



Agenda Date: 5/15/2007  
Agenda Placement: 6D

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Hillary Gitelman - Director  
Conservation, Development & Planning  
**REPORT BY:** Hillary Gitelman, Director, 253-4805  
**SUBJECT:** Amendment to Contract with Seifel Consulting, Inc.

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### **RECOMMENDATION**

Director of Conservation, Development and Planning requests approval of and authorization for the Chair to sign Amendment No. 1 to Agreement No. 6656 with Seifel Consulting Inc. increasing the amount by \$11,290 for a new maximum of \$44,290 for consulting services related to review of the City of Napa's proposed Soscol Gateway Redevelopment Project.

### **EXECUTIVE SUMMARY**

The County has retained Seifel Consulting Inc. to monitor the City's proposed redevelopment plan for the Soscol Corridor, review redevelopment documents for conformance with State law, and assess fiscal impacts to the County. Additional funding is required to assess impacts (to the County) and revenues (to the City) associated with a proposal for reduced project area boundaries, and to prepare comments for submittal to the City prior to plan adoption.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Conservation, Development & Planning - The cost of the proposed contract amendment can be accommodated by the existing department budget for Fiscal Year 2006/2007.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The City's proposed use of redevelopment (i.e. tax increment financing) would divert substantial future tax revenues from the County and other agencies

(including the City-County Library) over the 45-year life of the project. The magnitude of the potential impact on the County's general fund (estimated at \$48.6 million in nominal dollars) and the City-County Library (estimated at \$7.8 million in nominal dollars) would appear to warrant an additional expenditure for consultant services to assess alternatives to the City's project.

Is the general fund affected? Yes

Future fiscal impact: None.

Consequences if not approved: The County would not have the benefit of additional fiscal analysis or expert advice prior to adoption of the redevelopment plan by the City.

Additional Information:

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The 2003 Memorandum of Understanding (MOU) between the County and the City of Napa regarding housing issues included an agreement between the parties "to undertake the creation of a joint City-County financing district to allow for land cleanup, assembly and infrastructure upgrades in an effort to encourage and allow infill housing and commercial projects along the Soscol corridor."

The City has proposed creation of a redevelopment project area under State redevelopment law as the method of implementing this agreement, and is proceeding toward adoption of a final redevelopment plan despite County concerns regarding potential fiscal impacts, the project's compliance with State redevelopment law, and the level of environmental review performed to date.

Seifel Consulting Inc. has advised the County regarding the redevelopment process, reviewed documents produced by the City, assessed assumptions inherent in the City's tax increment projections, and prepared a their own analysis of impacts to the General Fund and the City-County Library associated with potential loss of future tax revenue over the 45-year life of the plan. The County would now benefit from an analysis of a reduced project area boundary to determine whether the City's infrastructure objectives could still be met while reducing the magnitude of impacts to the County. The results of this analysis would be beneficial in informal negotiations with the City, or as formal testimony during the plan adoption proceedings.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi