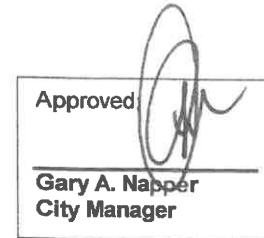




Agenda Date: July 17, 2018

Agenda Item: 3d

# STAFF REPORT



**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

**FROM: SCOTT D. ALMAN, P.E., CITY ENGINEER**

**DATE: JULY 17, 2018**

**SUBJECT: CONSIDERATION OF A RESOLUTION ORDERING THE LEVY OF A SPECIAL TAX WITHIN THE HIGH STREET PERMANENT ROAD DIVISION FOR FY 2018-19**

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## RECOMMENDATION

Approve the attached Resolution.

## BACKGROUND

The High Street Permanent Road Division was formed in 1999 providing a mechanism for included property owners to repay funds advanced by the City for the reconstruction of High Street Bridge over Mitchell Creek. In addition to capital repayment, the annual levy includes funds for the long-term 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 owners 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 2017-18 (nineteen years), \$70,383.78 has been collected 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 varying levy amounts. These amounts were based on a formula negotiated with the property owners when the Division was formed.

**Subject: High Street Permanent Road Division – Levy of Special Tax**

**Date: July 17, 2018**

**Page 2 of 2**

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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 the portion of the assessment for bridge maintenance will continue indefinitely

### **FISCAL IMPACT**

This year's annual assessment will produce \$1,754.00 in FY 2018-19. 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 in FY 2018-19 on the parcels located within the High Street Permanent Road Division.

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