

CITY OF



San Rafael

Agenda Item No: 18

Meeting Date: 6/20/2011

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: **Public Works**

Prepared by: *[Signature]*
Director of Public Works

City Manager Approval *[Signature]*

File No.:06.01.208

SUBJECT: PUBLIC HEARING ON THE FORMATION OF THE PT. SAN PEDRO ROAD MEDIAN LANDSCAPING ASSESSMENT DISTRICT AND LEVY OF THE PROPOSED ASSESSMENT.

RECOMMENDATION: Hold the public hearing.

BACKGROUND: On May 2, 2011 the City Council adopted Resolution number 13150 declaring its intention to order formation of the Pt. San Pedro Road Median Landscaping Assessment District, to levy and collect assessments, and to issue bonds. The resolution represented the next step in the assessment district formation process, and accomplished the following actions, all as required under the Landscaping and Lighting Act of 1972:

- The Resolution formally declared the intention of the Council to form the assessment district, levy assessments, and issue bonds.
- The Resolution approved changes to the engineer's report that have been made since it was initially submitted for approval on April 4, 2011.
- The Resolution set the public hearing date for June 20, 2011. The public hearing is required under both the provisions for the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (Proposition 218), and provides an opportunity for any interested person to speak (or submit written comments) to the Council regarding the proposed district and assessments.
- Finally, the Resolution directed that the assessment ballots be mailed to landowners within the proposed assessment district boundaries. The City Clerk was designated as the City official responsible for this task, with the assistance of the Assessment Engineer, Willdan Financial Services. Willdan Financial Services mailed 2,759 ballots on May 6, 2011. At the request of the property owners who did not receive or misplaced their ballots, 17 duplicate ballots were mailed to them, up to June 14, 2011.

The City Council also adopted Resolution number 13149 approving the Memorandum of Understanding with the County of Marin setting forth the obligations of the City and the County with respect to the assessment district.

FOR CITY CLERK ONLY

File No.: _____

Council Meeting: _____

Disposition: _____

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

ANALYSIS: The Resolution of Intention set the public hearing date for tonight's Council meeting, and residents within the proposed assessment district also received notice of the public hearing with their mailed assessment ballots. In accordance with Proposition 218, the assessment ballots were mailed at least 45 days before this evening's public hearing. Any property owner wishing to submit a ballot must do so prior to the close of the public hearing. The City Clerk has been responsible for holding and safeguarding the assessment ballots, and they will remain unopened until the conclusion of tonight's public hearing.

NEXT STEP:

Given the size of the assessment district and the number of assessment ballots that have been submitted, the tabulation of the ballots will take place tomorrow starting at 9:00 AM in the City Council Chambers. The announcement of the results will be made at a special Council meeting to be held on Wednesday June 22, 2011 at 4:00 PM.

FISCAL IMPACT:

Based on the Memorandum of Understanding between the County and City, the County is committed to pay for 37% of the capital costs of the District improvements up to \$25,000, and up to \$6,000 (adjusted annually by CPI changes) of the annual maintenance costs.

The updated Engineer's Report dated April 20, 2011 indicated the general benefit portion of the capital improvement costs to be \$45,500 of which \$28,665 will be the City's share and \$16,835 will be the County's share. In addition to the general benefit, the capital cost obligation calculated for publicly owned properties within the district, (non taxable parcels) that receive special benefit from the proposed improvements totals \$21,337, and must be prepaid prior to the issuance of bonds, of which the City's share is \$13,442 and the County's share is \$7,895.

Therefore, the City will be required to budget \$42,107 to cover these capital improvement costs.

In support of the annual operations and maintenance of the district, the updated Engineer's Report identifies a combined City and County annual contribution for administrative expenses to be \$15,265, of which the City's share will be \$9,775 and the County's share will be \$5,490. In addition, the City and County will annually contribute the calculated proportional operations and maintenance assessments for the publicly owned properties within the district that are identified as non-taxable, such as the public schools and Fire house. The estimated operations and maintenance assessments for these parcels for fiscal year 2011-2012 is \$1,377, of which the City's share will be \$868, and the County's share will be \$509. Therefore, the City's total share of these 2011-2012 operations and maintenance costs would be \$10,643, and the County's share would be \$5,999, which is below the \$6,000 cap set in the MOU.

If the voters approve the assessment district, bonds will be issued to finance the construction portion of the project, estimated at \$1,771,337. After subtracting the prepayment amount for the non-taxable parcels (publicly owned properties), approximately \$1,750,000 needs to be financed for the capital improvements. The majority of these funds will be used for irrigation and planting material improvements in the median.

The initial maximum annual assessment for each single family unit will be \$75 (\$46.06 for debt services and \$28.94 for annual maintenance cost). This maximum allowable assessment will be adjusted annually based on either a maximum of 3% or the percentage increase in the local Consumer Price Index as outlined in the Engineer's Report.

OPTIONS:

The Council must hold the public hearing as required by Resolution number 13149, and then direct the City Clerk to tabulate the ballots after the public hearing is closed.

ACTION REQUIRED:

The Mayor should open the public hearing and the City Clerk should accept ballots until the close of the public hearing. Upon the close of the public hearing, the Council should direct the City Clerk to tabulate the ballots and report the results at the City Council special meeting to be held on Wednesday June 22, 2011 at 4:00 PM at the City Council Chambers.