

McKinleyville Incorporation – Initial Feasibility Analysis Project Summary

Scope of Work and Key Tasks

The Initial Feasibility Analysis (IFA) will include the following core tasks:

1. Baseline Review

- Review prior exploratory studies and planning materials prepared by Cal Poly Humboldt and the American Planning Association (APA) Community Planning Assistance Team. Confirm the preferred planning alternative, including preliminary boundary and service responsibility assumptions, and establish the analytical framework for the IFA. It is assumed that the consultant will utilize the alternative boundaries developed for the Cal Poly study but will finalize the recommended boundary for the report.
- Summarize existing municipal services currently provided by Humboldt County and special districts and identify, at a conceptual level, which services would likely transition to a new city versus remain with existing providers.

2. Preliminary Fiscal Assessment

- Prepare a high-level municipal budget forecast for the preferred planning alternative, including estimated revenues and expenditures for core municipal services, and discussion of reserve assumptions, fiscal risks and key sensitivities.
- Estimate baseline municipal revenues that could be available to a new city, including property tax, sales tax and other general revenues.
- Develop high-level expenditure estimates for core municipal services, using comparable California cities and applicable county cost data.
- Evaluate preliminary fiscal balance, including consideration of reserves and overall structural feasibility.

3. Interagency and Revenue Neutrality Considerations

- Identify potential fiscal impacts to Humboldt County and other affected agencies at a high level.
- Describe revenue neutrality concepts that would apply if an incorporation application were pursued, recognizing that detailed negotiations are beyond the scope of the IFA.

4. Feasibility Findings and Next Steps

- Summarize key opportunities, constraints, assumptions and limitations identified through the analysis.
- Identify conditions under which incorporation may be more or less feasible.
- Outline recommended next steps if the community elects to proceed, including additional community outreach, boundary refinement and Local Agency Formation Commission (LAFCo) application requirements.

Project Deliverables

The project will result in:

- A draft and final Initial Feasibility Analysis report suitable for public release.
- Summary tables and graphics illustrating revenues, expenditures and service responsibilities.
- A clear narrative discussion of feasibility findings, limitations and recommended next steps.
- It is anticipated that the consultant will provide one electronic version of the Draft report, with the text in Word format and appendices compiled into a single pdf. The MIESC will provide one set of “Track Changes” comments on the Draft Report back to the consultant. The consultant will then provide one electronic version of the final report in pdf format. It is assumed that any appropriate Geographic Information System (GIS) layers, such as the “Boundary Layer” developed by the consultant will also be provided as an ArcGIS or similar shapefile.