

## 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 2008/09	Date:	April 8, 2008

#### 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 2008/09.

#### 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 on an annual basis that 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 2008, the City Council will be required to hold a public hearing for final adoption of the assessments.

#### DISCUSSION

On March 13, 2008, the Parking and Main Street Commission approved and recommended that the FY 2008-09 Main Street Assessment District No. 1, and the 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.

The proposed budget, of \$26,625, approved by the Parking and Main Street Commission reflects no increase in assessments from FY 2007-08. The on-going service costs for the Main Street Maintenance District No. 1 are identified in the budget.

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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 16 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 and 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 2008/09 expenditures will be funded through an assessment of the Main Street property owners and the remaining fund balance, and there is no financial impact to the City.

#### COMMUNITY VISION IMPLEMENTATION

Not applicable.

#### RECOMMENDATION

Staff recommends that the City Council:

- Approve the proposed budget for the Main Street Assessment District No. 1, FY 2008/09;
- 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.

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KEITH G. JONES  
Public Works Director

By: Ron Meislahn  
Facilities Manager

Attachment 1 - MSAD No. 1 Annual Budget, FY 2008/09  
Attachment 2 – Assessment map  
Attachment 3 – Schedule of Required Actions  
Attachment 4 - Resolution