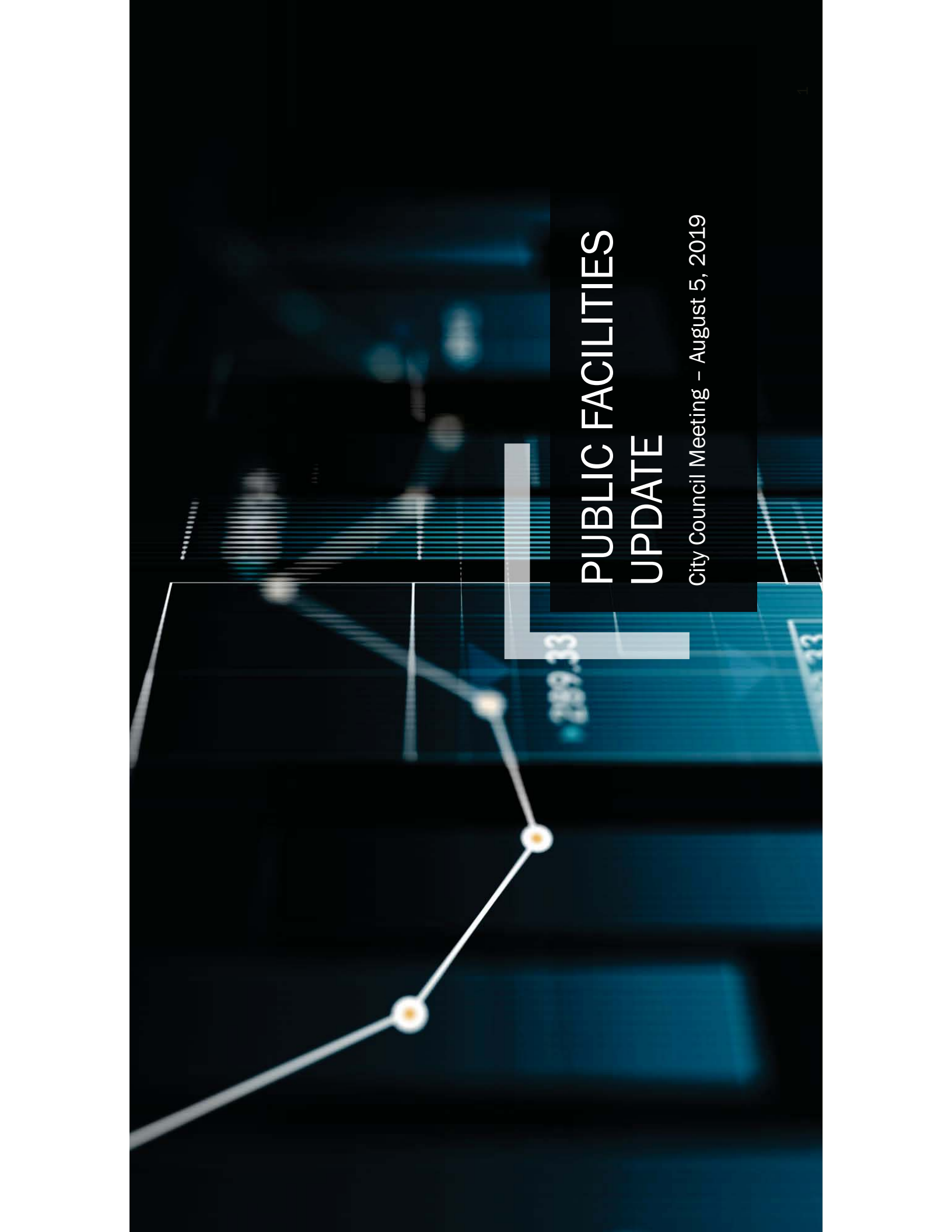




PUBLIC FACILITIES UPDATE

City Council Meeting - August 5, 2019

Public Facilities Background

- June 18, 2018 – Council direction to not move forward with ballot item
- July 10, 2018 – Issued RFP for Police Headquarters Needs Assessment
- January 22, 2019 – Council approved Needs Assessment Contract with LPA, Inc.
- February – May 2019 – Data collection and meetings with Police Department
- October 2018 – March 2019 – Negotiated sale of Mansionette property
- June 2019 – Draft report with initial sizing data received from LPA, Inc.
- August 5, 2019 – Options for Council's Consideration

Decision Points

- Police/Fire Project Scope
 - *Staffing*
 - *Building Size*
 - *Property Sales Proceeds & Location Direction*
- Financing Structure Assumptions
 - *Impact Fee Inclusion*
 - *Assessed Value*
 - *Bond Issuance Amount, Number and Type*

Future Fire Stations

Station 54 Relocation - Gateway Shopping Center				
Building	7,000 sqft	\$653/sqft		\$4,571,000
Response Vehicle				\$350,000
Total				\$4,921,000
Station 56 - Merced College				
Building	7,000 sqft	\$653/sqft		\$4,571,000
Engine				\$875,000
Response Vehicle				\$350,000
Total				\$5,796,000
Station 57 - Bellevue Ranch/UC Merced				
Building	7,000 sqft	\$653/sqft		\$4,571,000
Ladder Truck				\$1,700,000
Engine				\$875,000
Total				\$7,146,000
Grand Total				\$17,863,000

Total cost at \$725/sqft is approx. \$19.4 mil

Police Station Options

	Option 1		Option 2		Option 3	
Sworn/Non	201	72	154	55	98	39
Facility Size	74,938 sqft		66,000 sqft		56,000 sqft	
\$653/sqft	\$49.0 mil		\$43.1 mil		\$36.6 mil	
\$725/sqft	\$54.4 mil		\$47.9 mil		\$40.6 mil	

Property Value & Location Direction

Property	Cash Value
Mansionette Property	\$2,100,000
Sun-Star Property (est.)	\$2,000,000
Central Station - 23 rd Street (est.)	\$800,000
Total	\$4,900,000

Direction to staff on what locations to evaluate

Future Impact Fee Estimate

	Option 1		Option 2		Option 3	
Sworn/Non-sworn	201	72	154	55	98	39
Building Size	74,938 sqft		66,000 sqft		56,000 sqft	
Est. Cost @ \$653/sqft	\$49.0 mil		\$43.1 mil		\$36.6 mil	
Growth Factor of 35%	\$17.1 mil		\$15.1 mil		\$12.8 mil	
Est. Collected by 2035	\$12.8 mil		\$11.3 mil		\$9.5 mil	

Assumes that Impact fees are increased to support future cost of facility and that development continues at current pace.

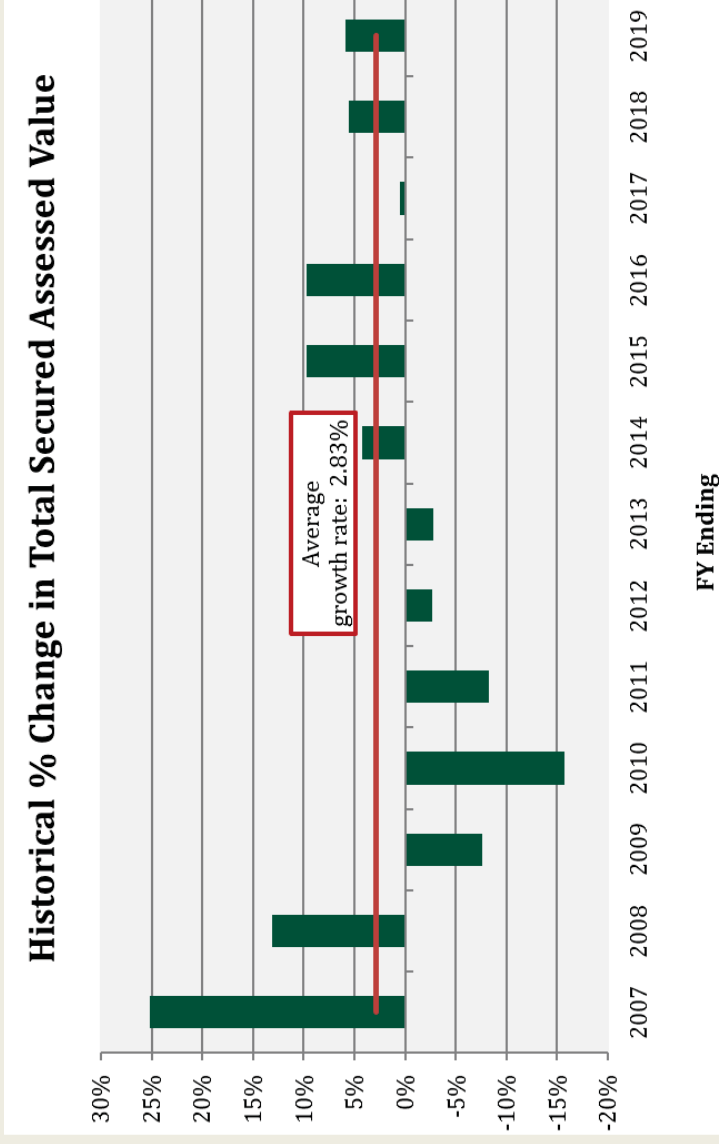
Current Impact Fee Totals

	Fire PFFP	Police PFFP
Current Total	\$2,509,229	\$2,998,146
10 Year Average	\$126,201	\$131,900

- Impact Fees are not viewed as marketable for bond issuance
- Impact Fees will only account for 35% of total project cost
- Would require separate bond issuance and secured by the General Fund

Property Tax Value – AV Growth Rate

FY Ending	Assessed Valuation - Secured	% Change
2006	\$3,635,277,414	NA
2007	\$4,549,673,676	25.15%
2008	\$5,147,434,121	13.14%
2009	\$4,756,208,583	-7.60%
2010	\$4,006,604,309	-15.76%
2011	\$3,675,277,149	-8.27%
2012	\$3,578,058,132	-2.65%
2013	\$3,477,103,589	-2.82%
2014	\$3,625,924,130	4.28%
2015	\$3,978,742,419	9.73%
2016	\$4,363,186,847	9.66%
2017	\$4,383,007,366	0.45%
2018	\$4,626,630,714	5.56%
2019	\$4,898,077,136	5.87%
Average since 2006		2.83%



Source: County of Merced – Fieldman Rolapp & Associates

Financing Structure Assumptions

- What Impact Fees to include
- Assessed Value growth factor
- Level Debt v. Escalating Debt Service Structure
- Number of Bond Issuances

Summary of Decision Points

- Police/Fire Project Scope
 - *Staffing*
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Upcoming Meetings

- August 8 – National Night Out in Applegate Park, 6pm
- August 9 – Breakfast Rotary at Paul's Place, 6:30am
- August 12 – Kiwanis at Elk's Lodge, 12pm
- August 13 – Merced Business Exchange at Jantz Bakery, 8am
- August 13 – Neighborhood Watch Block Captain's meeting at Central Station, 6pm
- August 28 – Merced Boosters, 7pm, tbd
- August 29 – Breakfast Lions, Merced College Cafeteria, 7am

- Additional meetings include: Merced Parent Café, Merced Realtors

Next Steps

- Staff to develop rate per \$100,000 and return to Council with an update on August 19th
- Staff to return to Council on August 19th with following amendments
 - *LEG contract to allow for March ballot items (Charter Amendment and/or Facility Measures)*
 - *FM3 contract to conduct second tracking survey in September with results available to Council in October*