



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 OAK STREET PERMANENT ROAD DIVISION FOR FY 2017-18

RECOMMENDATION

Approve the attached Resolution.

BACKGROUND

The Oak Street Permanent Road Division was formed in 2000 to provide a mechanism for the included property owners to repay the City for funds advanced for the reconstruction of the Oak Street Bridge over Mitchell Creek. In addition, a portion of the annual levy is set aside to provide funds for the maintenance of the private portion of Oak Street.

The Redevelopment Agency funded the reconstruction of the bridge and repayment was spread over 20 years with a 7% interest rate. In addition, the annual levy has included an amount of \$350 per parcel dedicated to future road maintenance and \$92.01 per parcel for Division administrative fees (10% of the levy for bridge construction and maintenance). Through the end of FY 2016-17, we have collected \$76,029.41 (including \$4,763.00 from Reuben Gonzalez in 2005/06 to pay off his bridge assessment) for construction repayment, \$26,400 for maintenance (deposited in a separate fund), and \$9,766.40 for administration (1% of the total assessment and deposited in City General Fund).

Due to the repaving of Oak Street after construction of the sewer line, we revised the maintenance schedule to provide for slurry seal treatments at 10 and 20 years after formation (2010 and 2020, respectively), along with an overlay at 30 years (2030). This revised schedule reduced the required maintenance levy to \$200.00 per parcel per year. Since we had been collecting \$350.00 per parcel per year, we suspended the maintenance

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assessment for five years (ending with the 2010-11 assessment). This year we are restoring the annual assessment of \$200.00 per parcel for road maintenance. As part of the 2016 Arterial Rehabilitation Project, we performed pavement repairs and microsurfaced the existing pavement at a cost of approximately \$11,000. This work reduced maintenance funds to approximately \$15,400 at the end of FY 16-17.

In the Resolution, it is noted that six parcels have a levy of \$847.14, one parcel has a levy of \$220.00, and two have levies of \$423.58. The original Division included 8 parcels, all levied equally. Since that time, one parcel was subsequently subdivided (Caspar) and that levy was reapportioned equally between the two lots. In addition, Mr. Gonzalez paid off his bridge assessment in FY 2005/06 and is now being assessed only for maintenance of the road.

The first assessment for the repayment of the bridge construction costs was levied in FY 2000/01 and the final assessment for construction costs will be levied in FY 2019/20. It should be noted the portion of the assessment for maintenance and Division administration will continue thereafter.

FISCAL IMPACT

If this Resolution is not approved, money owed the Successor Agency for construction of the bridge by the affected property owners will not be repaid. The annual assessment for this fiscal year will produce a total of \$6,150.00.

CONCLUSION

Based upon the above, staff recommends the City Council approve this Resolution levying a special tax in FY 17-18 on the parcels located within the Oak Street Permanent Road Division.

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