



DATE ISSUED: May 9, 2007

REPORT NO: 07-069 REV

ATTENTION: Council President and City Council
Docket of May 14, 2007

REPORT TO THE CITY COUNCIL

SUBJECT: Del Mar Heights Road. Maintenance Assessment District Formation

REFERENCE:

REQUESTED ACTION:

This City Council action is to start the process to form a new maintenance assessment district to maintain landscaping improvements along certain sections of Del Mar Heights Road. Under the guidelines of Proposition 218, all property owners receiving benefit from the improvements within the district have an opportunity to vote in favor or in opposition to the formation of this maintenance assessment district: community driven or developer driven. This request is community driven.

STAFF RECOMMENDATION:

Authorize the commencement of the 45-day balloting period as required by law and schedule a public hearing for July 10, 2007.

1. Adopt the resolution initiating proceedings for the formation of the Del Mar Heights Road Maintenance Assessment District;
2. Adopt the resolution preliminarily approving the engineer's report submitted in connection with the proposed formation of the Del Mar Heights Road Maintenance Assessment District;
3. Adopt the resolution of intention to form the Del Mar Heights Road Maintenance Assessment District and to levy and collect Fiscal Year 2008 annual assessments on the Del Mar Heights Road Maintenance Assessment District.

SUMMARY:

This action authorizes the ballot protest proceedings to form the Del Mar Heights Road Maintenance Assessment District. If approved by the property owner vote, this action also authorizes the Fiscal Year 2008 assessment and budget. The District is located in the Torrey Pines Community Planning Area along the Del Mar Heights Road corridor bounded by Crest Canyon Open Space park to the north, Torrey Pines State Reserve to the south, the City of Del Mar to the west, and Interstate 5 to the east.

The purpose of the District is to fund the enhanced maintenance of landscaped and hardscaped improvements including identified medians, curbs, and gutters.

FISCAL CONSIDERATIONS:

Approximately \$ 51,034 will be assessed to the property owners within the District in Fiscal Year 2008. The City owns one assessable parcel in the District. The General Fund impact is \$22.90 for FY 2008. The District will be entitled to a contribution from the Gas Tax Fund 30219 in the amount of \$4,188. These funds are included in the proposed Fiscal Year 2008 Budget Process. The proposed Fiscal Year 2008 budget for the District is as follows:

	<u>FY 2008</u>	<u>Maximum Authorized</u>
EXPENSES		
Personnel	\$1,500	\$4,505
Landscape Contract	\$7,178	\$34,183
Incidentals	\$801	\$1,841
Administration	\$3,000	\$3,686
Utilities (energy, water utilities & storm drain fee)	\$0	\$719
Repayment to MAD Formation Fund (one-time expense)	\$30,000	\$0
TOTAL EXPENSES	\$42,479	\$44,934
REVENUES		
Assessments	\$51,034	\$52,590
City Contributions - Gas Tax	\$4,188	\$5,824
TOTAL REVENUES	\$55,222	\$58,414
FUND BALANCE (Carryover & Reserve)		
Allocated Reserve/Carryover (20% of operating budget)	\$8,495	\$8,987
Required Minimum Reserve (10% of operating budget)	\$4,248	\$4,493
TOTAL FUND BALANCE	\$12,743	\$13,480

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The majority of the assessments will be borne by residences within the community. The community submitted a petition and was granted use of City formation funding in September 2005. The Torrey Pines Planning Group endorsed the formation at its October 12th 2006 meeting. The Del Mar Heights Rd. Advisory Group has supported the effort and, in conjunction with the Planning Group, held a community outreach and information meeting on March 8, 2007. Some community opposition to this formation has been expressed.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders in the area are the local residences, the Del Mar Union High School District, Safeway Stores Inc., Longs Drug Inc., and several smaller businesses. Information and outreach efforts are being made to all stakeholders.

Stacey LoMedico
Park and Recreation Director

Rick Reynolds
Assistant Chief Operating Officer