

CITY COUNCIL AGENDA ITEM NO. 2

Meeting Date: January 25, 2022

Subject/Title: A Resolution approving the construction phase of the Deer Ridge Frontage Landscaping Improvements project, CIP No. 352-52440 and authorizing staff to amend the FY 2021/22 – FY 2025/26 Capital Improvement Program (CIP) Budget; amending the FY 2021/22 Operating Budget; approving a long-term interfund loan in the amount of \$722,476, per Council/Administrative Policy 10-5, Budget and Fiscal Policies, Section 4.3, to provide capital funding for the portion of this construction cost that is the responsibility of Lighting and Landscape Assessment District (LLAD) 21-1 (Deer Ridge Landscape Improvements).

Prepared by: Joe Odrzywolski, Parks Planner

Submitted by: Bruce Mulder, Director of Parks & Recreation

PURPOSE AND RECOMMENDATION

The purpose of this action is to amend the CIP and Operating Budget, as well as approve a long-term interfund loan for LLAD 21-1 (Deer Ridge Landscape Improvements), to provide capital funds for the construction of the improvements associated with the Deer Ridge Frontage Landscaping Improvement project, CIP No. 352-52440.

Staff's recommendation is to adopt a Resolution approving the construction phase of the Deer Ridge Frontage Landscaping Improvements Project, CIP No. 352-52440, and authorizing staff to amend the FY 2021/22 – FY 2025/26 Capital Improvement Program (CIP) Budget; amending the FY 2021/22 Operating Budget; approving a long-term interfund loan in the amount of \$722,476, per the Council/Administrative Policy 10-5, Budget and Fiscal Policies, Section 4.3, to provide capital funding for the portion of this construction cost that is the responsibility of Lighting and Landscape Assessment (LLAD) District 21-1 (Deer Ridge Landscape Improvements).

CITY COUNCIL STRATEGIC INITIATIVE

Not applicable.

PREVIOUS ACTION

At the City Council meeting of February 25, 2020, Council Member Rarey requested a future agenda item to consider potential methods that would allow homeowners in the Deer Ridge development to annex into their current Landscape and Lighting Assessment District (LLAD) the landscaping entrance and park strips of the development so as to assume the maintenance costs of those areas, and to allow staff to work with the owner of the golf course to have those areas deeded to the City.

On March 10, 2020, an agenda item was presented by Council Member Rarey and there was a consensus of the Council to have staff look into methods to allow homeowners in the Deer Ridge development to annex into their current LLAD certain landscaping features at the entrance of the development and park strips so as to assume the costs of the maintenance of those areas, and to allow staff to work with the owner of the golf course to have those areas deeded to the City.

On June 9, 2020, by Resolution 2020-73, City Council adopted the 2020/21 – 2024/25 Capital Improvement Program.

On June 9, 2020, by Resolution 2020-75, City Council approved the City of Brentwood's Consolidated Landscape & Lighting Assessment Districts, Landscape & Lighting Assessment District No. 19-3, and Citywide Park Maintenance District No. 98-1 Engineer's Reports for Fiscal Year 2020/21; ordering improvements; confirming the diagram and assessments; levying and collecting assessments; and finding that the above actions are exempt from the California Environmental Quality Act.

On July 14, 2020, an agenda item was presented by staff and Council provided staff with direction to return to Council with the following: Resolution(s) approving 1) a new capital improvement project, Deer Ridge Frontage Landscaping Improvements, in the amount of \$508,960, for the construction of landscaping improvements to Deer Ridge frontage areas to conform to City landscape standards; 2) assumption of landscape maintenance responsibilities of fourteen (14) specific golf course frontage areas in the Deer Ridge Development currently the responsibility of SunCoast Properties, Inc., including the dedication of land at the Deer Ridge Entry, currently owned by SunCoast Properties, Inc.; 3) an outline of the process for inclusion of the landscape areas into a Landscape and Lighting Assessment District and obtaining formal property owner approval; 4) amending the 2020/21 - 2024/25 Capital Improvement Program (CIP) to include the new project; and 5) amending the FY 2020/21 Operating Budget for the associated project funding transfers.

On January 12, 2021, by Resolution No. 2021-07, City Council approved a new capital improvement project in the amount of \$102,600 for the design phase of the project consisting of Deer Ridge Frontage Landscaping Improvements, amending the FY 2020/21 – FY 2024/25 Capital Improvement Program, and amending the FY 2020-21 Operating Budget.

On February 23, 2021, Council Member Rarey requested a future agenda item to consider partially offsetting a portion of the cost of the Engineer's Report that would be reimbursable through the Deer Ridge LLAD.

On March 23, 2021, by Resolution No. 2021-32, City Council designated Francisco & Associates, Inc. as the Engineer of Work for Fiscal Year 2021-22.

On April 27, 2021, Vice Mayor Rodriguez requested a future agenda item to consider fully offsetting a portion of the cost of the Engineer's Report that would be reimbursable through the Deer Ridge LLAD.

On June 22, 2021, City Council approved General Fund funding for the upfront project costs including the initial design of the improvements, development of the cost estimate to construct and maintain the improvements, the legal and assessment engineering costs to form the proposed Deer Ridge LLAD, and the preparation and mailing of the notices and ballots to affected property owners.

On June 22, 2021, by Resolution No. 2021-75, City Council declared its intention to 1) order the formation of, 2) levy and collect assessments for, 3) identify improvements to be maintained by LLAD No. 21-1 (Deer Ridge Landscape Improvements) for Fiscal Year 2022-23, and 4) set August 24, 2021, as the Public Hearing date pursuant to the Landscaping and Lighting Act of 1972 and Proposition No. 218.

On August 24, 2021, City Council held the public hearing relating to the formation of LLAD No. 21-1 (Deer Ridge Landscape Improvements), accepted ballots from property owners until the conclusion of the public testimony portion of the public hearing, declared the balloting period closed at the conclusion of the public testimony portion of the public hearing, and declared that the ballots were to be tabulated in Council chambers at 11 am on August 25th and the tabulation results would be presented to City Council on September 14, 2021.

On August 25, 2021, the LLAD No. 21-1 (Deer Ridge Landscape Improvements) ballot tabulation was conducted at 11 a.m. in City Council Chambers.

On September 14, 2021, by Resolution 2021-112, City Council declared the Results of the Property Owner Protest Ballot Proceedings Conducted for Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), approving the Final Engineer's Report, Ordering the Formation of Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), and Confirming Diagrams and Levy of Assessments for Fiscal Year 2022/23.

BACKGROUND

In January of 2021, the City Council approved the first phase of this project, which included the initial engineering and landscape design, development of a preliminary construction cost estimate, and formation of a new Landscape and Lighting Assessment District (LLAD), eventually taking the action in June 2021 to pay the \$102,600 initial upfront costs of the project entirely from the General Fund to provide funding for this phase.

Following Council action in June 2021 to formally initiate the LLAD formation as prescribed by the Proposition 218 process, a Town Hall meeting was conducted by staff in July to educate the residents of the Deer Ridge neighborhood and answer questions, the Proposition 218 public hearing and balloting process was conducted in August, and the City Council declared the results of the property owner protest ballot proceedings by adopting Resolution No. 21-112 approving the Final Engineer's Report, Ordering the Formation of Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), and Confirming Diagrams and Levy of Assessments for Fiscal Year 2022/23.

Following these actions, staff engaged the City's engineering consultant, BKF Engineers, to finalize the construction plans, refine the construction cost estimate and prepare bid documents, including project specifications, for the project to formally be put out to bid for the construction work. Prior to staff conducting this formal bid process, which is anticipated to begin on or around February 1, 2022, it is necessary to amend the CIP and Operating Budget so that capital funding is approved and available for the construction phase of the project.

Below are the subsequent steps of this project that will come before Council in the future in chronological order.

- 1) Accept the offer of dedication of real property from World Business Academy and the Deer Ridge Golf Club for the two (2) neighborhood entry area parcels.
- 2) Approve the construction contract following the formal construction bid process.
- 3) Accept the improvements for maintenance by the City with a Notice of Completion.

FISCAL IMPACT

The estimated cost originally approved by Council for the initial design of the new Deer Ridge

landscape improvements and costs associated with the formation of LLAD No. 21-1 (Deer Ridge Landscape Improvements) was \$102,600 and has been funded by the General Fund. The vast majority of this work has already been completed.

The cost estimate for construction of the new landscape improvements as provided by BKF Engineers is \$737,220. This is the amount that the maximum assessment rate of the LLAD was based upon in the Engineer's Report for LLAD 21-1 (Deer Ridge Landscape Improvements).

If authorized to proceed with the construction of the new landscape improvements, 98% of the construction costs, or \$722,476, will be repaid by the affected property owners through LLAD No. 21-1 annual assessments, over a 10-year period beginning in Fiscal Year 2022/23 in equal annual amounts of \$72,247, with no interest. The remaining 2% of the estimated cost, or \$14,744, for the construction of the new landscape improvements is considered general benefit attributed to the public at large and therefore will be funded by the General Fund.

Per Council/Administrative Policy 10-5, Budget and Fiscal Policies, Section 4.3 and with this action, City staff seeks City Council approval of a long-term interfund loan from the Parks and LLAD Replacement Fund in the amount of \$722,476 to provide the capital funding for the portion of the construction costs for which LLAD 21-1 is responsible. This loan of the construction cost will be repaid by property owners within LLAD No. 21-1 (Deer Ridge Landscape Improvements) over a 10-year period and the remaining construction costs of \$14,744 will be funded by the General Fund. The Parks and LLAD Replacement Fund has a projected fund balance of \$22.1 million as of June 30, 2022, after providing the loan for this purpose. Staff has analyzed the need for Parks and LLAD Replacement Fund monies for projected projects in the ten-year period and found that there will be no impact to planned replacement projects as a result of this loan.

Attachments:

2022-01-25_CC_Deer Ridge CIP_RESO

Deer Ridge Landscape CIP 352-52440_2022-01-13

RESOLUTION NO.

A RESOLUTION APPROVING THE CONSTRUCTION PHASE OF THE DEER RIDGE FRONTAGE LANDSCAPING IMPROVEMENTS PROJECT, CIP NO. 352-52440 AND AUTHORIZING STAFF TO AMEND THE FY 2021/22 – FY 2025/26 CAPITAL IMPROVEMENT PROGRAM (CIP) TO ADD THE DEER RIDGE FRONTAGE LANDSCAPING IMPROVEMENTS PROJECT, CIP NO. 352-52440; AMENDING THE FY 2021/22 OPERATING BUDGET FOR THE ASSOCIATED PROJECT FUNDING TRANSFERS; APPROVING A LONG-TERM INTERFUND LOAN IN THE AMOUNT OF \$722,476 FROM THE PARKS AND LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT REPLACEMENT FUND, PER COUNCIL/ADMINISTRATIVE POLICY NO. 10-5, BUDGET AND FISCAL POLICIES, SECTION 4.3 TO PROVIDE CAPITAL FUNDING FOR THE PORTION OF THIS CONSTRUCTION COST THAT IS THE RESPONSIBILITY OF LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT 21-1 (DEER RIDGE LANDSCAPE IMPROVEMENTS).

WHEREAS, at the City Council meeting of February 25, 2020, Council Member Rarey requested a future agenda item to consider potential methods that would allow homeowners in the Deer Ridge development to annex into their current Landscape and Lighting Assessment District (LLAD) the landscaping entrance and park strips of the development so as to assume the maintenance costs of those areas, and to allow staff to work with the owner of the golf course to have those areas deeded to the City; and

WHEREAS, on March 10, 2020, an agenda item was presented by Council Member Rarey and there was a consensus of the Council to have staff look into methods to allow homeowners in the Deer Ridge development to annex into their current LLAD certain landscaping features at the entrance of the development and park strips so as to assume the costs of the maintenance of those areas, and to allow staff to work with the owner of the golf course to have those areas deeded to the City; and

WHEREAS, on June 9, 2020, by Resolution 2020-73, City Council adopted the 2020/21 – 2024/25 Capital Improvement Program; and

WHEREAS, on June 9, 2020, by Resolution 2020-75, City Council approved the City of Brentwood's Consolidated Landscape & Lighting Assessment Districts, Landscape & Lighting Assessment District No. 19-3, and Citywide Park Maintenance District No. 98-1 Engineer's Reports for Fiscal Year 2020/21; ordering improvements; confirming the diagram and assessments; levying and collecting assessments; and finding that the above actions are exempt from the California Environmental Quality Act; and

WHEREAS, on July 14, 2020, an agenda item was presented by staff and Council provided staff with direction to return to Council with the following: Resolution(s) approving 1) a new capital improvement project, Deer Ridge Frontage Landscaping Improvements, in the amount of \$508,960, for the construction of landscaping improvements to Deer Ridge frontage areas to conform to City landscape standards; 2) assumption of landscape maintenance responsibilities of fourteen (14) specific golf course frontage areas in the Deer Ridge Development currently the responsibility of SunCoast Properties, Inc., including the dedication of land at the Deer Ridge Entry, currently owned by SunCoast Properties, Inc.; 3) an outline of the process for inclusion of the landscape areas into a Landscape and Lighting Assessment District and obtaining formal property owner approval; 4) amending the 2020/21 - 2024/25 Capital Improvement Program (CIP) to include the new project; and 5) amending the FY 2020/21 Operating Budget for the associated project funding transfers; and

WHEREAS, on January 12, 2021, by Resolution No. 2021-07, City Council approved a new capital improvement project in the amount of \$102,600 for the design phase of the project consisting of Deer Ridge Frontage Landscaping Improvements, amending the FY 2020/21 – FY 2024/25 Capital Improvement Program, and amending the FY 2020-21 Operating Budget; and

WHEREAS, on February 23, 2021, Council Member Rarey requested a future agenda item to consider partially offsetting a portion of the cost of the Engineer's Report that would be reimbursable through the Deer Ridge LLAD; and

WHEREAS, on April 27, 2021, Vice Mayor Rodriguez requested a future agenda item to consider fully offsetting a portion of the cost of the Engineer's Report that would be reimbursable through the Deer Ridge LLAD; and

WHEREAS, on June 22, 2021, City Council approved General Fund funding for the upfront project costs including the initial design of the improvements, development of the cost estimate to construct and maintain the improvements, the legal and assessment engineering costs to form the proposed Deer Ridge LLAD, and the preparation and mailing of the notices and ballots to affected property owners; and

WHEREAS, on June 22, 2021, by Resolution No. 2021-75, City Council declared its intention to 1) order the formation of, 2) levy and collect assessments for, 3) identify improvements to be maintained by LLAD No. 21-1 (Deer Ridge Landscape Improvements) for Fiscal Year 2022/23, and 4) set August 24, 2021, as the Public Hearing date pursuant to the Landscaping and Lighting Act of 1972 and Proposition No. 218; and

WHEREAS, on August 24, 2021, City Council held the public hearing relating to the formation of LLAD No. 21-1 (Deer Ridge Landscape Improvements), accepted ballots from property owners until the conclusion of the public testimony portion of the public hearing, declared the balloting period closed at the conclusion of the public testimony portion of the public hearing, and declared that the ballots were to be tabulated in Council chambers at 11 am on August 25th and the tabulation results would be presented to City Council on September 14, 2021; and

WHEREAS, on August 25, 2021, the LLAD No. 21-1 (Deer Ridge Landscape Improvements) ballot tabulation was conducted at 11 a.m. in City Council Chambers; and

WHEREAS, on September 14, 2021, by Resolution 2021-112, City Council declared the Results of the Property Owner Protest Ballot Proceedings Conducted for Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), approving the Final Engineer's Report, Ordering the Formation of Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), and Confirming Diagrams and Levy of Assessments for Fiscal Year 2022/23; and

WHEREAS, approval of this CIP project provides funding through a long-term interfund loan from the Parks and LLAD Replacement Fund in the amount of \$722,476 for the portion of the project construction cost to be repaid by property owners within LLAD No. 21-1 (Deer Ridge Landscape Improvements) over a 10-year period; and funding in the amount of \$14,744 to be provided by the General Fund; and

WHEREAS, per Council/Administrative Policy 10-5, Budget and Fiscal Policies, Section 4.3 and with this action, City staff seeks City Council approval of a long-term interfund loan from the Parks and LLAD Replacement Fund; and

WHEREAS, the long-term interfund loan will be repaid by property owners within LLAD No. 21-1 (Deer Ridge Landscape Improvements) over a 10-year period beginning in Fiscal Year 2022/23; and

WHEREAS, City staff has analyzed the need for replacement funds from the Parks and LLAD Replacement Fund for projected projects in the ten-year period and found that there will be no impact to the planned replacement projects as a result of this loan; and

WHEREAS, the City's engineering consultant has prepared the requisite landscape construction plans, project specifications, cost estimate and bid documents for City staff to conduct a formal bid process to select a contractor for the construction of the project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brentwood, does hereby (1) approve the construction phase of the capital improvement project consisting of the Deer Ridge Frontage Landscaping Improvements, CIP No. 352-52440, per the attached CIP sheet; (2) amend the FY 2021/22 – FY 2025/26 Capital Improvement Program (CIP) Budget to add this new project; (3) amend the FY 2021/22 Operating Budget to allow for the associated project funding transfers; and (4) approve a long-term interfund loan in the amount of \$722,476 from the Parks and LLAD Replacement Fund, per Council/Administrative Policy 10-5, Budget and Fiscal Policies, Section 4.3, to provide capital funding for the portion of this construction cost that is the responsibility of LLAD 21-1 (Deer Ridge Landscape Improvements).

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Brentwood at a regular meeting held the 25th day of January, 2022 by the following vote:

Project Title:

Project #:

Deer Ridge Frontage Landscaping Improvements

352-52440



Project Category:	Parks and Trails Improvements
Location:	Deer Ridge Neighborhood – 14 sites
Project Manager:	J. Odrzywolski
Project Priority:	3A - Desired
Project Phase:	Construction
Est. Completion Date:	2021/22
Future Annual O&M Impact:	\$19,000
Public Art Requirement:	None

Description/Justification:

This project will convert the landscaping of fourteen (14) sites throughout the Deer Ridge neighborhood, including the Deer Ridge entry area, from private maintenance responsibility to City of Brentwood maintenance responsibility. The project will require infrastructure and landscape improvements to be made to these areas to bring them into compliance with City of Brentwood standards. Thirteen (13) of these sites are currently within the public right-of-way along the golf course street frontages, and one (1) site, the Deer Ridge entry area at Foothill Drive is currently owned by World Business Academy and Deer Ridge Golf. These two (2) separate parcels will be dedicated to the City of Brentwood by the owners.

Supplemental Information:

Following the property owners of the Deer Ridge neighborhood affirming the formation of a new Landscape and Lighting Assessment District (LLAD) with a favorable vote and the City Council taking action to form LLAD 21-1 (Deer Ridge Landscape Improvements), this project is currently ready to go out to bid for construction. The City Council will be asked to consider approving a long-term interfund loan to provide capital funds for the majority of the construction cost, \$722,476, to be repaid by the residents of LLAD 21-1 over 10 years, with the remainder of the construction costs, \$14,744, borne by the General Fund for the City’s general benefit responsibility.

PROJECT FINANCING	CURRENT		PROPOSED				TOTAL
PROJECT EXPENDITURES	Prior	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
70239 Legal	28,700						\$ 28,700
90040 Planning and Design	73,900						\$ 73,900
Construction		737,220					\$ 737,220
TOTAL	\$ 102,600	\$ 737,220					\$ 839,820
PROJECT FUNDING	Prior	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
47100 General Fund	102,600	14,744					\$ 117,344
Interfund Loan LLAD 21-1		722,476					\$ 722,476
TOTAL	\$ 102,600	\$ 737,220					\$ 839,820

Attachment: Deer Ridge Landscape CIP 352-52440_2022-01-13 (2582 : Deer Ridge Landscape Improvements CIP and Budget Amendment)