



Agenda Date: _____

Agenda Item: _____

STAFF REPORT

Approved: _____

Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: RICK ANGRISANI, CITY ENGINEER

DATE: JULY 18, 2017

SUBJECT: CONSIDERATION OF A RESOLUTION ORDERING THE LEVY OF A SPECIAL TAX WITHIN THE HIGH STREET PERMANENT ROAD DIVISION FOR FY 2017-18

RECOMMENDATION

Approve the attached Resolution.

BACKGROUND

The High Street Permanent Road Division was formed in 1999 to provide a mechanism for the included property owners to repay the City for funds advanced for the reconstruction of the High Street Bridge over Mitchell Creek. In addition, a portion of the annual levy is set aside to provide funds for the maintenance of the bridge.

The City agreed to fund half the cost of the bridge and the remainder was to be paid by the property within the Division. The former Clayton Redevelopment Agency (now the "Successor Agency" by state dissolution law) funded the reconstruction of the bridge and repayment was spread over 30 years with a 6% interest rate. In addition, the annual levy includes an amount of \$60 per parcel dedicated to future bridge maintenance. The City has absorbed all of the administrative costs. Through the end of FY 2016-17 (eighteen years), we have collected \$68,629.78 towards the construction and interest costs (including \$5,288.78 from John Morgan in January, 2014 to pay off his bridge assessment), and \$5,400.00 for future maintenance.

In the Resolution it is noted there are several different levies. These amounts were based on a formula negotiated with the property owners when the Division was formed.

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The first assessment for the repayment of the bridge construction costs was levied in FY 1999/00 and the final assessment for construction costs will be levied in FY 2028/29. It should be noted that the portion of the assessment for bridge maintenance will continue thereafter.

FISCAL IMPACT

The annual assessment will produce \$1,754.00 in FY 2017-18. If this Resolution is not approved, money owed to the Successor Agency by the property owners will not be repaid and funds will not be available for future bridge maintenance.

CONCLUSION

Based upon the above, staff recommends the City Council approve this Resolution levying a special tax on the parcels located within the High Street Permanent Road Division.

Attachments: Resolution levying a Special Tax [2 pp.]