



Harris & Associates

# MUNICIPAL FINANCE

Building sustainable communities requires a mastery of the balance sheet—the expenses and potential revenues linked to infrastructure and service delivery projects. Harris & Associates helps municipalities navigate their financial options to make these projects a reality.

For many city and county leaders, the to-do list of major projects keeps growing while budgets steadily shrink—but progress doesn't have to halt. Whether you are repairing aging infrastructure or looking to expand services, the municipal funding professionals at Harris have the expertise to plan and execute strategies that appease stakeholders and align with community goals.

## **Prioritize, Plan, and Pay**

What is your community's tolerance threshold for new fees? Are grants available for your projects? Do you need to pursue alternative funding? Harris answers these and other questions to provide the full picture of possibilities. We provide a comprehensive suite of consulting and execution services to meet municipalities' funding needs such as special districts, development impact fees, public facilities financing plans, fiscal and economic analysis, rates and fees design, grants, loans, and emergency options such as Cal OES and FEMA. We also offer ongoing program support and administration to optimize your infrastructure investments.

## **Uncommon Multidisciplinary Expertise**

Our unique breadth of technical expertise spans every aspect and phase of your projects, such as planning, funding, environmental permitting, civil engineering, project delivery, and construction management. This comprehensive, multidisciplinary approach provides the visibility required to foresee—and prevent—any potential challenges or roadblocks to success.

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## FISCAL + ECONOMIC ANALYSIS

As strategic advisors, Harris helps clients develop policies and procedures related to how a municipality leverages financial resources and options. We can help determine the right mix of development within your community relative to service costs. We also clarify the fiscal and economic impact of projects—including future maintenance costs—to inform strategies that balance the cost of development with new revenue. This is especially important when considering the adoption of specific plans or property annexations.

## FEASIBILITY STUDIES

Harris helps clients evaluate the best strategy for the successful delivery of projects and serve as an independent advisor to review funding needs and the likelihood of success. Often, we have found that small changes can have a significant impact on a project's success. This can include improving the transparency of the need for additional funding, ensuring that costs are allocated equitably to different parts of the community, and that time is included to educate stakeholders. Our feasibility study services include:

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- Reviewing project plans, objectives, cost, and schedules
- Evaluating alternative financing strategies and stakeholder support
- Creating a roadmap for project delivery

## REVENUE ANALYSIS

Understanding both your short- and long-term revenue needs is critical to developing the best strategy to fund vital community projects and services. We have successfully helped agencies identify multi-year financing needs, including funding for the replacement of aging infrastructure and facilities. With this information, we can identify alternative funding strategies, recommend solutions based upon your specific requirements, and identify the path to successful implementation of the selected strategy. Our revenue analysis services include:

- Developing multi-year financing needs
- Replacement reserve studies
- Alternative funding strategies

## DEVELOPMENT IMPACT FEES + PUBLIC FACILITIES FINANCING PLANS

Harris works with all stakeholders—the developers, elected officials, and the community—to develop fee programs that meet all AB1600 requirements and support community goals for economic growth. Harris helps communities develop the defensible nexus needed to collect development impact fees to pay for the related infrastructure.

Whether it is a new program, or an update to an existing one, Harris' has a long history of providing analysis in utility, public facility, transportation, park and recreation, affordable housing, public art, parking in-lieu, water neutrality, and Quimby Act fee programs.

We help establish sound policies for the successful implementation of the fee program such as setting reimbursement and letter of credit policies and outlining an annual update and administrative procedures. Because our team works with agencies to develop all types of facilities financing plans, we are able to identify strategies for funding current deficiencies that cannot be paid for using impact fee revenue and also assist in developing a long-term maintenance funding strategies to create a sustainable financial model that can be used for budgeting and long-term financial modeling.

We can also help with annual report preparation, annual and five-year updates, credit and reimbursement eligibility review, preparation of funding models, CIP assistance, and more.

## COST OF SERVICE STUDIES, RATES, AND FEE DESIGN

Harris collaborates with agencies on strategies to determine cost drivers, assign responsibility for cost drivers, and allocate costs equitably and fairly. We guide you through the process of establishing rates to meet utility and stakeholder goals relative to conservation, affordability, and ease of administration. Our team helps yours navigate the changing complexities of Prop 218 requirements for California utilities, as well as other state mandates and regulations.

For the County of San Joaquin, Harris worked with District staff and several technical advisory committees to develop a benefit formula that meets Prop 218 and 26 requirements. The countywide benefit assessment levied on more than 215,000 parcels for surface and groundwater protection and management.

## COST ALLOCATION PLANS

The first step in developing cost allocation plans: Identify the full costs associated with providing services and infrastructure projects. After identifying these costs, we help develop fee structures or cost reimbursement strategies to recover eligible costs, improve budget transparency, and comply with reporting requirements.

## CAPITAL IMPROVEMENT PLANS

Developing long-range capital improvement plans requires an understanding of the infrastructure needed to serve the community and a clear path forward to funding. Often, this requires looking at alternative funding strategies and sources. We can help you determine if funds will be available when needed to “pay as you go” or if you need a more long-term strategy. We can also explore the options of grants or outside funding to reduce the overall project cost.

For the City of Sacramento, Harris successfully approved reimbursement/acquisition of over \$47 million in public infrastructure funded through CFDs and fee programs—a project that consists of homes, commercial space, hotels, and employment centers.

## ENHANCED INFRASTRUCTURE FINANCING DISTRICTS

Harris helps agencies address community-wide projects with Enhanced Infrastructure Financing Districts (EIFDs). These broad-based, multi-faceted financing mechanisms can serve local agencies as a present-day proxy to redevelopment authorities to build infrastructure and enhance overall economic development. The strength of EIFDs is the tremendous range of allowable infrastructure projects and the greater lifespan of the results.

## RESILIENCE FINANCE

Financing for resilient communities entails using traditional and custom financing models to support long-term resilience in infrastructure and natural systems in a changing and dynamic environment. Our team of climate change planners and finance professionals work together to develop tailored solutions to ensure climate change-related initiatives are analyzed to fit a community’s needs and that proposed projects can actually be implemented.



### City of Tracy Program Management Services

#### City of Tracy

#### Tracy, CA

Through 30-plus years of serving the City of Tracy, Harris has facilitated dozens of residential, commercial, and industrial developments, as well as school and park sites, on thousands of acres and has been responsible for the **financing of over a billion dollars in infrastructure improvements.**

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[www.WeAreHarris.com](http://www.WeAreHarris.com)

Harris partners with public agencies to enhance their communities.

