



Kim Dawson <kim.dawson@edcgov.us>

Dixon Ranch Fiscal Impact Analysis Feb 14, 2017 Agenda

5 messages

Joe Harn <joe.harn@edcgov.us>

Fri, Feb 10, 2017 at 3:15 PM

To: Shiva Frentzen <shiva.frentzen@edcgov.us>, The BOSONE <bosone@edcgov.us>, The BOSTWO <bostwo@edcgov.us>, The BOSFIVE <bosfive@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>, The BOSTHREE <bosthree@edcgov.us>, Brian Veerkamp <brian.veerkamp@edcgov.us>, EDC COB <edc.cob@edcgov.us>, James Mitrisin <jim.mitrisin@edcgov.us>, Donald Ashton <don.ashton@edcgov.us>, Michael Ranalli <michael.ranalli@edcgov.us>, Michael Ciccozzi <michael.ciccozzi@edcgov.us>, David Livingston <david.livingston@edcgov.us>, Roger Trout <roger.trout@edcgov.us>, Sue Novasel <sue.novasel@edcgov.us>, Kim Dawson <kim.dawson@edcgov.us>
Cc: jkorotkin@gmail.com

Dear Board Members,

Below you will find copies of the two emails that I sent to CDA and Joel Korotkin (the applicant) regarding the Dixon Ranch Fiscal Impact Analysis (FIA). In August of last year I shared with the applicant and CDA a number of concerns that I had with the FIA. The message and conclusion that I reached and delivered in August of 2016 was, "Based on the information that I have at this time, this project would be a bad thing for the County general fund."

Your Board should never approve a general plan amendment unless there is a significant amount of evidence that indicates that a vast majority of the residents in our county will benefit from the project. Dixon Ranch doesn't meet that benchmark. The applicant's FIA indicates that the County general fund will make a \$10 per home annual "profit" at build out. I believe that the applicant's FIA is overly optimistic and is based on inaccurate assumptions. If this project is approved as it is being presented to your Board it is extremely likely that you will be forced to cut service levels to our citizens throughout our County.

For many months I have been asking for someone to document CDA's process for evaluating FIAs prepared by developers. County residents deserve a process that provides reasonable assurance that FIAs are evenhanded and free from influence and bias. It is now clear that CDA presents developer prepared FIAs to the Planning Commission and your Board without any reasonable level of examination or scrutiny by the CDA staff.

Joe Harn
Auditor-Controller
El Dorado County

2 attachments

Dixon Ranch Email to CDA FIA Sales Tax 9-6-16.pdf



Joe Harn <joe.harn@edcgov.us>

Dixon Ranch Fiscal Impact Analysis (FIA)

1 message

Joe Harn <joe.harn@edcgov.us>

Sat, Aug 20, 2016 at 4:52 PM

To: Roger Trout <roger.trout@edcgov.us>

Cc: Steve Pedretti <steve.pedretti@edcgov.us>, Paula Frantz <paula.frantz@edcgov.us>, Donald Ashton <don.ashton@edcgov.us>, Laura Schwartz <laura.schwartz@edcgov.us>, Craig Schmollinger <craig.schmollinger@edcgov.us>, David Livingston <david.livingston@edcgov.us>, Kirk Bone <KBone@parkerdevco.com>, The BOSTWO <bostwo@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>

Bcc: Shiva Frentzen <shiva.frentzen@edcgov.us>, Michael Ranalli <michael.ranalli@edcgov.us>, Joe at Home Harn <joe.harn@home@yahoo.com>

Roger,

On Thursday morning the CAO asked to meet with me regarding the Dixon Ranch FIA. I met with the CAO, Laura Schwartz, and Craig Schmollinger at noon on Thursday. At the meeting the CAO and I discussed the FIA.

Joel from Dixon Ranch and Kirk from Parker Development Company told me on the phone yesterday that you talked them about my concerns regarding the FIA on Friday. Roger, you, telling these developers about my concerns appears to me to be an extremely inefficient way to communicate since we have never communicated regarding this issue.

For the record in late April of this year I told Laura Schwartz about some of my concerns regarding the FIA.

For the record as of today I have spent very little time reviewing the Dixon Ranch FIA. I asked Laura Schwartz in April and last week what process CDA uses that provides reasonable assurance that FIA is accurate and if the FIA is accurate does the project at build out help solve the County's long term fiscal challenges. Laura has not yet been able to explain or document for me the quality control process that CDA uses to provide reasonable assurance that the FIA is accurate. It is my opinion, that that process should be documented before the FIA is delivered to the BOS.

I am concerned about the preparation of the FIA because it uses the Fiscal 2014-15 budget to project costs into the future. Most County employees received a 5% raise effective July 1, 2015. Further, in Fiscal 2014-15 the general fund did not adequately fund (1) CalPERS (Unknown millions annually), (2) Road Maintenance (\$2,000,000 annually), (3) Retirees Health Insurance (\$3,000,000?? annually), or (4) our Building Replacement Reserve (\$5,000,000 annually). I do not agree with the decision to use the Fiscal 2014-15 budget numbers. I am also concerned that the residents in Dixon Ranch could "stop" the annual \$230 per dwelling unit special tax used to "fiscally balance" the project via a referendum as allowed by the California Constitution.

The bottom line summary of the FIA (based on the Fiscal 2014-15 budget) is a \$6,000 annual "profit" to the general fund. I am not impressed with the bottom line \$10 per dwelling unit contribution to the general fund at build out. Based on the information that I have at this time, I believe that it would be a mistake for the BOS to rely on this FIA and the project's \$10 per dwelling unit projected "profit". Based on the information that I have at this time, this project would be a bad thing for the County general fund.

Roger, I look forward to discussing this matter with everybody on Tuesday. Once I better understand the quality control process for FIAs at CDA I may better understand this FIA.

I don't have Joel's email address so I won't send him a copy of this email. You are welcome to. I am sending a copy to Kirk. I am very comfortable letting everyone know my concerns. I won't cc the BOS Chair, but I will cc the 1st and 2nd vice chair.

Joe Harn
Auditor-Controller