



Agenda Date: July 17, 2018

Agenda Item: 3c

# STAFF REPORT



**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

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

**DATE: JULY 17, 2018**

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

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## 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 2017-18, \$80,020.33 has been collected (including \$4,763.00 from Reuben Gonzalez in 2005/06 to pay off his bridge assessment) for construction repayment, \$28,000 for maintenance (deposited in a separate fund), and \$10,325.48 for administration (1% of the total assessment and deposited in City General Fund to recoup incurred expenses).

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.

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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 indefinitely.

### **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 2018-19 on the parcels located within the Oak Street Permanent Road Division.

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