



## Staff Reports

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**File #:** 1336-2018, **Version:** 1

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**To:** Honorable Mayor and Members of City Council

**From:** Jacques R. LaRoche, Public Works Director

**Prepared By:** Eric Whan, Deputy Public Works Director - Engineering

**TITLE:**

Napa Valley Corporate Park Landscape and Lighting Assessment District, Fiscal Year 2018-2019

**RECOMMENDED ACTION:**

Adopt a resolution approving the Engineer's Report, confirming diagram and assessment, ordering levy of assessment for the Napa Valley Corporate Park Landscape and Lighting District for Fiscal Year 2018-19, and determining that the actions authorized by this resolution are exempt from CEQA.

**DISCUSSION:**

In 1984, the City Council authorized the establishment of a Landscape and Lighting District in the Napa Valley Corporate Park to provide for the maintenance of certain landscape improvements in the public streets and easements. In 1997, the City Council authorized the establishment of the Supplemental Napa Valley Corporate Park Landscape and Lighting Assessment District to provide for the increased cost of providing irrigation to landscaping and additional landscape maintenance. The supplemental assessments are in compliance with the rules of Proposition 218 (Assessment and Property Related Fee Reform).

On August 7, 2007, City Council adopted Resolution R2007 142 approving a clearly defined methodology for adjusting the maximum amount of the assessment based on objective calculations (C.P.I.) to adjust for inflation. This levy is within the maximum assessment.

In 2009, a Property Owners Association (POA) was formed pursuant to Amended and Restated Declaration of Covenants and Restrictions for the Corporate Park recorded in April 2009. The POA was formed for the benefit of the individual lot owners within the Corporate Park as well as to assume the responsibility for carrying out the maintenance obligations required by the District.

After significant discussion with City staff, it was determined by all parties that the best course of action would be to have the POA take over the day-to-day operations for all aspects of the maintenance obligations. The POA and the City of Napa entered into an Agreement for Assumption of Maintenance Obligations of Napa Valley Corporate Park Landscaping and Lighting District on December 1, 2009. Starting with Fiscal Year 2010-2011, the City has reduced the District assessment to a level that generates only enough revenue to pay for administrative costs to keep the District on the tax roll. The POA increased its assessments on property owners to a level that would fund all aspects of the maintenance obligations as well as necessary reserves.

Each year, the City Council is required to take the necessary actions to receive the Engineer's Report, hold the protest hearings, and levy the assessments. On May 15, 2018, the City Council adopted Resolution R2018-054 appointing NBS as the Engineer of Record and ordered the preparation of the Engineer's Report. The Preliminary Engineer's Report has been prepared and concludes that the current assessment escalated by the San Francisco Consumer Price Index (C.P.I.) is sufficient to cover the anticipated FY 2018-19 costs for maintenance of the landscape and lighting for this assessment district.

In January 2018, the Bureau of Labor Statistics replaced the San Francisco-Oakland-San Jose CPI with the San Francisco-Oakland-Hayward index (the "New Index"), the CPI increase in FY2018-2019 reflects the change in CPI as of February from this New Index. The New Index will be used moving forward as it is the closest comparable index to the previously existing San Francisco-Oakland-San Jose index, and this New Index is the only Northern California index in existence currently.

On May 15, 2018, City Council also adopted Resolution R2018-055 which set the time and place of the Public Hearing as 3:30 p.m. on June 5, 2018, at the regularly scheduled City Council Meeting. The Notice of the Public Hearing was processed pursuant to provisions of Section 22626(a) of the Streets and Highways Code. The notice was published once in the local paper at least ten (10) days before the date of the hearing.

If a majority protest is not received during the Public Hearing, it is recommended that the City Council authorize the levy of assessment for the FY 2018-2019 Napa Valley Corporate Park Landscape and Lighting Assessment District.

#### **FINANCIAL IMPACTS:**

There is no financial impact to the General Fund. The Engineer's Report proposes a 3.56% increase based on the San Francisco-Oakland-Hayward Urban Consumers Price Index. This adjustment translates to a \$142.04 increase in the maximum assessment to \$4,127.07 per acre for FY 2018-2019. This amount shall be the maximum amount collected by the City should it be required to do so. However, pursuant to the Agreement between the Napa Valley Corporate Park POA and the City of Napa, the POA shall collect association dues sufficient to maintain the landscape and lighting features specified in the District formation documents. The City shall set the annual rate and collect only enough funds to pay for administrative costs to maintain the District on the tax roll and provide general administrative oversight of the District. Sufficient funds have been allocated in the Napa Valley Corporate Park Assessment account 24106 to maintain a security deposit/reserve of \$45,000 to pay for restart costs associated with reactivation of maintenance duties by the District.

#### **CEQA:**

City staff recommends that the City Council determine that the Recommended Action is exempt from CEQA pursuant to CEQA Guidelines Section 15301(h) which exempts maintenance of existing landscaping and lighting.

#### **DOCUMENTS ATTACHED:**

ATCH 1 - Resolution

EX A - NVCP Engineer's Report FY 2018-19

#### **NOTIFICATION:**

Legal notice of public hearing published in the Napa Valley Register on May 25, 2018.

