



ATTACHMENT A – SCOPE OF SERVICES

Land Use Fiscal Analysis and Associated Services

City of Fernley, Nevada

BASIC SERVICES

The general scope of this project is to produce a GIS-Based Land Use Fiscal Assessment (LUFA) that focuses on the relationship between existing development patterns in the city limits, the property tax revenues generated by this development and the general fund costs currently budgeted to serve them, and projected service and street infrastructure costs that will be required in future years. Results of the assessment will be shared with staff and the Commission, and then a series of workshops and implementation support activities will be provided to assist the City and community with initial steps to help close the City's resource gap. Specific tasks and deliverables are outlined below.

TASK 1: PROJECT INITIATION AND MANAGEMENT – This task includes efforts related to data collection and review, project kickoff and management, meetings, and presentations to staff and city council.

1.1 Project Initiation – VU will complete internal project setup activities and facilitate kickoff meetings with the team and city staff to review the project scope, deliverables, timeline, and roles. Tasks will include:

- Internal project setup
- Internal project team kickoff meeting
- Project kickoff meeting with city staff

1.2 Data Collection and Review – Verdunity (VU) will obtain and review available information relevant to the assessment. This includes data requests to the City/County and an initial review to ensure the data is sufficient to complete the assessment. Where possible, we would like to receive data in electronic format, and in particular any GIS, XLS and database files associated with infrastructure, land use and developments. Information we would like to review will include, but not be limited to:

- Comprehensive plan, thoroughfare plan, and any other master plans
- Existing land use and zoning information
- Development regulations/ordinances
- Developer agreements – existing and proposed
- Budget and CAFR – last ten years
- Asset management, pavement condition studies, and CIP information – with special emphasis on any information for existing streets
- Property tax data – levy data for the most recent year available from the Appraisal District. *May require a data acquisition fee to get the levy data from the county's vendor.*
- Information on current and planned debt obligations

1.3 Project Coordination and Invoicing – VU will hold progress meetings/calls with city staff and the project team throughout the duration of the project to discuss progress, get feedback, and coordinate next steps. Invoices will be submitted monthly along with a progress report summarizing work completed, upcoming tasks, and anything requiring assistance from staff.

- Progress & Coordination Calls w/ Staff (bi-weekly)

- Internal Team Coordination
- Progress Report (monthly, via mail)
- Invoices (monthly, submitted via email)

TASK 2: DATA FORMATTING AND ANALYSIS – This task includes time to input, format, and verify the data that we receive to build the database model, and then perform calculations and analysis as outlined below.

2.1 Data Cleaning, Verifying, and Formatting – Data will be input into our database, cleaned, and formatted. The database will be linked to excel spreadsheet for preparation of analysis and summary charts and graphics.

- Input, clean & verify tax and GIS data
- Calibrate database and excel template to fit available data

2.2 Growth/Population/Budget Assessment and Benchmarking – VU will review recent planning and budget documents to prepare a high-level assessment of the city’s general fund budget and growth trends and benchmark them with up to five other municipalities. Items reviewed will include:

- Historical growth pattern (annexation, city limit acreage, land use, and zoning)
- Historical population growth and projections
- Budget: General fund revenues and expenditures over time
- Population and density metric benchmark comparison
- General fund metric benchmark comparison (GF per acre, per capita, and per household)

2.3 Analysis: Levy per Acre – VU will verify the appraised, assessed, and computed levy values and then calculate the levy per acre value for each parcel in the city

- Confirm parcels to exclude from levy analysis (exempt parcels, floodplain, others as directed by City)
- Compute total taxable value and levy using tax roll values and tax rate
- Compare calculated levy value to total levy amount in budget document and refine, if necessary
- Calculate initial levy per acre values for all parcels
- Identify stacked parcels (parcels with multiple land use codes and/or personal and business property tax combinations) and clean up largest value parcels, then recalculate

2.4 Analysis: Cost Allocation (General Fund Budget) – VU will review the city’s development pattern and infrastructure to identify exempt properties and determine which areas of the city are ‘served’ by infrastructure and mostly developed, and which ones are ‘unserved’ (limited infrastructure and mostly undeveloped). General fund budget costs covered by property taxes will be allocated to parcels using these ratios.

- Estimate and verify developed/undeveloped and served/unserved ratios with city staff
- Calculate & verify proportionate areas to be used for cost allocation calculations
- Allocate budgeted costs to parcels using served/unserved classification and proportionate area values

2.5 Analysis: Net Revenue/Acre (General Fund Budget) – The levy/acre data and costs from the budget will be assigned to parcels to calculate a net revenue/acre value and ROI for each parcel in the city.

- Calculate net/acre values (current budget) for all parcels
- Verify/refine cost allocation & net revenue values

2.6 Analysis: Cost Allocation (Projected Street Costs and Unfunded Liabilities) – VU will coordinate with staff to estimate future street replacement and general fund costs, and then add these to the budget costs to generate updated net revenue/acre values for each parcel in the city.

- Estimate street replacement costs based on the level of data available, such as pavement condition surveys, CIP documents, etc.
- Identify street districts to be used to allocate local street costs (thoroughfares to be allocated citywide)
- Estimate projected general fund costs using the results of the budget and benchmark analysis, context data from other communities, and discussions with staff

2.7 Analysis: Net Revenue/Acre (Budget + Unfunded Liabilities) – The unfunded liability costs from the previous task will be assigned to parcels to calculate an adjusted net revenue/acre value and ROI for each parcel in the city.

- Allocate future street and general fund service costs to parcels using served/unserved classification and proportionate area values. Street costs will be allocated using a combination of served/unserved, street districts, and parcel proportionate area. Street districts are used to focus local street costs into the local neighborhoods they are serving, while costs for thoroughfares that serve the entire city are allocated across all parcels in the city.
- Calculate net/acre values (current budget plus unfunded liabilities) for all parcels
- Verify/refine cost allocation & net revenue values

2.8 Analysis: Summary Tables and Charts – VU will prepare draft tables and charts breaking down the fiscal performance of parcels by land use, zoning district, and lot size.

2.9 Parcel and Context Examples – VU will coordinate with staff to produce additional analytics that compare and illustrate fiscal performance of different development patterns, properties, and geographic areas in the city. Examples include:

- “Top ten” revenue producers
- Downtown mixed use vs. suburban strip center and “big box” retail
- Traditional (grid style) residential vs. modern suburban residential
- Specific neighborhood areas (3 neighborhoods)

TASK 3: MAPPING – Results of the modeling completed in Task 2 will be output into a series of 2D and 3D maps to illustrate and discuss the results.

3.1 2D Revenue Maps – VU will prepare maps for appraised value, property tax levy, revenue/acre, net rev/acre (budget), and net rev/acre (budget + unfunded costs)

3.2 Street District and Condition Map – VU will prepare maps illustrating the street service district(s), street age, and/or street pavement condition (based on available data)

3.3 Map Revisions – VU will complete an internal review of the maps and incorporate comments. An additional round of revisions may be made based on feedback from the staff review.

3.4 3D Maps – After 2D maps have been reviewed and comments have been incorporated, VU will prepare 3D maps as an additional way to present the model results.

TASK 4: SLIDE SUMMARY & REPORT – The final assessment results will be summarized into a slide style report (graphics and accompanying text) that includes the following sections:

4.1 Introduction and Methodology – A series of slides and accompanying text that explain the community context and study methodology

4.2 Growth, Population, and Budget Benchmarking – Summary of population and growth trends, budget analysis, and benchmark results

4.3 Revenue per Acre Maps – 2D and 3D maps and associated takeaways

4.4 Land Use/Zoning Summary & Analysis – Tables and charts breaking down the fiscal performance of parcels by land use, zoning district, and lot size.

4.5 Context and Analysis – Slides summarizing the more detailed examples from the analysis including:

- “Top ten” revenue producers
- Downtown mixed use vs. suburban strip center and “big box” retail
- Traditional (grid style) residential vs. modern suburban residential
- Specific neighborhood areas (3 neighborhoods)

4.6 Key Takeaways & Recommendations – VU staff will prepare a summary of key takeaways and recommendations based on the results of the assessment and our work with other communities across Texas.

4.7 Incorporate City Comments & Finalize Report – VU will incorporate one round of comments based on staff’s review of the draft slide report and finalize for presentation to city council.

4.8 Council Workshop/Presentation– At the conclusion of the project, VU will present the results of the model and recommended next steps to a joint workshop with the City Council, Planning Commission, and staff leadership.

TASK 5: ON-CALL IMPLEMENTATION SUPPORT – VU staff will be available to provide additional implementation support to staff on an as-needed basis. The specific tasks are open to the city to define, but may include:

- Fiscal impact analysis of proposed development projects
- Participate in calls/meetings with developers, property owners, or other community partners
- Additional presentations on land use economics, fiscal impact analysis, and strategies to cultivate fiscal health and local wealth
- cursory review of land use and zoning policies, subdivision and development regulations, CIP programs, and/or other city documents (detailed updates would be additional services)

END OF SCOPE