewith by the County shall not be deemed to constitute acceptance or waiver by the County of any error or omission as to such work.

B. Consultant shall coordinate the activities of all sub-consultants and is responsible to ensure that all work product is consistent with one another to produce a unified, workable, and acceptable whole functional product. County shall promptly notify Consultant of any defect in Consultant's performance.

14. Audit. The following audit requirements apply from the effective date of this Agreement until three years after County's final payment:

A. Consultant shall allow County's authorized representatives reasonable access during normal business hours to inspect, audit, and copy Consultant's records as needed to evaluate and verify any invoices, payments, and claims that Consultant submits to County or that any payee of Consultant submits to Consultant in connection with this Agreement. 'Records' includes, but is not limited to, correspondence, accounting records, sub-consultant files, change order files, and any other supporting evidence relevant to the invoices, payments, or claims.

B. County and Consultant shall be subject to the examination and audit of the State Auditor, at the request of County or as part of any audit of County. Such examinations and audits shall be confined to matters connected with the performance of this Agreement including but not limited to administration costs.

This section shall survive the expiration or termination of this Agreement.

15. Publication of Documents and Data. Consultant may not publish or disclose to any third party any information obtained in connection with services rendered under this Agreement without the prior written consent of the County. Notwithstanding the forgoing, submission or distribution to meet official regulatory requirements, or for other purposes authorized by this agreement, shall not be construed as publication in derogation of the rights of either the County or Consultant.

16. Employment Practices. Consultant, by execution of this Agreement, certifies that it does not discriminate against any person upon the basis of race, color, creed, national origin, age, sex, disability, or marital status in its employment practices.

17. Termination. Either party shall have the right to terminate this Agreement at any time for any reason upon thirty (30) days advance written notice to the other party. Agreements exceeding the monetary limits delegated to the Purchasing Agent, or authorized deputies, are not valid unless duly executed by the Chair of the Board of Supervisors. If this Agreement was executed for the County by the Purchasing Agent, or an authorized deputy, this Agreement shall automatically terminate on the date that the provision of services or personal property or incurring of expenses, the cumulative total of which, exceeds fifty-thousand dollars (\$50,000) for personal services contracts or forty-five thousand dollars (\$45,000) for public works contracts.

18. Jurisdiction. This Agreement shall be administered and interpreted under the laws of the State of California and any action brought hereunder shall be brought in the Superior Court in and for the County of Sutter.

19. Compliance With Law. Consultant shall comply with all applicable federal, state, and local statutes, ordinances, regulations, rules, and orders, including but not limited to those concerning equal opportunity and non-discrimination.

20. Prevailing Wages. To the extent that any of the work performed under this Agreement is a “public work” within the meaning of Labor Code section 1720, subject to the payment of prevailing wages and Labor Code Section 1771, Consultant shall cause all such work, as applicable, to be performed as a “public work” in compliance with California prevailing wage laws. In the event Consultant fails to do so, Consultant shall be liable for the payment of all penalties, wages and/or damages as required by applicable law.

21. Conflict With Laws or Regulations/Severability. This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases, the remainder of the agreement shall continue in full force and effect.

22. Provisions Required by Law Deemed Inserted. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though it were included. If through mistake or otherwise, any provision is not inserted or is not correctly inserted, then upon application of either Party, the Agreement shall be amended to make the insertion or correction. All references to statutes and regulations shall include all amendments, replacements, and enactments in the subject which are in effect as of the date of this Agreement, and any later changes which do not materially and substantially alter the positions of the Parties.

23. Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

24. Amendments. Any amendments to this Agreement shall be in writing and executed by both parties.

25. Entire Agreement. This Agreement, constitutes the entire Agreement between the parties for the provision of services to County by Consultant and supersedes all prior oral and written agreements and communications.

26. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties.

27. Construction. This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply in interpreting this Agreement.

COUNTY OF SUTTER

CONSULTANT

By: \_\_\_\_\_  
Mat Conant  
Chairman, Sutter County

By: \_\_\_\_\_  
Authorized Representative  
David Taussig & Associates

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Jean Jordan  
County Counsel, Sutter County

# ATTACHMENT 4





team.

company

team

projects

contact us

**Al Johnson**  
Consultant/Owner



Mr. Johnson retired from his position as City Manager with the City of Roseville in 2003. He established Al Johnson Consulting LLC in 2003 and now provides services to private development firms and public agencies regarding land development, negotiates tax sharing and development agreements, economic development, and public finance. In addition Mr. Johnson serves as an expert witness on Public/Private development issues.

Prior to his retirement, he had been with the City of Roseville for 19 years and had served as City Manager for 15 years. Mr Johnson has a Bachelor's and Master's degree in Public/Business Administration.

Mr. Johnson started his career in the public sector in 1970 and has over 30 years of experience working for school districts, county and city governments.

The City of Roseville is known for its innovative planning and exceptional community services. Mr. Johnson was responsible for overseeing the operations of a full service city with an annual budget in excess of \$300 million and a workforce of 1,000 employees.

Mr. Johnson has extensive experience in creating public/private partnerships and negotiating specific plan development agreements. Extensive negotiations resulted in the Roseville Auto Mall, Galleria at Roseville and numerous other industrial and commercial projects. Roseville's award-winning park and recreation programs are also a tribute to Mr. Johnson's negotiation skills during the specific plan process. Roseville is considered a model for its forethought and planning in the development of Public infrastructure

In his current capacity Mr. Johnson advises the private and public sector on development projects. Including negotiating development agreements, due diligence research, investigating infrastructure alternatives, public infrastructure finance, and land use planning issues. Mr. Johnson is known throughout the Sacramento region for his negotiation skills and his ability to solve difficult issues.

team.

**Tony Harrington**  
Consultant

- B.A., Fresno State
- Graduate School, UC Davis

- 25+ years of experience working for city and county governments; overseeing the development and construction of public and private facilities ranging from small public facilities to multi-million dollar buildings
- Joined Al Johnson Consulting in 2005
- Continues to work with private developers and public agencies in all aspects of construction: from permits and entitlements to project management

**Steve Dillon**

Consultant

- B.A. in Geography, UC Davis
- Graduate School in Urban Planning, UC Davis
- 32 years of experience in City Government/Planning/Management
  - 15 yrs City of Roseville Planning Director
  - 12 yrs City of Roseville Community Development Director/Asst. C.M.
- Joined Al Johnson Consulting in 2005
- Specialties include city planning and project management

**Matt Johnson**

Associate

- B.A. in Economics, UC Davis
- Managerial Economics Minor, UC Davis
- Joined Al Johnson Consulting in 2009
- 4 years experience in Land Economics Consulting
  - Financing of government services and private infrastructure
  - Real estate development market analysis
  - Development impact fee comparisons/calculations

Private &amp; Public Development Consulting.

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**ATTACHMENT A**  
**SCOPE OF SERVICES**  
**City of Yuba City**

- 
- Meet with Client to recommend alternatives and strategy for dealing with Tax Sharing Negotiations with Sutter County.
  - Meet with Elected and Appointed City staff regarding the Agreement
  - Meet with County Elected Officials and/or Appointed Officials.
  - Review Fiscal reports prepared by the County.
  - Prepare various memos or Reports for City Staff as needed