

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	William E. Murray
Dept:	City Manager	Dept:	Public Works
Subject:	PROPOSED BUDGET FOR MAIN STREET ASSESSMENT DISTRICT NO. 1, FISCAL YEAR 2012-13	Date:	April 10, 2012

OBJECTIVE

For City Council to approve the proposed budget for the Main Street Assessment District No. 1 (MSAD) and a resolution to initiate proceedings to implement the annual assessment for Fiscal Year (FY) 2012-13.

BACKGROUND

In 1977, the City Council created the MSAD (see Attachment 1 for map) 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 the City Council conduct certain actions on an annual basis. The first action is to initiate proceedings for the levy of an assessment on the property owners and to order an Engineers Report. Following this, staff will return to Council at a future date for the approval of the Engineers Report. Finally, in July 2012, the City Council will be required to hold a public hearing for final adoption of the assessments. Attached is a schedule listing the procedural steps necessary to levy the annual assessment (Attachment 2).

DISCUSSION

On March 8, 2012, the Main Street Commission approved and recommended that the FY 2012-13 MSAD annual budgets be forwarded to the City Council for review and adoption (Attachment 3). In addition to ongoing service costs, such as general maintenance and lighting, the Commission has recommended \$10,000 be budgeted for various street improvements, such as the replacement of benches and trash receptacles for the MSAD. The additional \$10,000 will be funded with the MSAD reserves. Total expenses for FY 2012-13 is \$35,832.

The proposed budget reflects no increase in assessments from the current year and remains at \$19.92 per linear-foot, which is equivalent to a \$498 levy for the typical 25-foot storefront on Main Street.

The LLA requires the City Council to adopt a resolution (Attachment 4) describing any improvements and maintenance for FY 2012-13. 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.

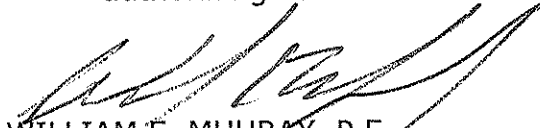
#### FINANCIAL IMPACT

The 2012-13 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.

#### RECOMMENDATION

Staff recommends that City Council:

- Approve the proposed budget for the Main Street Assessment District No. 1, FY 2012-13.
- 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.

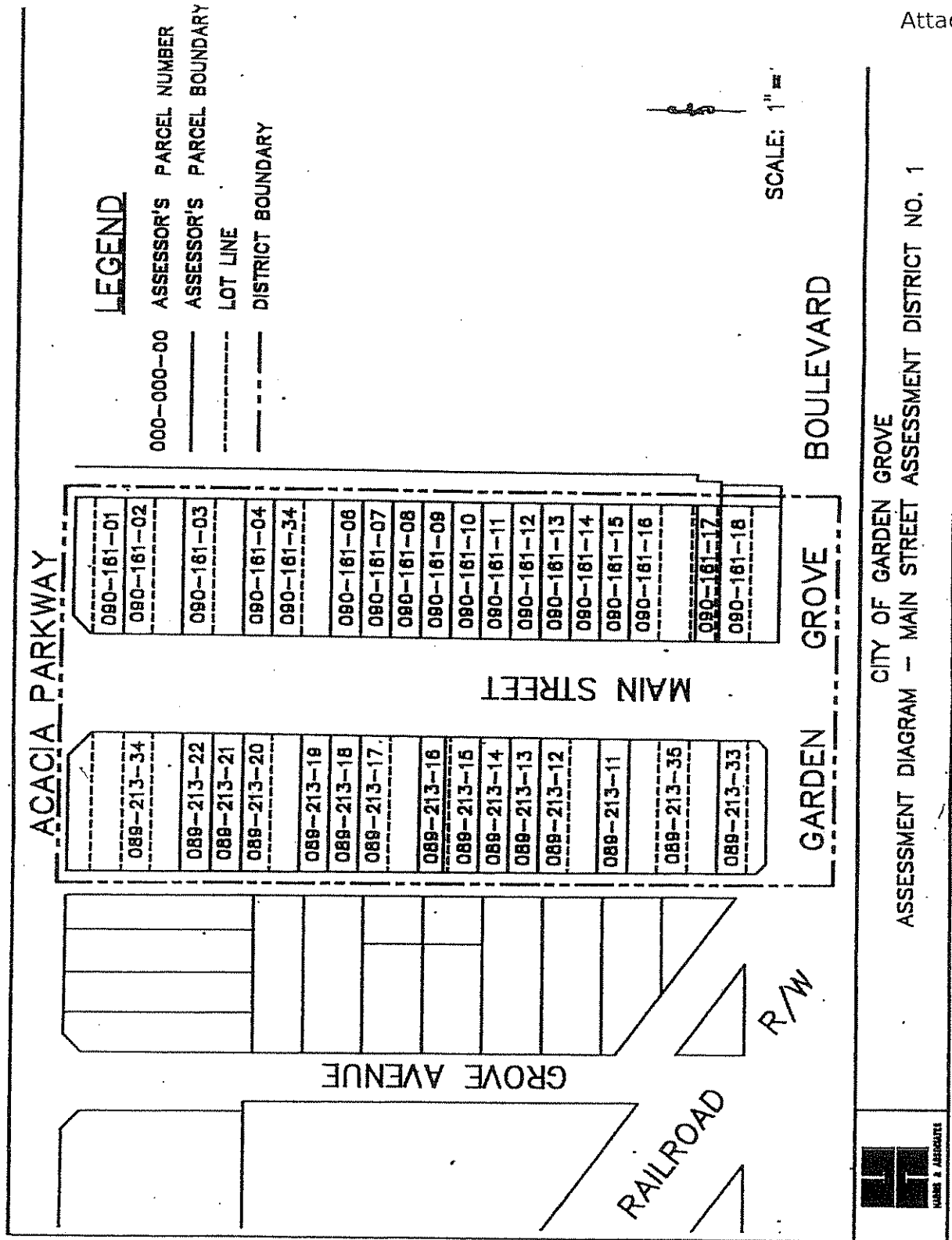
  
WILLIAM E. MUURAY, P.E.  
Public Works Director/City Engineer

  
By: Ann Eifert  
Sr. Administrative Analyst

**Recommended for Approval**

  
Matthew Fertal  
City Manager

- Attachment 1: Map of MSAD No. 1  
Attachment 2: Schedule of Required Actions  
Attachment 3: MSAD No. 1 Annual Budget, FY 2012-13  
Attachment 4: Resolution



## 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>
3/8/12	Meeting with Main Street Commission to determine proposed levels of maintenance, new improvements or changes to existing improvements.
4/10/12	City Council adopts a resolution describing improvements (California Streets & Highways code (S&H Code), section 22622) and orders Engineer or his designee to prepare and file report.
4/11/12	Preparing of the Engineers Report (Sections 22565 et seq. S&H Code)
5/22/12	City Council to approve Engineers Report, adopt resolution of intention, and set protest hearing.
7/01/12	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.
7/10/12	HEARING  City Council to consider: <ul style="list-style-type: none"> <li>a. Written protests, must be filed prior to conclusion of hearing (Section 22628 S&amp;H Code),</li> <li>b. Oral protests will be heard and written protests will be considered (Section 22629 S&amp;H Code).</li> <li>c. Changes (Section 22630 S&amp;H Code).</li> </ul>
7/10/12	City Council to approve resolution confirming diagram and assessment (Section 22631 S&H Code).
8/1/12	CITY CLERK FILES DIAGRAM AND ASSESSMENT WITH COUNTY AUDITOR not later than the 9 <sup>th</sup> of August. (Section 22625 S&H Code)

ANNUAL BUDGET  
CITY OF GARDEN GROVE  
**MAIN STREET MAINTENANCE DISTRICT NO.1**  
FISCAL YEAR 2012-13

**Fund 533 - Main Street**

			<u>12/13 Totals</u>
Fund Balance as of 7/1/2012			\$ 35,560 (est.)
	<u>Proposed 11/12</u>	<u>Proposed 12/13</u>	
<u>Revenues</u>			
Assessments	\$ 26,700	\$ 26,700	
Interest	500	500	
Total	\$ 27,200	\$ 27,200	<u>\$ 27,200</u>
Linear Foot Assessment	\$19.92	\$19.92	
<i>Subtotal</i>			\$ 62,760
<u>Expenditures (Pkg. 2510)</u>			
General Maintenance	15,500	15,500	
Street Improvements	-	10,000	
Street Lighting	2,000	2,500	
Street Cleaning	1,000	1,500	
Professional Services	3,500	3,500	
Administrative Support	2,100	2,100	
Insurance	732	732	
<i>Subtotal</i>	\$ 24,832	\$ 35,832	<u>\$ 35,832</u>
<b>Fund Balance as of 6/30/13</b>			<b>\$ 26,928 (est.)</b>

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  
CITY 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 City Engineer to prepare and file report in accordance with Article 4 or Chapter 1 of said Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove 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 authorizes 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 2012-13.