



THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: May 3, 2011

REPORT NO.: 11-067

ATTENTION: City Council Agendas of May 17, 2011 and July 12, 2011

SUBJECT: North Park Clean and Safe Overlay Maintenance Assessment District

COUNCIL DISTRICT: 3

CONTACT/PHONE NUMBER: Andrew Field, (619) 533-6724, MS 804A

REQUESTED ACTIONS:

At the City Council meeting of May 17, 2011, propose the formation of a new maintenance assessment district (MAD) to be known as the North Park Clean and Safe Overlay MAD; preliminarily approve the Assessment Engineer's Report; and authorize the intention to levy and collect assessments for Fiscal Year 2012, establish the maximum authorized assessments, and set maximum assessment indexed annually to the San Diego Regional Consumer Price Index-Urban (CPI-U) plus 3%.

Upon affirmative findings at the public hearing on July 12, 2011, authorize the consideration of protests, order the formation of the North Park Clean and Safe Overlay MAD, approve the Assessment Engineer's Report, confirm assessments, and order the improvements, maintenance, and/or services; adopt the annual budget for the North Park Clean and Safe Overlay MAD in Fiscal Year 2012; authorize the City Comptroller to establish an interest-bearing fund for the North Park Clean and Safe Overlay MAD; authorize the City Comptroller to appropriate and expend the North Park Clean and Safe Overlay MAD fund once established; authorize the City Comptroller to transfer \$10,000 from the North Park Clean and Safe Overlay MAD fund to Fund 200063, North Park MAD in Fiscal Year 2012 for the purpose of repaying a portion of formation costs contingent upon successful formation of the North Park Clean and Safe Overlay MAD; and authorize the City Comptroller to expend \$12,906 from the General Fund in Fiscal Year 2012 for assessments levied to City-owned parcels.

STAFF RECOMMENDATION:

Staff recommends the City Council authorize the resolutions and commence the balloting process for the proposed North Park Clean and Safe Overlay MAD.

DESCRIPTIVE SUMMARY OF ITEM:

This City Council action is to start the process to form the North Park Clean and Safe Overlay MAD. This new MAD would be located within the footprint of the existing North Park MAD. The North Park Clean and Safe Overlay MAD is proposed to maintain improvements in the public right-of-way within the commercial core of North Park, including portions of University Avenue, North Park Way, 30th Street, Upas Street, and intersecting side streets. 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 MAD. This request for new district formation is community initiated.

SUMMARY:

Background

The City of San Diego's Park and Recreation Department currently administers 49 of the 57 MADs located throughout the City. These districts provide landscape and lighting maintenance to identified community focal areas in accordance with each district's Assessment Engineer's Report. MADs are authorized by the State of California and provided for in the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of Proposition 218 (Article XIID of the California Constitution), and provisions of the San Diego Municipal Code §65.201 et seq.

Under the provisions of these laws, the City may assess properties based on the amount of special (?) benefit each property will receive provided property owners endorse the MAD concept. To form a new district, the City issues ballots to property owners. Each ballot is weighted based on the amount of maximum annual assessment for the parcel. If a majority of the ballots returned are in favor of forming an assessment district, the district may be formed by resolution of the City Council. Assessments are levied in the following year, typically appearing on the property tax bill.

If approved, the proposed North Park Clean and Safe Overlay MAD would be wholly located within the existing North Park MAD, which was formed on July 30, 1996, per Resolution R-287697. The North Park MAD was rebaloted and approved for Proposition 218 compliance on June 30, 1998, per Resolution R-290404. The North Park MAD provides for maintenance of a variety of streetscape enhancements, including roadway medians, street trees, sidewalks, community monument signs, and decorative street lights.

In July 2010, North Park Main Street Association (NPMS), a non-profit corporation that administers the North Park Main Street Business Improvement District, approached the City about increasing service levels in the commercial core of North Park in addition to those services already provided by the existing North Park MAD. NPMS proposed an additional assessment within or near the commercial core to alleviate concerns of additional trash and security concerns as a result of North Park's vibrant nightlife, and to provide funding for additional localized beautification projects. NPMS conducted surveys in Fall 2010 to determine the services most desired by property owners, business owners, and residents along the University Avenue and 30th Street corridors.

Funding for the engineering and balloting of this district is available from the existing North Park MAD. The North Park MAD Advisory Committee, which serves as the designated citizen advisory committee for the existing North Park MAD, approved funding this on December 13, 2010, with the provision that one-half of these funds would be repaid to the existing MAD after successful formation of the proposed North Park Clean and Safe Overlay MAD.

Proposed Services

Currently, the existing North Park MAD provides the following services within the commercial core and adjacent residential areas:

- CIP: The capital program for the original North Park MAD included street light installation and street tree planting. Those projects have been fulfilled in accordance with the original Assessment Engineer's Report. A remaining project is the Switzer Canyon 30th Street Bridge Improvements, which is partially funded.
- Maintenance:
 - Sidewalk, and Gutter Sweeping
 - Street Tree Well Maintenance (cleaning, watering, fertilizing, pruning)
 - Street Tree Trimming
 - Sidewalk Power Washing
 - Litter Pick Up
 - Trash Receptacle Service
 - Graffiti Removal
 - Streetscape Cleaning
 - Boundary Street Gateway

The proposed North Park Clean and Safe Overlay MAD would increase service levels beyond what the current North Park MAD provides. Specific services that would be enhanced within the proposed North Park Clean and Safe Overlay MAD's boundaries include:

- Installation and Capital Improvements:
 - Decorative Street Lighting
 - Tree Planting
 - Tree Grates
 - Trash and Recycling Receptacles
 - Street Furniture
 - On-Street Permeable Parking
 - Pet Waste Stations
 - Public Art
- Maintenance: Increase frequency of service delivery for all maintenance activities currently provided by existing North Park MAD.

- Add new services for:
 - Utility Box Painting and Cleaning
 - Alley Sweeping
 - Banners
 - Trash Can Power Washing

- Other landscape and streetscape maintenance along roads and parkways, including but not limited to:
 - 29th Street Plaza, North Park Mini-Park, and Adjacent Streetscape
 - Jefferson Elementary School – Utah Street Streetscape
 - 30th and Upas Gateway
 - Boundary Street Gateway
 - Georgia Street Gateway
 - Ray Street Art and Culture District
 - University Avenue Mobility Project Streetscape

- Safety:
 - Security Service Patrol
 - Security Cameras

Location of Services

The existing North Park MAD and proposed North Park Clean and Safe Overlay MAD are located in the Greater North Park Community Planning Area. The approximate boundaries include the existing North Park Business District, which generally follows University Avenue between Georgia Street and Interstate 805 and 30th Street from Thorn Street to Howard Avenue. The proposed North Park Clean and Safe Overlay MAD would also include one or two blocks on either side of these streets, including adjacent side streets. A map is provided in the Assessment Engineer’s Report, which is Attachment 1.

Ballot Process

This action authorizes the ballot protest proceedings, which consists of two parts: formation of the North Park Clean and Safe Overlay MAD and determination of whether the City or NPMS should administer contracts for goods and services. Regardless of the outcome, the ballot process will not impact the existing North Park MAD. Existing services currently provided by the existing North Park MAD will continue at the current service levels provided by its assessments.

If the City Council authorizes the balloting period, City Clerk and Park and Recreation staff will facilitate the mail ballot process. State law requires a minimum 45-day balloting period. Staff will return to the City Council after this period for a noticed public hearing. After the hearing is closed, staff will request permission from the City Council to open and tally ballots received under the direction of the City Clerk.

The first question on the ballot is whether or not to form the proposed new district. There are two possible outcomes:

- If a weighted majority of ballots received are in favor of district formation, the proposed North Park Clean and Safe Overlay MAD would be created with City Council approval. If approved, the City Council would also authorize the Fiscal Year 2012 assessment levy and budget.
- If a weighted majority of ballots are in opposition to district formation, then the proposed North Park Clean and Safe Overlay MAD will be abandoned. The services proposed by this district will not be provided.

The second question on the ballot is whether or not NPMS should be the administrator of contracts for goods and services for the proposed North Park Clean and Safe Overlay MAD in accordance with Municipal Code §65.0212 et.seq. If the new MAD is formed, there are two possible outcomes:

- If a weighted majority of ballots weighted by parcel area are returned in favor of NPMS providing contract administration, then staff will negotiate terms of an agreement with NPMS for future City Council consideration.
- If the weighted majority of ballots are returned in favor of forming the proposed North Park Clean and Safe Overlay MAD yet are opposed to NPMS providing contract management, then staff will administer contracts for goods and services.

To meet the County of San Diego's August 10, 2011, deadline for enrolling assessments in the annual property tax bill for Fiscal Year 2012, the proposed overlay district must be formed by mid-July. Therefore, the balloting period must occur between late May and early July 2011 to ensure the minimum 45-day timeframe as required by the California Constitution Article XIIIID, Section 4(e) is met. If approved, assessments for the North Park Clean and Safe Overlay MAD would appear on property tax bills in Fall 2011.

FISCAL CONSIDERATIONS:

If approved by property owners, approximately \$470,193 will be assessed to the 2,480 property owners within the proposed North Park Clean and Safe Overlay MAD in Fiscal Year 2012. The City owns 14 assessable parcels in the proposed MAD, five of which were previously owned by the Redevelopment Agency. Consequently, there will be a General Fund impact of \$12,906 as a result of assessments on City parcels (see Attachment 2). Assessments to property owned by the City are budgeted in the Citywide Program Expenditures budget. In accordance with City Council Resolution R-288830 dated June 9, 1997, staff will vote affirmatively in the ballot process for the City-owned parcels.

In accordance with a request from the North Park MAD Advisory Committee, if the proposed North Park Clean and Safe Overlay MAD is successfully formed, one-half of the cost for proposed MAD formation will be repaid to the North Park MAD through the first year's assessments of the proposed North Park Clean and Safe Overlay MAD. The formation is

expected to cost \$20,000, of which \$10,000 would be transferred from the new North Park Clean and Safe Overlay MAD back to the existing North Park MAD.

If approved by property owners, the Proposed Fiscal Year 2012 for the new overlay MAD includes funding for the following expenditure categories:

- Contract Administration (by NPMS or City)
- Contract Services
- Other Supplies and Services
- Special Districts Administration
- Utilities
- Repayment to North Park MAD for Formation Costs (onetime)
- Initial Contribution to District Reserve to ensure cash flow sustainability (onetime)

In future years, the budget contemplates an allocation for a capital improvement program consistent with the assessment apportionment methodology. As these capital funds are realized, they will be proposed for budgeting and appropriation to specific City capital improvement projects through future City Council actions. The proposed capital and maintenance budget for the proposed North Park Clean and Safe Overlay MAD is provided in Attachment 3.

EQUAL OPPORTUNITY CONTRACTING INFORMATION:

This action is with a non-profit organization, and therefore exempt from workforce report analysis. Any resultant agreement from this action is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The existing North Park MAD was formed on July 30, 1996, per Resolution R-287697. North Park MAD was rebaloted and approved for Proposition 218 compliance on June 30, 1998, per Resolution R-290404. The City Council authorized approval of updated Assessment Engineer's Reports and annual levy of assessments for all existing MADs on July 20, 2010, per Resolution R-306029.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

NPMS presented the concept for a proposed North Park Clean and Safe Overlay MAD to the North Park MAD Advisory Committee on December 13, 2010, January 10, 2011, and February 14, 2011, and the Greater North Park Planning Committee on March 15, 2011. Town hall forums were conducted on December 6, 2010, and March 21, 2011, to discuss the MAD concept and to receive public input. The December 6, 2010 meeting was preceded by a survey sent by NPMS to affected property owners via U.S. Mail in order to determine the services desired in the district. On both occasions NPMS sent meeting invitations via U.S. Mail to affected property owners in the proposed North Park Clean and Safe Overlay MAD.

NPMS sent surveys to 2,482 parcels in December 2010 survey. Of those sent, 276 survey responses were received from property owners, resulting in a 9% response rate. Surveys asked property owners their opinion of the current state of the North Park commercial corridors, and inquired as to what services or enhancements would make North Park a safer, cleaner place to live and conduct business. The vast majority of responses expressed desire for services including litter pick-up, graffiti removal, security patrol, tree planting, bicycle amenities, and pedestrian lighting. Many respondents also noted a desire for enhancements to the visual appearance of the central commercial core and increased security services throughout. In response to the direct question of paying an additional assessment for enhanced services, 70% of property owners responded “yes,” 23% responded “no,” and 7% responded “maybe.”

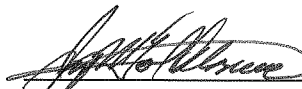
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders in this process include: property owners to be assessed in the proposed North Park Clean and Safe Overlay MAD; property owners that are currently assessed as part of the existing North Park MAD; the North Park MAD Advisory Committee, which is the designated community representative to advise the City regarding the existing North Park MAD in accordance with Municipal Code §65.0209 and §65.0210; and NPMS, which is proposed to administer contracts for goods and services for the proposed North Park Clean and Safe Overlay MAD in accordance with Municipal Code §65.0212 et seq.

Respectfully Submitted,



Stacey LoMedico
Park and Recreation Director



Jay Goldstone
Chief Operating Officer

Attachments:

1. North Park Clean and Safe Overlay MAD Assessment Engineer’s Report (including boundary map)
2. List of City Parcels with Proposed Assessment
3. Proposed FY 2012 Budget for the North Park Clean and Safe Overlay MAD

Attachment 1 – Assessment Engineer’s Report

Please see inserted report.

Attachment 2 – List of City-Owned Parcels in North Park Clean and Safe Overlay MAD

Assessor Parcel Number	Site Address	Site Description	Overlay Assessment
446 364 06 00	4069 30 th Street	ElderHelp of San Diego	\$201.66
446 384 13 00	4011 32 nd Street	Fire Station #14	\$46.58
446 384 14 00	4011 32 nd Street	Fire Station #14	\$46.58
446 384 15 00	4011 32 nd Street	Fire Station #14	\$46.58
446 384 16 00	4011 32 nd Street	Fire Station #14	\$122.52
453 121 04 00	3812 29 th Street	Parking Lot behind Birch North Park Theatre (Future North Park Mini-Park)	\$2,765.82
453 122 12 01	3829 29 th Street	North Park Parking Garage (29 th St and North Park Way)	\$3,471.90
453 122 14 00	3829 29 th Street	North Park Parking Garage (29 th St and North Park Way)	\$4,247.82
453 152 03 00	3067 University Ave	Storefront	\$1,193.48
453 164 01 00	3795 31 st Street	North Park Library	\$423.86
453 164 02 00	3783 31 st Street	North Park Library	\$84.90
453 164 03 00	3773 31 st Street	North Park Library (parking lot)	\$84.90
453 164 04 00	3767 31 st Street	North Park Library (parking lot)	\$84.90
453 164 05 00	3759 31 st Street	North Park Library (parking lot)	\$84.90
TOTAL			\$12,906.40

Attachment 3 – Proposed FY 2012 Budget for North Park Clean and Safe Overlay MAD

North Park Clean and Safe Overlay Maintenance Assessment District

	<u>FY 2012 Proposed</u>	<u>Maximum Authorized</u>
<u>District Expenditures</u>		
Personnel	\$0	\$0
Contract Administration	\$64,950	\$64,950
Contract Services	\$263,723	\$263,723
Other Supplies and Services	\$65,200	\$65,200
Repayment to North Park MAD for Formation Costs	\$10,000	\$0
Special Districts Administration	\$17,320	\$17,320
Utilities	\$2,000	\$2,000
Capital Improvements Program	\$0	\$57,000
Initial Contribution to District Reserve	\$47,000	\$0
TOTAL	\$470,193	\$470,193
<u>District Revenues</u>		
Special Assessments	\$470,193	\$470,193
TOTAL	\$470,193	\$470,193

Properties in the North Park Clean and Safe Overlay MAD will continue to pay the annual assessment for the existing North Park MAD. Property tax bills would show two MAD line items, one for the new MAD and one for the existing MAD. The Assessment Engineer’s Report for the existing North Park MAD is available at <http://www.sandiego.gov/park-and-recreation/pdf/11northpark.pdf>.

In future years, the maximum authorized budget for the North Park Clean and Safe Overlay MAD may increase or decrease based on the amount of assessments levied in a given fiscal year. Amounts for each expenditure category may vary depending on specific needs for the district. In future years, budgets for each expenditure category for the district will be presented in the Mayor’s Proposed Budget and approved annually through the City Council budget deliberation process.