



MEMORANDUM

TO: City Council

FROM: Bill Robeson, Assistant City Manager/Public Works Director

SUBJECT: Consideration of Engineer's Reports and Resolutions Declaring the City's Intention to Levy and Collect Assessments

DATE: June 13, 2023

SUMMARY OF ACTION:

Approval of the Engineer's Reports and adoption of the associated Resolutions declaring the City's intention to levy and collect assessment fees for maintenance and landscaping for the Parkside Village Assessment District and Grace Lane Assessment District and the Arroyo Grande Landscaping and Lighting Assessment District No. 1 within Tract 1769. No changes to the assessment fee amounts are proposed at this time nor are any new improvements or substantial changes in existing improvements proposed for Fiscal Year (FY) 2023-24.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The City created three assessment districts to provide landscaping and other specified maintenance. The assessments are placed on the affected property owner's tax roll each year. The total amount of revenue to be received from the assessment districts in FY 2023-24 is approximately \$56,298.

RECOMMENDATION:

1) Approve the Engineer's Reports for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, for FY 2023-2024; 2) Adopt Resolutions declaring the intention to levy and collect assessments for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, for FY 2023-2024; 3) Set a public hearing for June 27, 2023 at 6:00 p.m. for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, to consider levying the property assessments; and 4) Make findings that the Consideration of Engineer's Reports and Resolutions Declaring the City's Intention to Levy and Collect Assessments is categorically exempt from the California Environmental Quality Act ("CEQA") under the Class 2 exemption, which applies to the replacement or reconstruction of existing structures and facilities where the new structure

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will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (State CEQA Guidelines, § 15302.)

BACKGROUND:

Arroyo Grande Landscaping and Lighting Assessment District No.1 within Tract 1769

On June 9, 1992, Arroyo Grande Landscaping and Lighting Assessment District No. 1 within Tract 1769 was created to provide landscaping and lighting improvements and maintenance for Tract 1769. The total assessment was \$100 per parcel located within Tract 1769 (a total of \$3,000). Improvements in Landscaping and Lighting Assessment District No. 1 include but are not limited to landscaping and ornamental vegetation in the public rights of way.

Current status:

- Assessment income remains at \$3,000 annually.
- Potential Annual Expenditures (work improvements), if done annually, would exceed the annual fund balance by approximately \$300.
- Expenditures/Work Improvements are completed as funding accumulates to a point where costs can be covered. If no services are needed and/or the annual engineering report is less in scope, these fees are not expended and can be carried over to the next fiscal year fund balance.
- The work improvements to be financed and maintained through this particular assessment district are related to landscape maintenance only. These services do not cover public safety work such as fire and fuel management as required in other districts.

Parkside Village Assessment District

On November 8, 2005, at the request of Parkside Village LLC, the sole owner and developer of the Parkside Village Subdivision (Tract 2310), the City Council approved the formation of the Parkside Village Assessment District. The improvements (maintenance and servicing) in the Parkside Village Assessment District include, but are not limited to:

- Areas bordering Farroll Road, Bakeman Lane entrances, behind and along Bakeman Lots 10, 11, 12 and 13 of Phase 1;
- Mini park pedestrian pathway easement and drainage basin;
- Fencing, gates and walls bordering Farroll Road, Bakeman Lane entrances, behind and along Bakeman Lots 10, 11, 12 and 13, park and drainage basin;
- Pathway easement, lighting and all improvements between lots 1, 2, and 3 between Dixon Street and the mini park, the mini park and all improvements to include walkways, play area, benches and basketball court on Lot 24; and
- Drainage retention basin, and all improvement including the water separator on Lot 25 and French drains along the East boundary of Tract 2310-2.

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Current status:

- Assessment income remains at \$43,966 annually.
- Potential Annual Expenditures (work improvements) average \$30,000 to \$35,000 annually and do not exceed the annual income.
- Expenditures/Work Improvements are completed as needed and through a licensed landscape contractor.
- The work improvements to be financed and maintained through this particular assessment district are landscaping and irrigation of common areas, maintenance of fencing and block walls, maintenance of a detention basin and drainage facilities, and partial park maintenance. The expanded infrastructure (detention basin, surrounding metal fencing and small park) require a larger fund balance in anticipation of eventual replacement of these facilities. Assessment income not spent on annual maintenance is accrued to cover these replacement costs in the future.

Anticipated work in the next FY 2024-25 for the Parkside Village Assessment District is the replacement of the playground equipment and other improvements to the park area. In coordination with residents, conceptual design will take place. Using the results of the conceptual design, cost estimates will be developed and reviewed to create a preliminary project that will also have full consultations with the resident group prior to the bidding and awarding of the project.

Grace Lane Assessment District

On November 28, 2006, at the request of Vista Robles LLC, the sole owner of the Grace Lane Subdivision (Tract 2236) at that time, the City Council approved the formation of the Grace Lane Assessment District. The annual assessments are \$460 or \$608 per parcel for a total annual assessment of \$9,332. Maintenance and servicing of the improvements in the District include but are not limited to: 1) a pedestrian trail across the open space property (Lot B) including, but not limited to, the existing informal hiking trail currently passing through Lot B, signage, and fencing; 2) common areas and facilities, including but not limited to the open space parcels and drainage facilities; 3) open space maintenance in accordance with fuel modification specifications; and 4) the common drive area (not within the parcel boundaries) and associated improvement for Lots 16 through 19.

Current status:

- Assessment income remains at \$9,332 annually.
- Potential Annual Expenditures (work improvements) average \$10,000 and are beginning to exceed the annual income.
- Contractual services costs through the California Conservation Corps (CCC) are steadily increasing but have also kept the overall maintenance costs lower due to the routinely lower costs of labor versus a private contractor.

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- Expenditures/Work Improvements are completed as needed and through a 3-year service contract with the CCC.
- The work improvements to be financed and maintained through this particular assessment district are fuel modification in common areas and the adjacent large open space area; maintenance of drainage easement area and storm drain facilities; public trail maintenance; and a seal coat approximately every 5 years and a 2" A.C. overlay approximately every 20 years to the common driveway area to lots 16-19.
- A seal coat application was anticipated last year, however, after a field evaluation, it was determined that the seal coat application could be delayed. A recent evaluation confirmed the need for a new seal coat this fiscal year to the common area of the driveway that accesses lots 16-19. This common driveway is located directly across the street from Grace Bible Church.

At the April 11, 2023 City Council meeting, the Council adopted Resolution Nos. 5281, 5282, and 5283 ordering the preparation and filing of annual engineer's reports for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract No. 1769. Subsequently, draft Engineers' Reports were prepared by a consultant under contract with the City, which are on file with the City Clerk and have been provided to the City Council.

ANALYSIS OF ISSUES:

The California Streets and Highways Code Sections 22500 et seq., (California Landscape and Lighting Act of 1972) (Act), contains the process by which local governmental agencies form assessment districts for the purpose of financing the costs and expenses of landscaping and lighting public areas. The Act requires the City to complete the following process each fiscal year in order to levy and collect assessments:

- Adopt a Resolution describing any proposed new improvements or any substantial changes in existing improvements and ordering preparation and filing of an engineer's report.

The City Council adopted Resolution Nos. 5281, 5282, and 5283 on April 11, 2023, ordering the preparation of engineer's reports for the three Assessment Districts. No new improvements or substantial changes in existing improvements are proposed for FY 2023-24.

- Approve the Engineer's Report and adopt a Resolution of Intention declaring the City Council's intention to levy and collect assessments under the subject assessment districts for the upcoming fiscal year. The Resolution also states whether the assessment is proposed to change from the previous year and sets a date, hour and place for a public hearing.

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Attached are draft proposed resolutions accomplishing this task. No changes to the assessments are proposed.

- Conduct the public hearing affording all interested parties the opportunity to hear and be heard.

To be scheduled for June 27, 2023.

- Adopt a Resolution confirming the assessment, which constitutes the levy of the assessments for the 2023-24 fiscal year.

To be scheduled for June 27, 2023.

Upon fulfillment of these requirements, the City must submit the assessments to the County of San Luis Obispo for inclusion on the FY 2023-24 property tax roll.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. 1) Approve the Engineer's Reports for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, for FY 2023-2024; 2) Adopt Resolutions declaring the intention to levy and collect assessments for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, for FY 2023-2024; and 3) Set a public hearing for June 27, 2023 at 6:00 p.m. for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, to consider levying the property assessments; or
2. Request changes or clarification to the Engineers' Reports and/or Resolutions and approve as modified; or
3. Provide staff other direction.

ADVANTAGES:

Adoption of the Resolutions will be in compliance with the Act and allow the City to move forward with the process to levy assessments.

DISADVANTAGES:

No disadvantages for the proposed actions have been identified.

ENVIRONMENTAL REVIEW:

Class 2 exemption: Replacement or reconstruction. The Consideration of Engineer's Reports and Resolutions Declaring the City's Intention to Levy and Collect Assessments is categorically exempt from the California Environmental Quality Act ("CEQA") under the Class 2 exemption, which applies to the replacement or reconstruction of existing

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structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (State CEQA Guidelines, § 15302.) Although there are no proposed projects to replace or reconstruct existing structures or facilities in the next FY 2023-24, the process to levy and assessment district(s) does consider these types of projects, therefore, the Class 2 Exemption applies.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Resolution – Parkside Village Assessment District
2. Proposed Resolution – Grace Lane Assessment District
3. Proposed Resolution - Arroyo Grande Landscaping and Lighting District No. 1, Tract 1769
4. Engineer's Report – Parkside Village Assessment District
5. Engineer's Report – Grace Lane Assessment District
6. Engineer's Report – Arroyo Grande Landscaping and Lighting District No. 1, Tract 1769