



CITY COUNCIL AGENDA REPORT
PUBLIC HEARINGS (6:00 PM)
AGENDA ITEM NO. I.1.

DATE: June 18, 2019
TO: City Council
FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org
SUBJECT: Adoption of Resolution to Levy the Fiscal Year 2019-20 Assessments in Mandalay Beach Maintenance District (MAD 4). (5/5/5)

RECOMMENDATION

That the City Council acting as the legislative body for the Mandalay Beach Maintenance District (MAD 4):

1. Hold a public hearing to receive public testimony regarding the proposed Fiscal Year 2019-2020 assessments for the Mandalay Beach Maintenance District; and
2. Adopt a resolution fixing the special assessments in the Mandalay Beach Maintenance District for Fiscal Year 2019-2020.

BACKGROUND

On November 22, 1983, the Mandalay Beach Maintenance District (“District”) was formed pursuant to the Improvement Act of 1911, in order to recover the cost of the City’s maintenance of a 36-acre beach area, plus landscaping on public rights-of-way within Tract No. 2923. The formation of the District was required as a condition to development imposed by the Coastal Commission and as a provision of a development agreement with the City. The assessments are exempt from Article XIII D of the California Constitution by reason of Section 5 thereof. The City’s responsibility to maintain the above-mentioned areas became effective on July 1, 1986. On July 5, 1988, City Council adopted Resolution No. 9,500, which shifted the bulk of the District’s beach maintenance costs from residents of The Colony to the Mandalay Beach Resort Hotel.

DISCUSSION

The total assessment levy for Fiscal Year 2019-2020 is unchanged from Fiscal Year 2018-2019 at \$39,446, and is computed as follows:

1. LANDSCAPE MAINTENANCE

The District maintains 66,660 square feet of public landscaping. This includes landscape areas along Falkirk Avenue, Harbor Boulevard, Mandalay Beach Road, Costa del Oro, and the bikeway/greenbelt along the southerly property line. The City’s recommended budget for landscaping maintenance costs for Fiscal Year 2019-2020 is \$21,346. Based on an agreement between the residential developers and the Mandalay Beach Resort Hotel executed in February 1984, 75.4 percent of the \$21,346 cost is allocated to The Colony residential development (\$16,095), and 24.6 percent to the Hotel (\$5,251).

2. BEACH MAINTENANCE

Prior agreements between the City and the developers, based on the relative length of beach area fronting the hotel and the public beach park property, call for the District to bear 60 percent of the beach maintenance cost. Of this cost, based on Resolution 9,500, 75.4 percent is paid by the Hotel and 24.6 percent is paid by The Colony. The remaining 40 percent is borne by the City as part of the total operating cost of the Oxnard Beach Park. The annual beach maintenance cost is as follows:

	District	City
Annual Cleaning Costs	\$30,092	\$30,092
Percent Share	60%	40%
FY 19-20 District and City Costs	\$18,055	\$12,037
County Collection Fee	\$45	
Districts Total Beach Maintenance Cost	\$18,100	
Hotel's Portion (75.4%)	\$13,647	
Colony's Portion (24.6%)	\$4,453	
District Total Beach Maintenance Cost	\$18,100	

The cost to the District for both landscaping (\$21,346) and beach maintenance (\$18,100) is \$39,446.

3. CONCLUSION

The Hotel property owner, which occupies assessor's parcel number 191-0-380-105, will be assessed \$18,898 (24.6%, or \$5,251, for landscape maintenance and 75.4%, or \$13,647, for beach maintenance.)

The Colony, whose individual parcel numbers are shown in Attachment No. 1, will be assessed \$20,548 (75.4%, or \$16,095, for landscape maintenance and 24.6%, or \$4,453, for beach maintenance). The 440 individual property owners within The Colony will each be assessed \$46.70 for Fiscal Year 2019-2020, which is equal to the assessments for Fiscal Year 2018-2019.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

The City will assess property owners in Fiscal Year 2019-2020 to pay landscape maintenance costs and 60 percent of beach maintenance costs for the Mandalay Beach Maintenance District. The City's portion of the beach maintenance, 40 percent equaling \$12,037, is included in the Recommended Fiscal Year 2019-2020 budget.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Jeri Cooper, Interim Special Districts Manager

ATTACHMENTS

1. Resolution Approving Levy of MAD 4 (2)

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
LEVYING A SPECIAL ASSESSMENT TAX FOR FISCAL YEAR 2019-2020
WITHIN THE MANDALAY BEACH MAINTENANCES DISTRICT

WHEREAS, by Resolution No. 8586, adopted November 22, 1983, the City Council formed the Mandalay Beach Maintenance District ("the District") pursuant to the maintenance district provisions of the Improvement Act of 1911 (Streets and Highways Code section 5820 et. seq.); and;

WHEREAS, formation of the District was required as a condition to development imposed by the California Coastal Commission and also as part of a development agreement between the City and the developer owning all of the parcels subject to assessment at the time assessments were initially imposed; and

WHEREAS, the City Council is required by Streets and Highways Code section 5830 to estimate the cost of maintaining and operating the improvements within the District, to decide whether the cost of such maintenance and operation shall be borne wholly or partially by the District, and to levy a special assessment tax within the District sufficient to raise the money to pay for such cost; and

WHEREAS, the City Council wishes to levy such assessments for FY 2019-2020 in an amount sufficient to cover all of the expense of maintaining the landscaping and to cover 60% of the expense of maintaining the beach area, with the City paying the remaining 40% of the latter expense; and

WHEREAS, assessments were levied in the District in Fiscal Year 2018-2019, and such assessments are not proposed to increase in Fiscal Year 2019-2020; and

WHEREAS, the assessments are imposed exclusively to finance the capital costs and maintenance and operation expenses for sidewalks, streets, water, flood control, drainage systems and vector control, inasmuch as the beach is public right of way that serves much as a street, manages water and is part of the flood control and drainage systems in the District, and the landscaping is located in or adjacent to sidewalks, streets and other public rights of way and maintenance of the landscaping involves irrigation and vector control; and

WHEREAS, for the foregoing reasons, the assessments are exempt from Article XIII D of the California Constitution, by reason of section 5 thereof; and

WHEREAS, a description of the improvements and the proposed special assessment taxes on real property in the district is contained in the agenda report dated June 18, 2019 on file with the City Clerk ("the agenda report").

NOW, THEREFORE, the City Council of the City of Oxnard resolves:

1. The City Council estimates the cost of maintaining and operating the improvements within the District for Fiscal Year 2019-2020 at \$51,483, with \$39,446 to be paid from

assessments and \$12,037 to be paid by the City, as more particularly set out in the agenda report. The \$39,446 is allocated as follows:

100% of landscape maintenance costs	\$21,346
60% of beach maintenance costs	<u>18,100</u>
Total	\$39,446

2. The \$39,446 is apportioned among the property owners within the District, as follows:

- 24.6% of landscape maintenance costs to hotel parcel (APN #191-0-380-105)
- 75.4% of landscape maintenance costs to Colony condominium parcels (440 APNs)
- 24.6% of beach maintenance costs to Colony condominium parcels (440 APNs)
- 75.4% of beach maintenance costs to hotel parcel (APN #191-0-380-105)

3. The City Council levies a special assessment tax for FY 2019-2020 on the real property in the District as follows and attached herein:

APN #191-0-380-105	\$18,898
\$46.70 on each of 440 Colony APNs	\$20,548

4. In accordance with Government Code section 36936.1, the City Clerk is instructed to cause this resolution to be published one time in a newspaper of general circulation within the City within 15 days after adoption.

5. In accordance with Government Code section 53901, the City Clerk is instructed to file with the Ventura County Auditor within 60 days from July 1, 2019 a certified copy of this resolution.

PASSED AND ADOPTED THIS 18 day of June 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST:

APPROVED AS TO FORM:

Michelle Ascencion, City Clerk

Stephen M. Fischer, City Attorney