
MAIN STREET PLAN FUNDING EXCERPTS

7 PROJECT COST & FUNDING

Reconfiguring Main Street into the desired street section(s) and adding other recommended public and private improvements along the corridor will take a great deal of time, money, and perseverance to complete. The Town of Mammoth Lakes needs to work diligently with both Caltrans and private property owners to promote the overall vision of Main Street. Strategic partnerships must be formed in order to successfully implement this project - it cannot be done solely by the Town or any other entity - it requires collaboration and cooperation.

Creative funding solutions should be evaluated and executed as soon as possible so the project can move forward without becoming an overwhelming financial burden. Funding the improvements for Main Street will require multiple funding tools and participation from the public and private sectors will be necessary in order to share the costs *and* the benefits. It is key to remember:

- There is **no “silver bullet”** or single source of funding that can do everything.
- It is necessary to explore a **menu of options** to generate the revenue that will allow many to share in the costs and rewards of the investments made.
- Specific components of the Plan must be **matched to the funding tools** that are available (e.g. some tools can fund capital improvements while others can fund long-term maintenance.)
- A **public/private sector partnered approach** will be essential to sustainably fund the Plan recommendations.
- The following recommendations **would not replace current Town Council priorities** and do not require shifting funding from other sources in order to implement the Plan.

In this Chapter

Overall Project Cost.....	70
Recommended Tools	74

OVERALL PROJECT COST

This chapter highlights the overall estimated cost to implement the proposed improvements for the corridor. The overall “hard cost” of implementing the Main Street recommendations is currently estimated at approximately \$18 Million. The fee estimate is broken into the following overall components:

Preliminary Site Work & Preparation	\$340,000
Main Street (curb to curb)	\$2,346,000
Frontage roads (curb to new property line)	\$5,240,000
Private Property	\$2,796,000
Other Public Improvements	\$5,800,000
10% Contingency	\$1,653,000
TOTAL PROJECT COST	\$18,175,000

Other Project Cost Considerations

SOFT COSTS

Soft costs, such as administrative, engineering, design, legal and financing fees, would also need to be considered. As a general rule-of-thumb, for a large project such as this, adding approximately 15-20% of the total fee is a good estimate for these costs, or an additional \$2.7 to \$3.6 Million dollars.

OPERATIONS AND MAINTENANCE

Long-term operations and maintenance costs would need to be considered, which include:

- hauling snow that Caltrans plows from the roadway
- removing snow from sidewalks and cycle tracks
- general sidewalk maintenance
- landscaping (plant and tree maintenance, irrigation control, planting flowers, general upkeep)
- trash removal

The best way to provide maintenance over a corridor is through an assessment district (see the following pages for options.) Establishing such a district should be of high priority as the Town moves forward with this Plan. The assessment district would fund staff and equipment to do the ongoing work either by contracting it out or by directly hiring staff and purchasing equipment. It may be more cost effective to hire staff and buy equipment to minimize hourly rates charged by a contractor. Another factor, if hiring staff directly, is how they are employed: through the Town or a non-profit. If employed through the Town, costs for full-time employees would be higher due to pensions and other benefits but equipment costs might be recouped if they are able to use existing Town equipment to do the work. Town part-time employee costs are lower than a non-profit or private contractor, but equipment capital and maintenance costs would be higher. As a precedent, the Old Mammoth Road maintenance district utilizes \$180,000/year (just over \$13/linear foot) to maintain the roads in addition to sidewalk snow removal, general sidewalk cleaning and maintenance and basic landscaping. Main Street maintenance will be much more intensive, as Old Mammoth Road is of a much smaller scale. As an initial estimate, the maintenance district for Main Street would need approximately \$320,000-350,000/year to sustain itself.

Description of Tasks

PRELIMINARY SITE WORK & PREPARATION

Preliminary site work consists of surveying Main Street and verifying existing utility locations (depth, etc.) This step should occur as soon as possible, as it will lead to detailed engineering drawings and cost estimates to start the Main Street project.

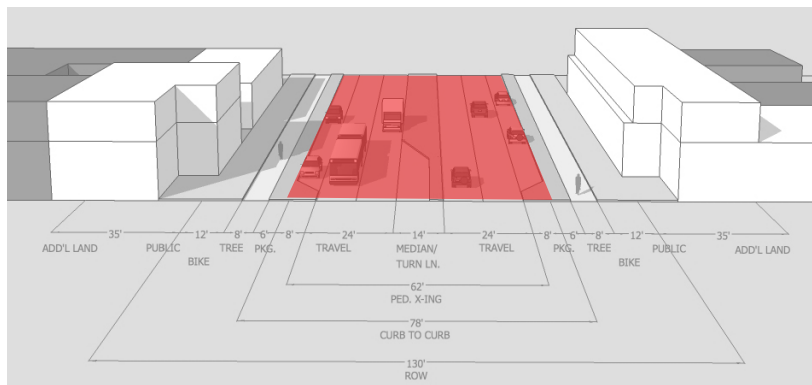
Preparation consists of:

- mobilization, demobilization and clean up
- stormwater management (i.e. construction should occur in summer months to minimize environmental runoff issues); and
- traffic control, or measures to safely direct traffic while construction is underway.

MAIN STREET (CURB TO CURB)

The preferred section for Main Street works within the existing curb-to-curb dimension throughout the corridor. This allows construction of Main Street features to be appropriately phased rather than needing to reconstruct the entire street at once, which will save time and construction costs. Caltrans owns and maintains this portion of the street section, but improvements would be a collaborative effort between Caltrans and the Town.

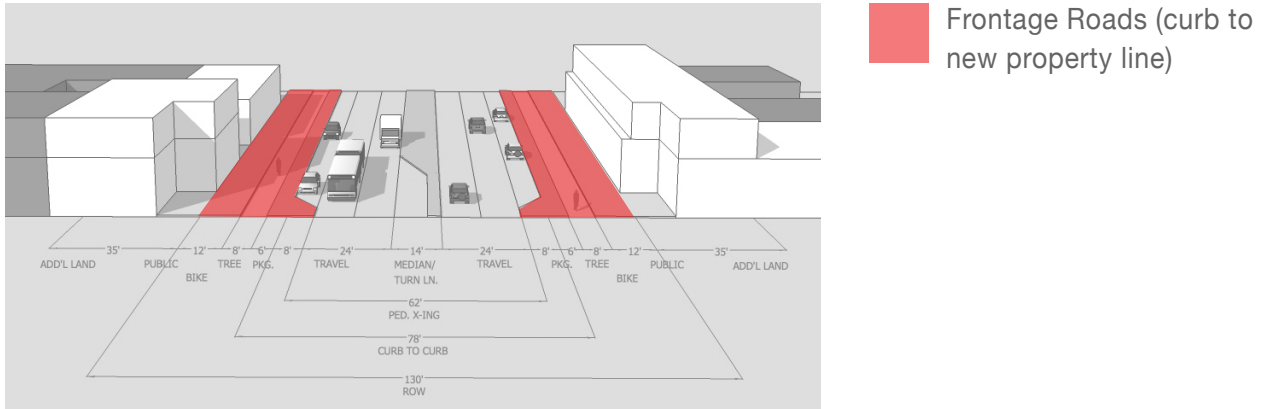
Construction within the curb-to-curb dimension consists of installing landscaped medians (from Sierra Park Road to Manzanita Road), installing asphalt with new traffic and lane markings, adding traffic and pedestrian controls, adding on-street parking, and constructing new bus pull-outs.



Main Street work includes everything inside the existing curbs.

FRONTAGE ROADS (CURB TO NEW PROPERTY LINE)

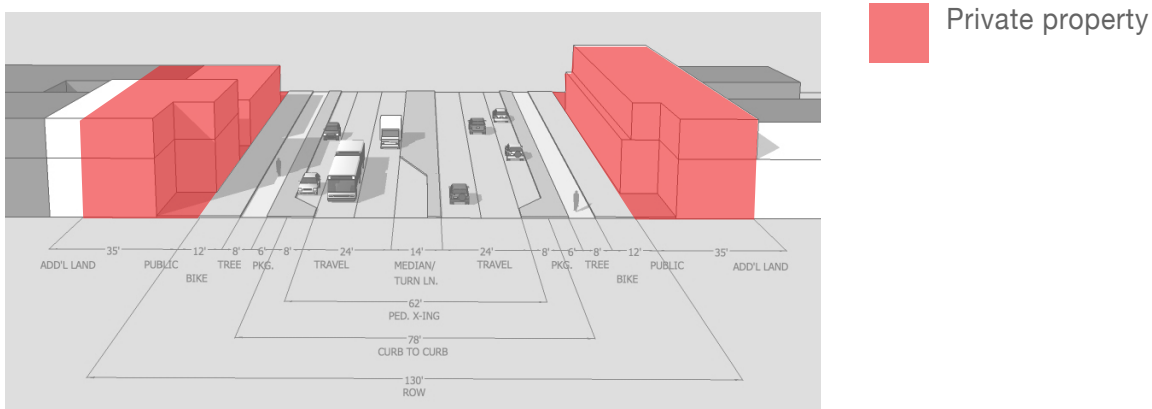
This section of the corridor is where the major transformation, from an auto-centric street to a pedestrian-first environment, will occur. This area includes a landscaped buffer, cycle track (or multi-use path,) and sidewalk. It should be noted that some of this area is within the Caltrans right-of-way and may need to be purchased from Caltrans by the Town in order to permit uses such as a cycle track. New streetscaping, signage, and lighting will be added in this area to enhance the experience and appearance of Main Street, as well as enhanced bus shelters.



Frontage Roads work includes everything from the curb to the new property line.

PRIVATE PROPERTY

This section of the corridor includes the remainder of the existing Main Street right-of-way. This area will be transferred (either by donation or sold at a discounted rate) to property owners in the hopes that they take advantage of the added land for redevelopment. The major cost for this section of the corridor is relocating underground utilities that are currently under the frontage roads in certain areas so that new construction can take place. Other costs consist of eventually demolishing the frontage roads, which will be undertaken by the private property owner when they choose to redevelop with new building(s) or new public benefit open space such as a plaza or outdoor cafe seating. The Town will need to work in close partnership with Main Street stakeholders to promote the vision and educate them on the benefits of redeveloping.



Private property includes the remainder of the existing Main Street right-of-way.

OTHER PUBLIC IMPROVEMENTS

Other public improvements include a new civic park or plaza and public parking. These improvements will further enhance the experience of a new Main Street corridor and the success of businesses along Main Street, but are not required for the project to be viable and successful.

Preliminary Costs Breakdown

MAMMOTH LAKES MAIN STREET PLAN PRELIMINARY ENGINEERS COST ESTIMATE			
	Description	*Reference Code	Total Costs
Preliminary Site Work & Preparation			\$\$
1	PRELIMINARY SITE WORK & PREPARATION (Mobilization/Demobilization, Stormwater Management, Construction Surveying, Utility Verification, Traffic Control, etc.)	1, 2, 3, 4, 5, 45	\$340,000.00
Total Preliminary Site Work & Preparation			\$340,000.00
Caltrans Property (curb to curb)			\$\$
2	MEDIANS (Install median curb, new top soil and landscaping)	21, 22, 26	\$383,919.00
3	ROADWAY (Adjust manholes, aggregate base, grind and overlay, new curbs, striping, curb paint, thermoplastic stop bars and crosswalk markings, etc.)	6, 9, 13, 27, 37, 38, 39, 40	\$999,099.31
4	TRAFFIC SIGNALS (at Forest Trail and Shady Rest Road (new street))	15	\$600,000.00
5	PEDESTRIAN SIGNALS (at Laurel Mountain (RRBF), Center Street (RRBF), and Manzanita (HAWK))	16	\$190,000.00
6	BUS PULL-OUTS (remove existing PCC roll curb and install new PCC bus stop section)	10, 17	\$172,890.00
Total Caltrans Property Site Work			\$2,345,908.31
Town of Mammoth Lakes Property (curb to NEW property line)			\$\$
7	CURB CUTS (install driveway aprons)	25	\$70,610.00
8	REMOVE TREES (limited, as needed)	11	\$91,500.00
9	MASS GRADING (limited, as needed)	12	\$551,148.89
10	STORM DRAIN INFRASTRUCTURE IMPROVEMENTS (pipe, manholes, inlets, etc.)	14	\$420,000.00
11	LANDSCAPE BUFFER (between curb and cycle track)	23	\$456,024.00
12	LIGHTING (install new lights and electric meter pedestal)	33, 36	\$491,000.00
13	CYCLE TRACK - Install PCC cycle track, concrete pavers, and thermoplastic bike lane symbols	29, 30, 41	\$462,942.00
14	SIDEWALK - Install PCC Sidewalk (brushed finish) and pedestrian ramps with truncated domes	28, 32	\$1,135,999.50
15	SITE FURNISHINGS - Install Site Furnishings (benches, trash receptacles, bike racks, ect)	24	\$400,000.00
16	INSTALL BUS SHELTERS - Install Bus Stop Shelters (2-Large, 12-Small)	18, 19	\$150,000.00
17	RETAINING WALLS - 5' High Masonry Block Retaining wall	7	\$695,000.00
18	MIXED USE PATHS - Install PCC MUP	31	\$316,144.00
Total Curb to Property Line Work			\$5,240,368.39
Private Property			\$\$
18	DEMO EXISTING FRONTAGE ROADS - Remove Existing Plantmix Bituminous Pavement and Agg Base to a Depth of 10" (TOML)	8	\$46,391.40
19	RELOCATE UTILITIES - Relocate Existing Underground Verizon Fiber Optic and Edison 33kV underground power	34, 35	\$2,750,000.00
Total Private Property Work			\$2,796,391.40
Other Public Improvements			\$\$
21	CIVIC PARK/PLAZA - build out of park in front of Post Office and public restroom building	20, 44	\$1,000,000.00
22	PUBLIC PARKING - Install 1 public parking garage (150 stalls) and 1 surface parking lot (100 stalls)	42, 43	\$4,800,000.00
Total Other Public Improvements			\$5,800,000.00
Totals			\$16,522,668.10
24	Contract Contingency (+/-10%)	46	\$1,652,266.81
**TOTAL CORRIDOR PRELIMINARY ENGINEERS ESTIMATE			\$18,174,934.91
			PROJECT TOTAL

* **Reference Code** - Refer to Attachment D - Civil Engineering Analysis and Cost Estimates spreadsheet with line item costs for each individual element, including quantities and unit costs

Total Corridor Preliminary Engineers Estimate - excludes "soft costs" such as administrative, engineering, design, legal and financing fees and operation and maintenance costs.

RECOMMENDED TOOLS

A full menu of funding tools which could be applied to the project have been analyzed to offer guidance for future implementation. Some tools are better utilized for capital improvements, while others are better utilized for long-term maintenance and management. Still others provide an organized way for the private sector to work together collectively to utilize their own funds.

The following chart demonstrates the types of funding that may be required for this project, the potential sources of funding worth exploring, and which are appropriate for each need. The funding sources for different components of the project are unique. For example, public realm infrastructure funds might be, in some cases, one-shot funding (e.g. grants) whereas long-term maintenance and management funds need to be reliable and sustainable over time. Private sector participation (i.e. redevelopment) is also an important part of the overall package, because ultimately the long-term success of the project is dependent on it. The types of funding and their potential sources are listed below, along with an explanation of each potential source. They have been prioritized based on how long they take to initiate and how likely they are to occur in the current political environment of Mammoth Lakes. The phasing coincides with the phases for implementation found in the Chapter 8.

		TYPES OF FUNDING REQUIRED		
		Public Realm Infrastructure	Maintenance and Management	Private Sector Participation
POTENTIAL SOURCES OF FUNDING	Benefit Assessment District/Mello Roos Community Facilities District (CFD)		X	
	Bonds	X		
	Community Development Corporation	X		X
	Development Impact Fees (DIF)	X		X
	Existing funding sources	X	X	
	Grants	X		
	Infrastructure Financing District	X		
	Parking District/Authority		X	
	Property-Based Improvement District (PBID)	X	X	
	Right-of-Way Incentive Program (frontage roads)			X

An explanation of each funding tool is provided on the following pages.

Quick Win Funding Sources (1-2 Years Post-Plan Adoption)

TOOLS FOR MAINTENANCE AND MANAGEMENT

The following tools are recommendations for the Town to explore as soon as possible, as maintenance and management will help in the short-term to spur new development and initiate Main Street improvements.

Property-Based Improvement District (PBID)

A PBID is a quasi-governmental entity that is a public-private partnership between government and the private sector to foster the growth of commercial districts. PBIDs allow property owners within a defined area to collectively fund enhanced services or improvements within a district's boundaries via an additional tax or fee. Property owners create a business plan for the improvements they'd like to see, work to gain the support of others in the district, and undertake a petition process to create the district. Once established, the additional levy becomes mandatory for all within the boundaries. Funding is generated for a PBID through a special assessment on properties within the defined area. This special assessment is collected into a dedicated fund that is used to provide a variety of enhancements that improve the public space. Once created, those who pay the assessment govern BID funds and services. Legislation is necessary to permit the creation of BIDs. While government must legally establish the PBID, private sector stakeholders determine all choices about district boundaries, assessment rates, budget, and service delivery. The yearly operating budgets of PBIDs can range from a few thousand dollars to tens of millions of dollars.

Some qualities of PBIDs that are important to note include:

- The process to establish a PBID happens via a petition of property owners in the PBID area. Once the appropriate petition thresholds are met, the creation of the PBID must then go to Town Council, who holds a public hearing on the matter and then officially votes to form the PBID and establish a creation ordinance. In California, PBID creation is also subject to a Prop 218 vote.
- Per PBID legislation, the property owners in a district are the ratepayers. Once a PBID is created, the levy is placed on the property owner's tax bill and collected in this way. The PBID assessment is mandatory once charged, and the PBID body has the power to place a lien on property if the PBID assessment is not paid.
- Because PBIDs are considered a quasi-governmental entity, and because the local government is involved in the formal creation of the PBID, they have some influence in the governance of the PBID. When the PBID is established, a Board is appointed to oversee the funds. The names of the Board members must be approved by Town Council.
- California PBID legislation allows for an initial PBID term of 5 years, but allows for a renewal of up to 10 years.

There are 200+ PBIDs across California and more than 1,500 across the United States. They are nimble and effective tools that allow places to focus on more sustainable and well-managed approaches to maintenance, management, small infrastructure development, economic development and marketing.

Benefit Assessment District/Community Facilities District

A BAD levies certain “benefit assessments” on particular property owners to pay for improvements or services that *directly benefit* their properties. Benefit assessments can be used to finance the maintenance, operation and installation costs of drainage, flood control, and street light services as well as the maintenance of streets, roads, and highways. Assessments can be levied on a parcel, a class of property improvement, use of property, or any combination thereof. The amount of assessment is evaluated and reimposed annually and are collected in the same manner as property taxes.

The Community Facilities Act, known more commonly as Mello-Roos, was passed in 1982, to enable Community Facilities Districts (CFDs) to be established by local governments as a means of obtaining community funding to pay for public works and some public services. In a CFD, a special assessment/property tax is imposed on the real estate of real property owners within the district to finance public improvements and services (bonds may be issued through the district to pay for these things.) The services that may be funded through these districts include streets, water, sewage and drainage, electricity, infrastructure, schools, parks, police protection, and some other general maintenance related to these areas.

Parking District/Authority

Mammoth Lakes has a reputation for tough parking requirements and a lack of centralized, convenient parking, which can deter new development from occurring. Initiating a parking district would help jumpstart much needed new development. A parking district essentially collects parking revenues and assigns them to an authority or body separate from the Town. That authority is then responsible for managing existing parking and building/developing new parking to support growth in an area. Parking districts can also fund the development of supporting assets and amenities such as street furniture, lighting, etc. The revenue coming into the district may be generated from paid parking fees (e.g. meters, garages) as well as via in-lieu parking fees from developers as a way to support the development of consolidated, centralized parking. Establishment of a parking district/authority would likely take about two years in order to conduct all necessary negotiations.

TOOLS FOR PUBLIC INFRASTRUCTURE

It will also be necessary to explore funding sources for actual public infrastructure improvements. The following is a list of potential tools that could be explored for use in the immediate term.

Bonds

Local governments can issue municipal bonds to pay for capital projects. These bonds could be General Obligation Bonds, which are repaid through general funds, or they could be repaid through future revenues of a special district. Bonding capacity is limited by the accessibility to future revenues from either existing or special taxes and assessments and is limited by the ratings of the bonding entity (as of December, 2012 Mammoth Lakes had a BB+ rating with a “stable” outlook.) The political realities of passing a bond are based on what the bond would be used for (i.e. one component of the project or the whole project,) how long it would take to repay, and how the repayment would occur - through general funds, a tax increase or a special district.

Grants

State, Federal, and other grants should be considered for this project. The Town may want to hire a professional grant writer to specifically pursue grants applicable to this project, as well as earmarking some monies, as many grants require matching funds. Grants are most likely to be obtained for projects upgrading alternative transportation modes. Transit stops, bike facilities, parking, multi-use paths, and signalized pedestrian controls are examples of facilities that state and federal grants could help fund. Federal grants that might be applicable include the Surface Transportation Program (STP) or Transportation Alternatives Program (TAP). State grants include Highway Safety Improvement Program (HSIP), Local Transportation Fund (LTF), or the newly proposed Active Transportation Program, which includes programs such as Safe Routes to Schools. See *Attachment E: Existing Funding Tools and Grant Options* for a full list of applicable federal and state grant funding sources.

Existing Funding Sources

1) EXISTING TAX MEASURES

The Town of Mammoth Lakes currently has several existing special tax measures in place that fund improvements and special services in the community through an application process. While commitments exist for many of these funds (and it is not a recommendation of this Plan to take away from existing obligations,) several aspects of the Main Street Plan fit within the parameters of these measures, which could help accomplish the goals of these initiatives while fulfilling Main Street goals. The following chart lists the existing tax measures, their purpose, and how they might be utilized in funding components of this project:

MEASURE	PURPOSE	POTENTIAL USE FOR THIS PROJECT
A	General fund tax money with the suggestion its spent on tourism and housing.	Components of the tourism-serving work, including signage and wayfinding, activation, and placemaking; other portions of the fund could go towards more diversified housing in the core of Mammoth Lakes.
R	To fund the creation of additional and/or improvement of existing recreation opportunities, including parks, trails and recreation. Funds planning, construction, operation, maintenance programming and administration.	Public plazas and green spaces, trails, and any other recreation-based facilities considered.
U	To fund the planning, construction, operation, maintenance, programming and administration of facilities and projects for mobility, recreation, arts and culture.	Pedestrian right-of-ways and enhancements, public art and public realm improvements, and cultural programming and activation.
T	General tax with a suggestion of expense on transit.	Improved transit stops and enhanced transit service.

2) TOURISM BUSINESS IMPROVEMENT DISTRICT

The TBID, or Tourism Business Improvement District, was established in 2013 and utilizes the Property and Business Improvement District Law of 1994. The TBID was approved on July 24, 2013 and is set to provide an estimated \$4.7 Million per year for the next 5 years to the Mammoth Lakes Tourism Association. Lodging facilities, retailers, restaurants, and the ski resort all pay an assessment. The TBID business plan states that the fees are to be spent on sales, marketing and public relations for Mammoth Lakes as well as covering the air service subsidy. The current political reality for utilizing TBID funds for Main Street is not likely. However, the business plan does allow for flexibility in how funds are spent, as long as they are tourism-related, and the Main Street project definitely contributes to and improves the overall visitor experience of Mammoth Lakes.

TOOLS FOR PUBLIC INFRASTRUCTURE AND PRIVATE SECTOR PARTICIPATION

Development Impact Fees

Development impact fees (DIFs) are fees put in place by the Town to mitigate impacts on public facilities. The Mammoth Lakes Town Council has chosen to temporarily waive DIF fees for small residential construction, new commercial projects and remodels. While this was a positive strategy during the economic downturn, a new strategy is needed as things recover. Reasonable DIFs are good practice, and their funds should be considered for reinvesting in the public realm. Many DIF programs issue specific fees and put that money into a general fund for various public projects. For Downtown Mammoth Lakes, it is recommended that DIFs be reinstated and the money generated be held in a separate account to either be directly reinvested back into the public realm surrounding new development or used for match funding for grants. This way, developers see that their fees are going into improving economic development, thus directly supporting their investment. It should be noted that existing DIF projects, on which funds are currently being collected, would need to continue to be funded through completion.

Short-Term Funding Sources (2-4 Years Post-Plan Adoption)

TOOLS FOR PUBLIC INFRASTRUCTURE AND PRIVATE SECTOR PARTICIPATION

Community Development Corporation (CDC)

CDC's are not-for-profit entities that allow for multiple investors to participate in acquiring sites, preparing them for redevelopment and even in some cases developing them. CDC funds can be utilized to help incentivize business creation. Benefits of CDCs include: their 501c3 status (public can easily contribute and grant dollars are easier to access); they are community-based and bring together the public and private sectors; they leverage a diversity of funds (general funds, grants, fees, private investment, bank, donations, etc.); and they are extremely flexible in funding diverse projects because they are non-governmental. Some CDCs in California include: Roseville CDC, Southeast Community Development Corporation, and California Statewide Communities Development Authority. Creation of a CDC would likely take about a year to develop a Board of Directors and establish 501c3 status.

They can be funded in a variety of ways, but generally get their resources from:

- **Business/corporate donations**, who may get a tax incentive in return.
- **Banks** that are required to give a portion of their revenues back to the community.
- **Investors** looking for a tax incentive and/or a community benefit from their work.
- **Donors** who are interested in the needs of the community.
- **City, County and other governmental entities**, through actual cash infusions or incentives to assist with redevelopment.
- **Grants** - local, national and federal.

See the following online resource for setting up a CDC:

<http://www.westerncity.com/Western-City/September-2012/The-Next-Generation-of-Economic-Development-Tools-Community-Development-Corporations/>

TOOLS FOR PUBLIC INFRASTRUCTURE

Infrastructure Financing District (IFD)

IFD's collect incremental revenue from a project or area and allow it to be invested into community-benefitting improvements. They are funded through incremental property tax revenue from the Town and monies must be used to finance public improvements and facilities of community-wide interest. Creation of an IFD would likely take about a year to establish and their term is up to 40 years (they may bond for up to 30.) Establishment of an IFD requires 2/3 vote of either registered voters OR property owners in the district. IFDs are set to become a powerful new tool in California, as the municipal sector looks towards innovative ways to fund infrastructure and important public facilities.

See the following online resources for setting up an IFD:

<http://www.cacities.org/UploadedFiles/LeagueInternet/fb/fb6dc4c4-3a53-488b-b59e-583502ba1596.pdf>

http://www.sf-planning.org/ftp/files/Citywide/Draft_Rincon_Hill%20IFD_Infrastructure_Financing_Plan_Dec_2010.pdf

Medium-Term Funding Sources (4-6 Years Post-Plan Adoption)

TOOLS FOR PRIVATE SECTOR PARTICIPATION

Right-of-Way Incentive Program

The Right-of-Way (ROW) Incentive Program refers to the transfer of additional ROW land along Main Street from the Town to private property owners as part of the disposition and removal of the Frontage Roads. This transfer may or may not be made monetarily. This is something that the Main Street stakeholder group (explained in the following chapter) and the Town staff can work together to initiate.

If the Town chooses to sell the land to the property owners, it should be at a very reasonable price (below market rate) as an incentive to the property owners to take advantage of the opportunity. The funds generated from the land sales could include a guarantee that funds shall be used for future upgrades along the corridor which would benefit their specific properties, or perhaps used as in-lieu fees for additional parking that would be provided by the Town in the form of a “parking district” so the property owners do not have to incur additional parking on-site.

If the transaction is made “by-right,” then the Town should establish a set of guidelines and/or standards as to what the property owner can do with the additional space in the short, medium and long-terms. For example, parking should be restricted, and active uses, either in the form of a building, patio, cafe seating, plaza, etc. should be required.