

MEMORANDUM

April 15, 2010

From: Richard Grinley

To: City of Delano

Subj: Comments of proposed Special Assessment Policy ordinance

Please direct your attention to the part of Section 10 which provides that reconstruction projects of existing storm sewer, sanitary sewer and water mains shall be assessed on a "project by project" basis.

I recommend that this provision be changed to "50 percent for residential properties."

Problems with draft language:

1. "Project by project" language gives no guidance or standard to city decision-makers or property owners.
2. "Project by project" language, when read with the "20 year" life expectancy" language at Section 9, sets up a loop-hole so that a 100 percent assessment would logically proceed from reconstruction of any facilities that are 20 years or older.

Reasons to approve "50 percent for residential properties" language:

1. Since the project (by definition) is a reconstruction, then the property involved would have received this utility service both BEFORE and AFTER the reconstruction project. Therefore it cannot be said that the reconstruction has conferred a "special benefit" of 100 percent in the same manner as a new construction to previously undeveloped property.
2. The "50 percent" language gives weight to the fact that the property involved:
 - a) previously paid real estate taxes for many years on a market valuation based on being hooked-up or served by these utilities.
 - b) has paid utility fees for many years
 - c) has, by these means, contributed to the City's capital account for many years.
3. Any extreme unfairness caused by the "50 percent" language could be corrected by a special benefit appraisal for the reconstruction project obtained at the City's expense.