

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew Fertal	From:	Keith G. Jones
Dept:	City Manager	Dept:	Public Works
Subject:	PROPOSED BUDGET FOR MAIN STREET ASSESSMENT DISTRICT NO. 1 FISCAL YEAR 2009/10	Date:	April 14, 2009

OBJECTIVE

The purpose of this report is to submit the proposed budget (Attachment 1) for the Main Street Assessment District No. 1 (MSAD) (see Attachment 2 for map) to the City Council for review and approval. The budget includes descriptions of the activities to be implemented by the district for Fiscal Year 2009/10.

BACKGROUND

In 1977, the City Council created the Main Street Assessment District No. 1 in accordance with the Landscaping and Lighting Act of 1972 (LLA). Its purpose is to maintain the unique public improvements such as planters, sidewalks, and streetlights within the MSAD.

Maintenance costs associated with these improvements are funded through an annual assessment of the Main Street property owners. The LLA requires that on an annual basis the City Council conduct certain actions. The first action is to initiate proceedings for the levy of an assessment on the property owners. Following this, staff will return to Council at a future date for the approval of the Engineers Report. Finally, in June 2009 the City Council will be required to hold a public hearing for final adoption of the assessments.

DISCUSSION

On March 12, 2009, the Parking and Main Street Commission approved and recommended that the FY 2009/10 Main Street Assessment District No. 1 and Vehicle Parking District No. 2 annual budgets be forwarded to the City Council for review and adoption (see Attachment 1). Concerning the Main Street Assessment District, in 2005 efforts were made to increase the owner's assessment, but failed. In 2007, solid waste disposal was separated from the budget in order to provide a balanced budget that did not draw down on the reserves.

PROPOSED BUDGET FOR  
MAIN STREET ASSESSMENT  
DISTRICT NO. 1  
FISCAL YEAR 2009/10  
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The proposed budget, of \$24,632, approved by the Parking and Main Street Commission reflects no increase in assessments from FY 2008/09. The ongoing service costs for the Main Street Maintenance District No. 1 are identified in the budget.

The budget will result in a linear-foot assessment of \$19.92, which is equivalent to a \$498 levy for the typical 25-foot storefront on Main Street. The assessment has not been raised in the last 17 years, yet because of normal inflation and an increase in operations and maintenance, expenses continue to rise. With the increasing costs, reserves of \$14,145 will have to be used in upcoming years to balance the budget. The length of time these funds last will depend on spending levels for maintenance and repairs.

The Commission also passed a resolution approving the budget in order to initiate the annual assessment process. Attached is a schedule listing the procedural steps necessary to levy the annual assessment (Attachment 3).

The LLA requires the City Council to adopt a resolution (Attachment 4) describing the improvements including maintenance. The resolution also orders the City Engineer to prepare and file a report, as required under Section 22565 of the California Streets and Highways Code, that authorizes staff to initiate the steps to implement the annual assessment pursuant to Sections 22622 through 22641. The resolution includes provisions for street cleaning, landscape maintenance and public improvements, which would be contracted through the Public Works Department.

#### FINANCIAL IMPACT

The 2009/10 expenditures will be funded through an assessment of the Main Street property owners and the remaining fund balance. There is no financial impact to the City.

#### COMMUNITY VISION IMPLEMENTATION

Not applicable.

PROPOSED BUDGET FOR  
MAIN STREET ASSESSMENT  
FOR DISTRICT NO. 1  
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RECOMMENDATION

Staff recommends that City Council:

- Approve the proposed budget for the Main Street Assessment District No. 1, FY 2009/10.
- Adopt the attached resolution describing the proposed improvements, directing the Engineer to prepare the required report under the LLA, and authorizing staff to initiate assessment proceedings.

  
KEITH G. JONES  
Public Works Director

  
By: Ron Meislahn  
Facilities Manager

Approved for Agenda Listing

  
Matthew Fertal  
City Manager

Attachment 1: MSAD No. 1 Annual Budget, FY 2009/10  
Attachment 2: Assessment Map  
Attachment 3: Schedule of Required Actions  
Attachment 4: Resolution

ANNUAL BUDGET  
CITY OF GARDEN GROVE  
**MAIN STREET MAINTENANCE DISTRICT NO: 1**  
FISCAL YEAR 2009-10

			<u>09/10</u> <u>Totals</u>
<b><u>Fund 533 - Main Street</u></b>			
Fund Balance as of 7/1/09			\$15,710 (est.)
	<u>Proposed</u> 08/09	<u>Proposed</u> 09/10	
<u>Revenues</u>			
Assessments	\$ 26,700	\$ 26,700	
Interest	<u>1,000</u>	<u>700</u>	
Total	\$ 27,700	\$ 27,400	<u>\$ 27,400</u>
Linear Foot Assessment	\$19.92	\$19.92	
<i>Subtotal</i>			\$43,110
<u>Expenditures (Pkg. 2510)</u>			
General Maintenance	15,500	15,500	
Street Improvements	-	-	
Street Lighting	2,000	2,000	
Street Cleaning	1,000	1,000	
Tree Trimming	-	-	
Professional Services	3,500	3,500	
Administrative Support	3,893	1,900	
Insurance	<u>732</u>	<u>732</u>	
<i>Subtotal</i>	\$26,625	\$24,632	<u>\$24,632</u>
Fund Balance as of 6/30/10			<b>\$18,478 (est.)</b>

ANNUAL BUDGET  
CITY OF GARDEN GROVE  
VEHICLE PARKING DISTRICT NO. 2  
FISCAL YEAR 2009-10

09/10  
Totals

**Fund 531 - Maintenance**

Fund Balance as of 7/1/09

\$146,470 (est.)

	<u>Approved 08/09</u>	<u>Proposed 09/10</u>	
<b><u>Revenues</u></b>			
Assessments	\$ 465	\$ 465	
Interest	<u>5,750</u>	<u>4,500</u>	
 Total	 \$ 6,215	 \$ 4,965	 <u>\$ 4,965</u>
 Subtotal			 \$151,435

**Expenditures (Pkg. 2509)**

General Maintenance/ Street Sweeping	\$ 3,500	\$ 3,500	
Administrative Support	222	222	
Insurance	<u>231</u>	<u>231</u>	
Total	\$ 3,953	\$ 3,953	<u>\$ 3,953</u>

Fund Balance as of 6/30/10

\$147,482 (est.)

**Fund 532 - Acquisition**

Fund Balance as of 7/1/09

\$27,450 (est.)

**Revenues**

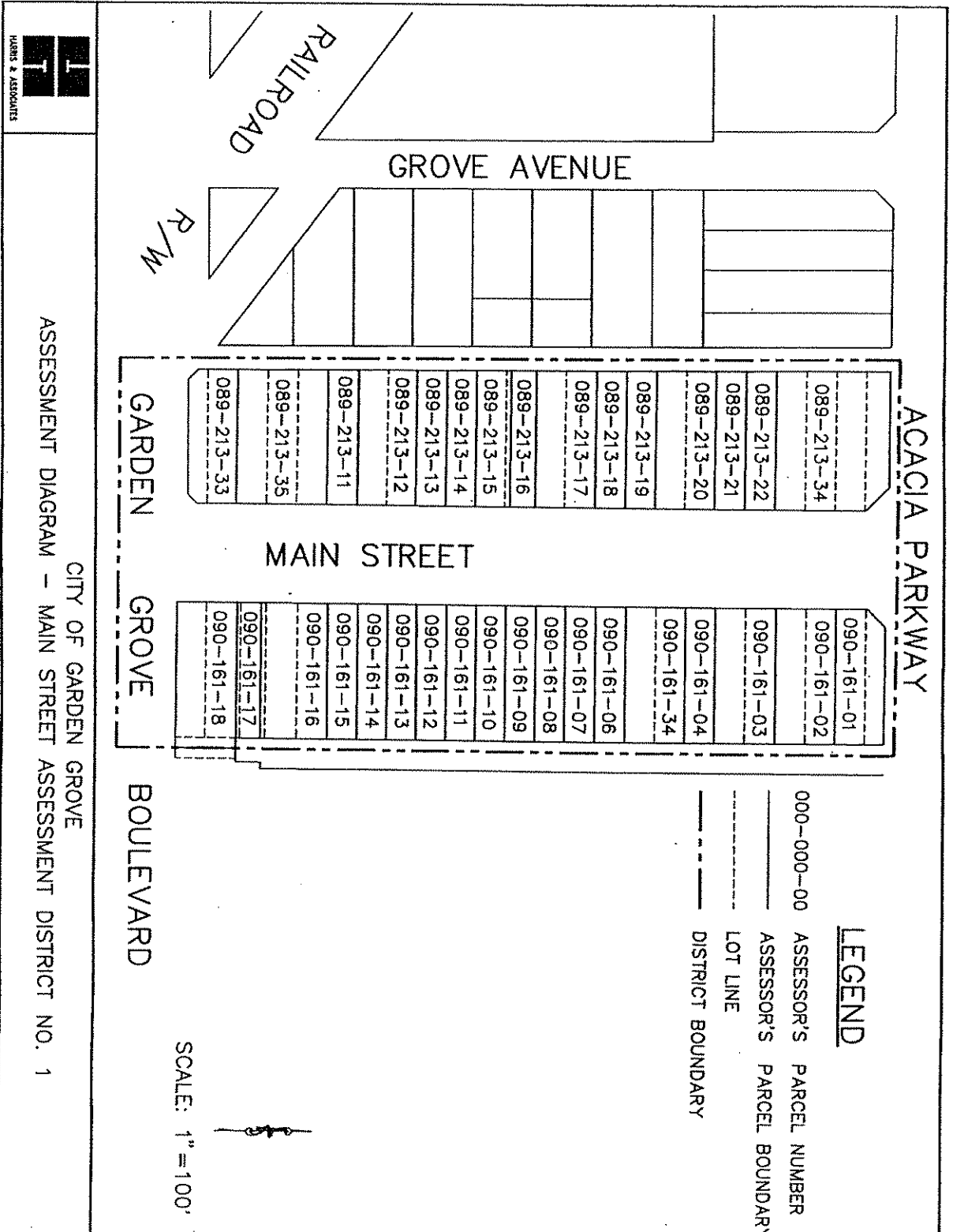
Assessment	\$ 950	\$ 950	
 Total	 \$ 950	 \$ 950	 <u>\$ 950</u>
 Subtotal			 \$28,400

**Expenditures (Pkg. 2509)**

Administrative Support	\$ 78	\$ 78	
Insurance	<u>30</u>	<u>30</u>	
Total	\$ 108	\$ 108	<u>\$ 108</u>

Fund Balance as of 6/30/10

\$28,292 (est.)



## SCHEDULE OF REQUIRED ACTIONS

MAIN STREET ASSESSMENT DISTRICT NO. 1  
(LEVY OF ANNUAL ASSESSMENTS AFTER FORMATION OF AN ASSESSMENT  
DISTRICT)

<u>DATE</u>	<u>ACTION</u>
3/12/09	<p>MEETING TO DETERMINE PROPOSED LEVELS OF MAINTENANCE, NEW IMPROVEMENTS OR CHANGES TO EXISTING IMPROVEMENTS</p> <p>City Manager staff met with the Parking and Main Street Commission to review maintenance costs and recommended proposed levels of maintenance costs and recommended proposed levels of maintenance, new improvements or changes to existing improvements for fiscal year 2009/10.</p>
3/19/09	<p>RECOMMENDATIONS OF PARKING AND MAIN STREET COMMISSION TRANSMITTED TO CITY COUNCIL</p>
4/14/09	<p>CITY COUNCIL ADOPTS RESOLUTION DESCRIBING IMPROVEMENTS (SECTION 22622 of the California Streets &amp; Highways Code (S&amp;H Code))</p> <p>Describe proposed new improvements or substantial changes in existing improvements.</p> <p>Orders Engineer or his designee to prepare and file report.</p>
4/15/09	<p>PREPARING OF THE ENGINEERS REPORT (Sections 22565 et seq. S&amp;H Code)</p> <p>Approve report as filed or as modified.</p> <p>Declare intention to levy and collect assessments.</p> <p>Describe existing and proposed improvements or substantial changes to existing improvements.</p> <p>Refer to Assessment District by its distinctive designation and indicate the general location of the District. Boundaries of District and proposed assessments.</p> <p>Give notice of the time, as fixed by Section 22625, and place for the hearing on the levy of the proposed assessment increase.</p>

5/26/09 NOTICE OF HEARING (Sections 22626 S&H Code)

PUBLISH: (Section 22552 and 22553 of the Streets and Highways Code)

Published notice shall be made pursuant to section 6061 of the Government Code.

Publication of Notice of Hearing shall be completed at least 10 days prior to the date of the hearing specified therein. Refer to Report of Engineer for description of improvements.

6/23/09 HEARING

Hearing date must be specified prior to August 9, 2009 (Section 22625 S & H Code).

City Council may continue hearing subsequent to August 8, 2009 or date specified by County Auditor (Sections 22629 and 22640 S & H Code).

City Council to consider:

- a. Written protests, must be filed prior to conclusion of hearing (Section 22628 S&H Code),
- b. Oral protests will be heard and written protests will be considered (Section 22629 S&H Code).
- c. Changes (Section 22630 S&H Code).

6/23/09 RESOLUTION CONFIRMING DIAGRAM AND ASSESSMENT (Section 22631 S&H Code)

8/5/09 CITY CLERK FILES DIAGRAM AND ASSESSMENT WITH COUNTY AUDITOR not later than the 9<sup>th</sup> of August. (Section 22625 S&H Code)

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\*Mandated

1. Reference Landscaping and Lighting Act of 1972.
2. Proposition 218 Omnibus Implementation Act.



RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972  
(SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAY CODE)  
DESCRIBING ANY PROPOSED NEW IMPROVEMENTS OR ANY SUBSTANTIAL  
CHANGES IN EXISTING IMPROVEMENTS IN THE  
MAIN STREET ASSESSMENT DISTRICT NO. 1, AND ORDERING THE  
ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH  
ARTICLE 4 OF CHAPTER 1 OF THE ACT

WHEREAS, the City Council of the City of Garden Grove did form the Main Street Assessment District No. 1 by Resolution No. 5366-77 pursuant to the provisions of the Landscaping and Lighting Act of 1972, Division 15, Part 2 (commencing with Sections 22500 et seq.) of the California Streets and Highways Code; and

WHEREAS, the Act requires that proceedings for the levy of annual assessments after the formation of an Assessment District shall be initiated by resolution describing any proposed new improvements or any substantial changes in existing improvements, and ordering the engineer to prepare and file report in accordance with Article 4 or Chapter 1 of said Act.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The improvements, including maintenance thereof, have not changed substantially and are described as follows:

The maintenance of the public improvements within the boundaries of Main Street District No. 1 associated with street cleaning, landscape maintenance and repair and replacement of the public improvements as required from time to time.

SECTION 2: The City Engineer is hereby ordered to prepare and file a report in accordance with Sections 22565 et seq. of the California Streets and Highways Code.

SECTION 3: The City Council of the City of Garden Grove authorize staff to initiate proceedings necessary to establish the levy of an annual assessment for the Main Street Assessment District No. 1 pursuant to the Landscaping and Lighting Act of 1972 for the fiscal year 2009-10.