NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Kathy Wagenknecht, Staff Services Analyst II - 259-8683

SUBJECT: Public Hearing and adoption of a resolution authorizing and levying assessments for County Service Area No. 3 and Budget Hearing

RECOMMENDATION

Director of Public Works requests the following actions relating to County Service Area No. 3 (CSA No. 3) - Fire Protection and Street Maintenance Assessment District:

1. Open Public Hearing to consider any objections or protests with respect to the assessments for adoption;
and
2. Close Public Hearing and adopt a resolution authorizing and levying assessments for Fiscal Year 2020-2021.

EXECUTIVE SUMMARY

Government Code Section 25210.77(a) requires an annual written report for each County Service Area be submitted to the Clerk of the Board. The report must identify each parcel of real property receiving enhanced services and the assessment for each parcel. After the report has been filed, a public hearing is to be scheduled to hear and consider all objection or protests, if any, to the proposed annual assessments.

On May 19, 2020, an "Engineer's Report" was submitted to the Board in compliance with the requirements of Government Code Section 25210.77(a) and Proposition 218. After receiving the report, the Board, by resolution, declared the County's intent to levy assessments for CSA No. 3, set a time for a public hearing at 9:25 a.m., June 9, 2020 to consider any protests to the proposed assessments, and designated the Napa County Airport Manager as the person to answer questions regarding the assessments.

Upon conclusion of today's public hearing, the Board may adopt, revise, change, reduce, or modify any proposed assessment by resolution.
PROCEDURAL REQUIREMENTS

1. Open Public Hearing for levying of Assessments
2. Staff Reports
3. Public Comments
4. Close Public Hearing
5. Motion, Second, Discussion and Vote to accept the resolution levying assessments

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? Yes
Is it currently budgeted? No
What is the revenue source? County Service Area No. 3
Is it Mandatory or Discretionary? Mandatory
Is the general fund affected? No
Future fiscal impact: The budget is for Fiscal Year 2020-2021 only.
Consequences if not approved: If the requested action is not approved, the County Service Area No. 3 will not have appropriate spending authority to provide services for Fiscal Year 2020-2021.

County Strategic Plan pillar addressed: Livable Economy for All
Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

This item is specifically exempt from the voting requirements of Article XIIIC of the California Constitution because it is an assessment or property related fee imposed in accordance with the provisions of Article XIIIID.

In 1994, the Board adopted Resolution No. 94-29 adding structural fire protection, street median landscaping, street and highway lighting, and street sweeping as enhanced services to CSA No. 3. These services are funded by assessments levied in accordance with Proposition 218, which requires that the County levy assessments according to the special benefit each parcel receives.
In 1997, an election was held pursuant to Proposition 218, and property owners within the service area were asked to vote on the methodology used to determine assessments. The property owners approved the assessment methodology, set assessments for Fiscal Year 1997-1998, and approved the concept of annual cost-of-living increases for future years based upon the use of the Engineering News Record (ENR) Construction Cost Index for the San Francisco area as the mechanism to maintain adequate funding levels.

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CSA No. 3 was formed with the knowledge that the initial assessment revenue would not be sufficient to cover the CSA No. 3 cost responsibility for fire protection. This has resulted in the Countywide Fire Fund's need to subsidize the CSA budget with the difference. It is anticipated that sufficient revenue will be available to pay for CSA No. 3 expenses and retire the Fire Fund subsidy once more commercial/industrial space is developed within CSA No. 3, along with the retirement of the Certificate of Participation debt for the Greenwood Fire Station. Additionally, there is also the provision for annual rate increases based upon the Engineering News Record (ENR) Construction Cost Index. The Index for the San Francisco area, which was based on an annual time period of March 2019 through March 2020 was 6.33%. Since the approval of last year's report, CSA No. 3 has added no additional square feet of developed facilities in the District.

The annual subsidies from the Fire Fund to CSA No. 3 are tracked in the Engineer's Report. The Engineer's Report estimates a Fire Fund Subsidy of $157,805 for next fiscal year resulting in a cumulative subsidy of $2,729,216. When compared to last year's Engineer's Report, there has been an 8.2% increase in fire fee assessments.

Upon conclusion of the public hearing, the Board may adopt, revise, change, reduce, or modify any proposed assessment by resolution. Two public notices were published in advance of this hearing. There was also a CSA No. 3 virtual meeting held on May 28, 2020 at 10:00 a.m. to provide feedback for any interested party in the District. Property owners were notified by mail regarding this meeting.

**SUPPORTING DOCUMENTS**

A. CSA 3 FY 2020-2021 Levy Assessments Resolution

CEO Recommendation: Approve

Reviewed By: Susan Kuss