



# COUNTY OF SAN MATEO

555 COUNTY CENTER, 5<sup>TH</sup> FLOOR • REDWOOD CITY • CALIFORNIA 94063-1665 • PHONE (650) 363-4100 • FAX (650) 361-8220

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DIRECTOR

June 18, 2002

Mr. Chuck Kozak, Chairman  
MidCoast Community Council  
P.O. Box 64  
Moss Beach, CA 94038

Dear Mr. Kozak:

**Re: Road and Drainage Projects in the MidCoast**

I explained in my letter of January 3, 2002, which discussed Road and Drainage Projects in the MidCoast, that the most recent change in the State Constitution (Proposition 218 plus enabling legislation) complicated the process of going forward with assessment district type projects to a point where they are no longer cost effective. I also suggested that we could evaluate with the MidCoast Council, ways to avoid assessment districts as a means of financing projects, by not building street improvements that require assessing property owners; replacing assessments for drainage improvements with a charge that would require the notification and public hearing process by the Board of Supervisors, but not an election based on the City of Salinas Court Case; and revising the County's assessment policy for the El Granada area to "trade off" improving the shoulder area in lieu of reconstructing sidewalks where the wider road standard as allowed by the Community Plan is desired (copy of letter attached).

We have just been notified that the appellate court has reversed the lower court decision in the Salinas Case. Our initial reading of the court's decision is that it essentially precludes the establishment of drainage fees for the MidCoast unless the property owners approve of a fee pursuant to a Proposition 218 election. The court decision limits our options for financing and installing drainage improvements in the MidCoast; or will necessitate the re-evaluation of what drainage improvements should, or need to be constructed in conjunction with road reconstruction; or requires us to evaluate if drainage improvements can be deferred while road improvements move forward. The corollary discussion is that of "equity," as property owners that were assessed in the past will question why other property owners are getting a "free ride" if drainage improvements are constructed and property owners are not required to help finance this construction.

We have asked County Counsel to review the Salinas Decision. However in the interim, we believe a meeting with the Council's Public Works subcommittee to discuss the list of projects and the options to eliminate the use of assessment districts, as discussed above and in previous correspondence, would be beneficial.

Mr. Chuck Kozak, Chairman  
MidCoast Community Council  
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As stated in my previous letter, my understanding is that proposed changes in the El Granada Standard will require not only a public hearing before the Mid Coast Council, but also a written survey of the residents in the El Granada area as provided by the resolution adopted by the Board of Supervisors. The survey process and the staff time involved may delay implementing projects in the MidCoast, if the revision to the El Granada Standard needs to be completed prior to our implementing priority list projects for the other areas in the MidCoast.

I can be reached at 650-599-1421 if you have any questions or to arrange a meeting to discuss the contents of this letter or the attachments.

Very truly yours,



Neil R. Cullen  
Director of Public Works

NRC:sdd

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Enclosures: Salinas Court Decision  
Copy of January 3, 2002 Letter

cc: Supervisor Richard Gordon  
April Vargas, Chair, Public Works Subcommittee, MidCoast Community Council  
Marcia Raines, Director, Environmental Services Agency  
Terry Burnes, Planning Administrator, Planning and Building Division



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January 3, 2002

Mr. Chuck Kozak  
Chair, MidCoast Community Council  
P.O. Box 64  
Moss Beach, CA 94038

Dear Mr. Kozak:

**Re: Road and Drainage Projects in the MidCoast**

The attached is a compilation of the previously petitioned for road improvement projects for the MidCoast together with a summary of drainage issues that were compiled by the Road Maintenance Division after our meeting of October 22nd. I have indicated that some of the petitioned projects could be segmented to create smaller projects to expedite the correction of drainage issues as identified by our Maintenance Division.

The most recent change in the State Constitution (Proposition 218 plus enabling legislation) has complicated the process of going forward with petitioned for projects (assessment district type projects). Projects financed with assessments now require an inordinate commitment in both staff time and funds by the County prior to any required election that would determine if property owners are willing to be assessed for the proposed improvements. I believe that this was born out by our experience in processing the Navarro/Escalona assessment district project which was approved prior to the most recent change in the State law. That project has taken us over 24 months to develop; and it also involved changes to meet property owner needs where the wider El Granada standard is being used, and which were not raised as issues until the original design was almost completed. It also appears that the cost of processing the assessments could be as much as the assessments themselves, given the County's contribution to road improvements and notwithstanding the cost of drainage assessments. These costs are appropriately costs to the assessment district, would be assessed against the properties, and could result in property owners voting against being assessed due to the costs associated with complying with assessment district procedures.

The financing of improvements (roads and drainage), I believe, needs to be discussed "up front" as I do not want us to be collectively "down the road" discussing project priorities to find ourselves spending all of our time on assessment district proceedings while no actual construction is accomplished for the benefit of the adjacent property owners. Alternatives that we can evaluate with the MidCoast Council, would be to avoid the assessment district process altogether by not building street improvements that require assessments of the property owners;

Mr. Chuck Kozak  
Chair, MidCoast Community Council  
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replacing assessments for drainage improvements with a charge that would require the notification and public hearing process by the Board of Supervisors but not an election; and revising the County's assessment policy for the El Granada area to "trade off" improving the shoulder area in lieu of reconstructing sidewalks where the wider road standard as allowed by the Community Plan is desired.

The "trade offs" which have been used in other areas include:

- Exclude driveways and other private property conforms from the public construction project which would require the property owner to arrange for and pay for any conform work that is desired (i.e., driveways, walkways, etc.). This approach was used successfully on 7<sup>th</sup> Avenue in Montara which was constructed to minimum standards with no property assessments.
- El Granada Standard - Include the paved shoulder in the standard by eliminating the sidewalk reconstruction from a proposed project. Sidewalks that need replacement would be an expense to the adjacent property owner. This method is currently being proposed in portions of the Fair Oaks area near Redwood City. An alternative is to also modify the Community Plan Standard for El Granada to allow for eliminating the shoulders and building sidewalks closer in to the road and requiring property owners to provide parking behind the newly constructed sidewalk.
- Drainage - Impose a drainage charge on property in lieu of assessing for drainage improvements. The improvements could be built with mitigation fee funds and with subsequent drainage fees. This method requires a noticed public hearing before the Board of Supervisors but does not require an election of the property owners. This has been used in Salinas to pay for the maintenance and upkeep of drainage facilities and is the method used to finance the National Pollution Discharge Elimination System (NPDES) program of the City/County Association of Governments. The NPDES charges currently appear on property tax bills of the majority of property both in the unincorporated area and in cities. The Salinas method required all improved properties to pay for the use of the drainage facilities constructed. Undeveloped parcels would not be charged until such time as improvements were constructed on private property that required the use the drainage facilities.

You have also requested that the process to integrate drainage projects, the projects previously petitioned for, and proposed road projects that the Department believes are appropriate to improve the overall road system of the area be revised to provide for input from the utility type districts early on in the process. I believe this can be accomplished by sending the proposed list of projects to the utility service providers after your subcommittee has reviewed it and before or concurrently with sending the list to the full Council for their review and public input.

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Chair, MidCoast Community Council  
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I would appreciate your committee's review and comment on the tentative list and the proposals to eliminate the assessment process as discussed above. It is my understanding that the proposed changes in the El Granada Standard will require not only a public hearing before the MidCoast Council, but also a written survey of the residents in the El Granada area as provided by the resolution adopted by the Board of Supervisors. The survey process and the staff time involved may delay implementing projects in the MidCoast, if the standard revision needs to be completed prior to our implementing priority list projects, including drainage projects for the other areas in the MidCoast.

I can be reached at 650-599-1421 if you have any questions or to arrange a meeting to discuss the contents of this letter or the attachments.

Very truly yours,

Neil R. Cullen  
Director of Public Works

NRC:sdd

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Enclosures: List, Proposition 218/Legislation

cc: Supervisor Richard Gordon  
April Vargas, Chair, Public Works Subcommittee, MidCoast Community Council  
Marcia Raines, Director, Environmental Services Agency  
Terry Burnes, Planning Administrator, Planning and Building Division  
Brian C. Lee, P.E., Division Manager, Programs and Engineering Services  
George F. Haines, Maintenance Division Manager  
Bruce E. Kirk, Principal Civil Engineer, Project Development and Design