

PRD 13B – Stewart Canyon

9/28/2021

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Road Committee

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www.sandiegocounty.gov/content/sdc/dpw/specialdistricts/permroad.html

Agenda

- What is a Permanent Road Division Zone (PRD)?
- PRD 13B Overview
- Current Situation
 - Road Condition
 - Road Work Estimates
 - Finances
- Q & A
- Assessment Engineer Presentation
 - Options for Funding Road Work
- Q & A
- Options
- Next Steps
- Q & A



What is a PRD?

- Permanent Road Division Zones (PRDs) are special districts formed at the request of property owners or as a condition of development
- Provide expanded services for private road maintenance
- Funded by property owner paid assessments/taxes
- Some PRDs formed before 1978 receive a portion of the countywide property tax revenue
- PRD revenues are kept in individual funds at the County

PRD Maintenance

- 1.43 Miles of road
 - Road & berm repairs
 - Surface Seals
 - Crack filling and sealing
 - Road replacement
 - Striping/legends
 - Road sign replacements
- 3 Drainage Culverts
- Optional services available:
 - Street sweeping
 - Roadside vegetation trimming





Current Roadway Conditions



Current Drainage Culvert Conditions

Road Repair Estimates



Asphalt
Remove and
Replace:



Asphalt
Remove and
Replace:



Standard
Cracking
(crack Seal)



Asphalt Remove and Replace:



Culvert
Replacement:



Road Repair Estimate

- **Prioritized: \$517,422**
 - County recommends completing work within 8 years
 - Work includes:
 - Asphalt/Concrete Digouts
 - Berm Repair/Replacement/Installation
 - 3 Culverts: Remove/Replace or Repair
 - Crack Fill & Seal
 - Chip Seal
 - Work does not include: Roadside Mowing
 - 3 days of work \$13,200 (property owners can do this work to save PRD funds)

- Routine Maintenance: \$110,000
 - County recommended regular maintenance every 5-7 years
 - Work includes: digouts, crack fill & seal, edge repair, surface seal

Road Replacement Estimate

- **Total Cost: \$1,060,555**
 - Work includes:
 - Remove & Replace All PRD Road Segments
 - Berm Repair/Replacement/Installation
 - Chip Seal of Entire Road Surface
 - 3 Culverts: Remove/Replace or Repair
-
- Routine Maintenance: \$110,000
 - County recommended regular maintenance every 5-7 years
 - Work includes: digouts, crack fill & seal, edge repair, surface seal

Current Benefit Units/ Assessment



Most parcels pay \$300/year

- Benefit Units based on improvements (dwelling) and acreage
 - Total Benefit Units = Improvements + Acreage
 - Current Rate \$100/Benefit Unit
- Benefit Unit Methodology
 - Improvements
 - 1: if developed parcel
 - Acreage
 - 2: < 20 acres
 - 4: 20 to 40 acres
 - 6: 40 to 60 acres
 - 8: more than 60 acres
 - 0: does not benefit or public agency

Current Revenue

- Current Revenue \$31,419
 - Assessment: \$25,100
 - Ad Valorem: \$6,319
 - Portion of the Countywide 1% Property Tax
 - Not “extra”
 - Fluctuates with CW property values

Housekeeping



Civil
Discourse



Participation
Via
WebEx



Participants
Are
Muted



Chat
Available



Q&A
Periodically
Throughout
Meeting

Current Situation

○ Fund Balance as of July 1, 2021	\$25,085
○ Total Annual Revenue	\$31,219
○ Cost of Annual Administration/ Inspection/Insurance	<u>\$4,006</u>
○ Amount added to fund balance (savings) each year	\$24,126
○ Cost of Recommended Road <u>Repair Work</u>	\$517,442

20+ Years to fund road work at current revenue

County recommends that road work
is completed in 10 years or less.



Questions

PRD 13B Preliminary Engineering Report

Funding Options

1. Assessment (Specific Benefit)
2. Special Tax (Per Parcel)
3. Special Tax (Per Acre)

Report Prepared by:

Harris & Associates

Pat Pernich, Senior Project Analyst

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Engineer Presentation

PRD 13B - Stewart Canyon Road

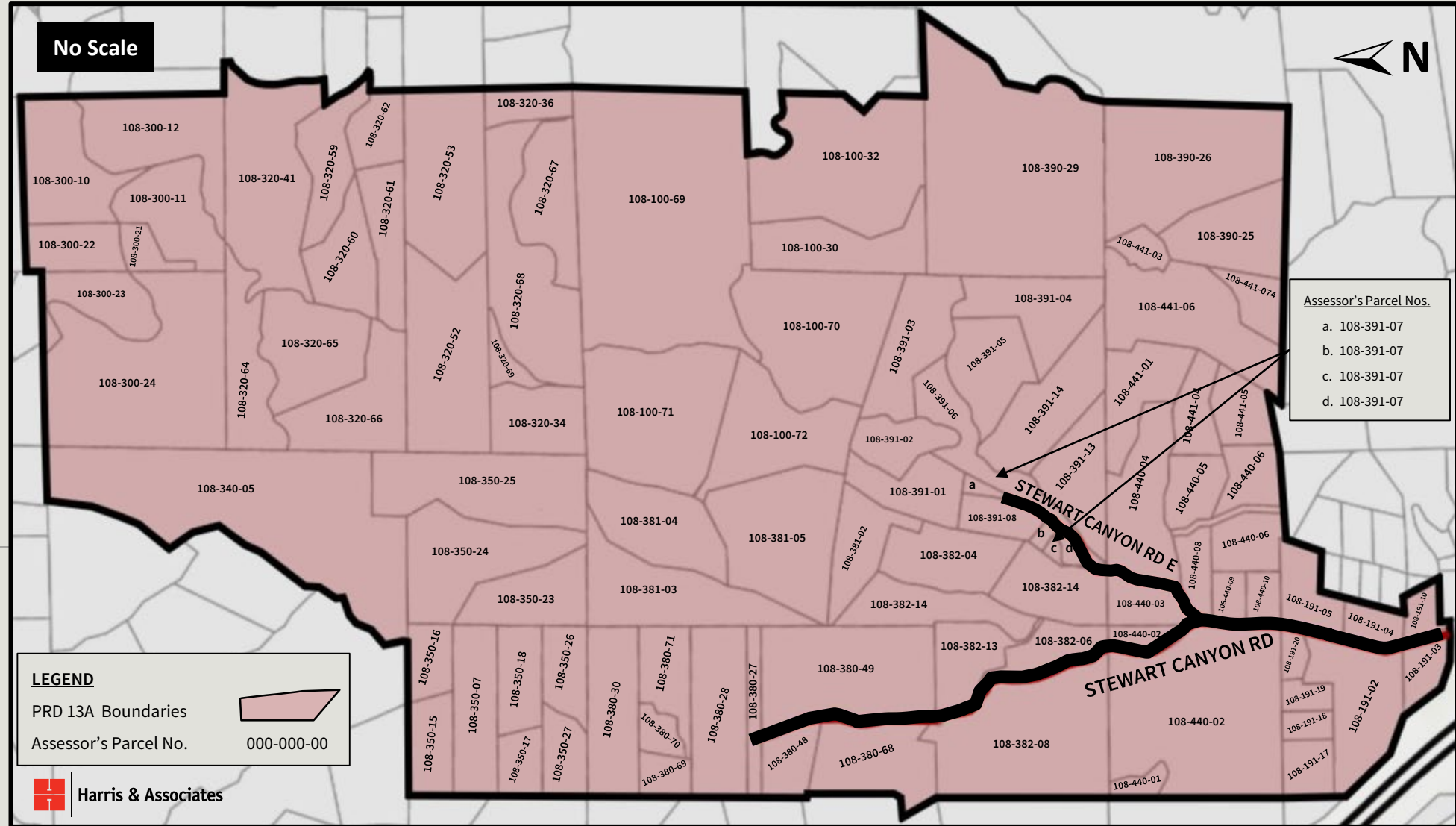
Presentation of Proposed Benefit Assessments

by Harris & Associates

Property Owner Meeting

September 28, 2021

PRD 13B - Stewart Canyon Road



Permanent Road Division Law

Permanent Road Divisions (PRDs) may include “... *zones within the division for specific permanent road projects, with differing special taxes or parcel charges. Parcel charges shall be deemed to be assessments within the meaning of [Article XIII D of the California Constitution](#)”.*

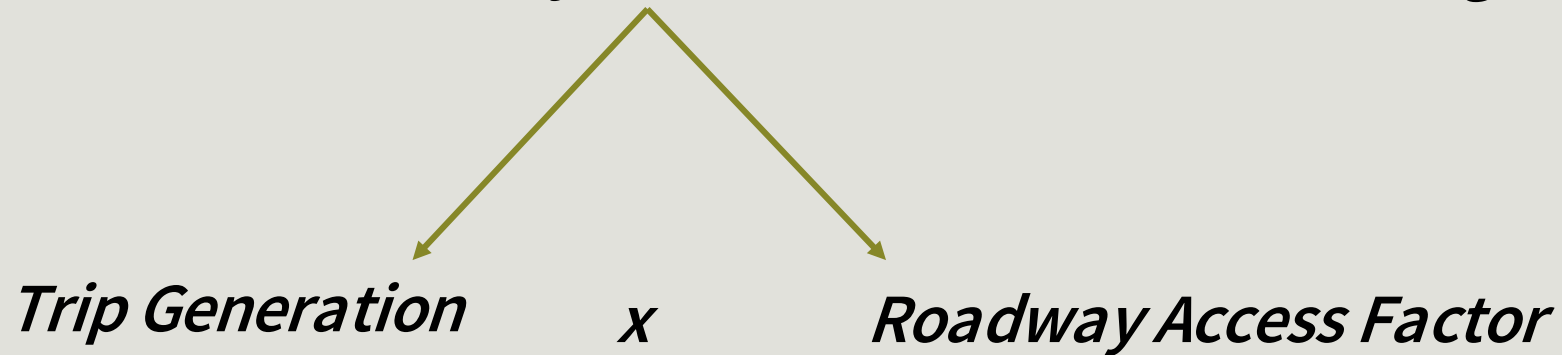
Streets and Highways Code Section 1162.6 (a).

Benefit Assessments

- Must be allocated to parcels proportionally based on special benefit received
- Publicly-owned property must be assessed if special benefit is received
- Mailed-ballot vote of property owners requires majority approval to pass
- Ballots are weighted by assessment amount
- Maximum assessment rates may include provision for annual increases
- Lower cost to form and administer

Apportioning Special Benefit to the PRD Parcels

Parcel Benefit = Roadway Use Benefit + Benefit of Emergency Response .



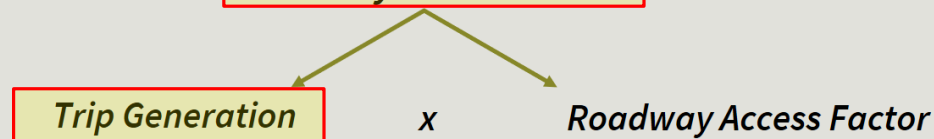
Trip Generation by Land Use



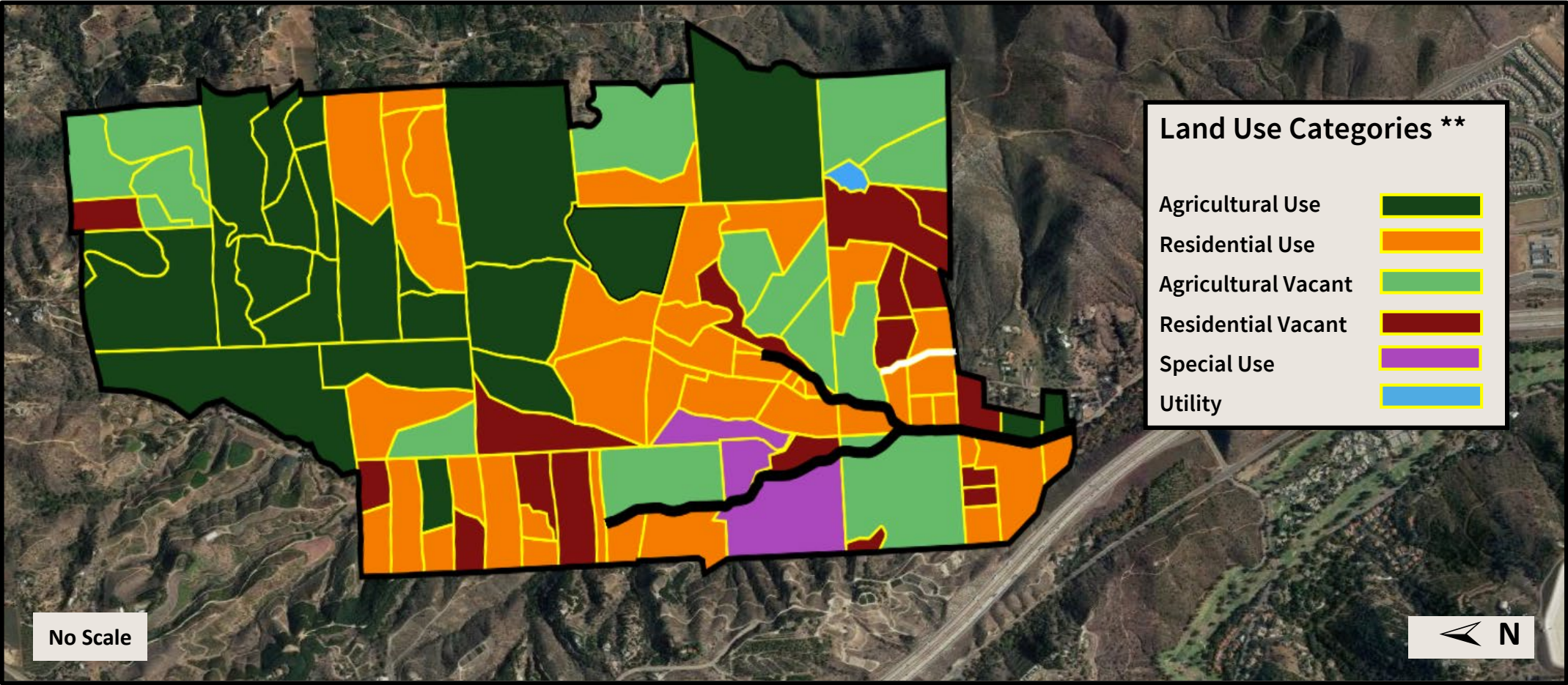
Harris & Associates

Agricultural Use	Parcels with one acre or more of land being used for agricultural or similar purposes	Acres of agricultural use ÷ 6 + 1 per dwelling unit
Residential Use	Parcels with at least one dwelling unit and less than one acre of land being used for agricultural or similar purposes	1 per dwelling unit
Agricultural Vacant	Undeveloped parcels with an agricultural land use code on the County Assessor's Roll	0.25 per parcel
Residential Vacant	Undeveloped parcels with a residential or miscellaneous land use code on the County Assessor's Roll	0.25 per parcel
Special Permit **	Three parcels with a special use permit for weddings and other events	8.8 for all three parcels (allocated to parcels based on acreage)
Utility	Parcel with water tank owned by Rainbow Municipal Water District	2 per parcel

$$\text{Parcel Benefit} = \text{Roadway Use Benefit} + \text{Benefit of Emergency Response}$$



Land Use Map for Determining Trip Generation



Parcel Benefit = *Roadway Use Benefit* + *Benefit of Emergency Response*

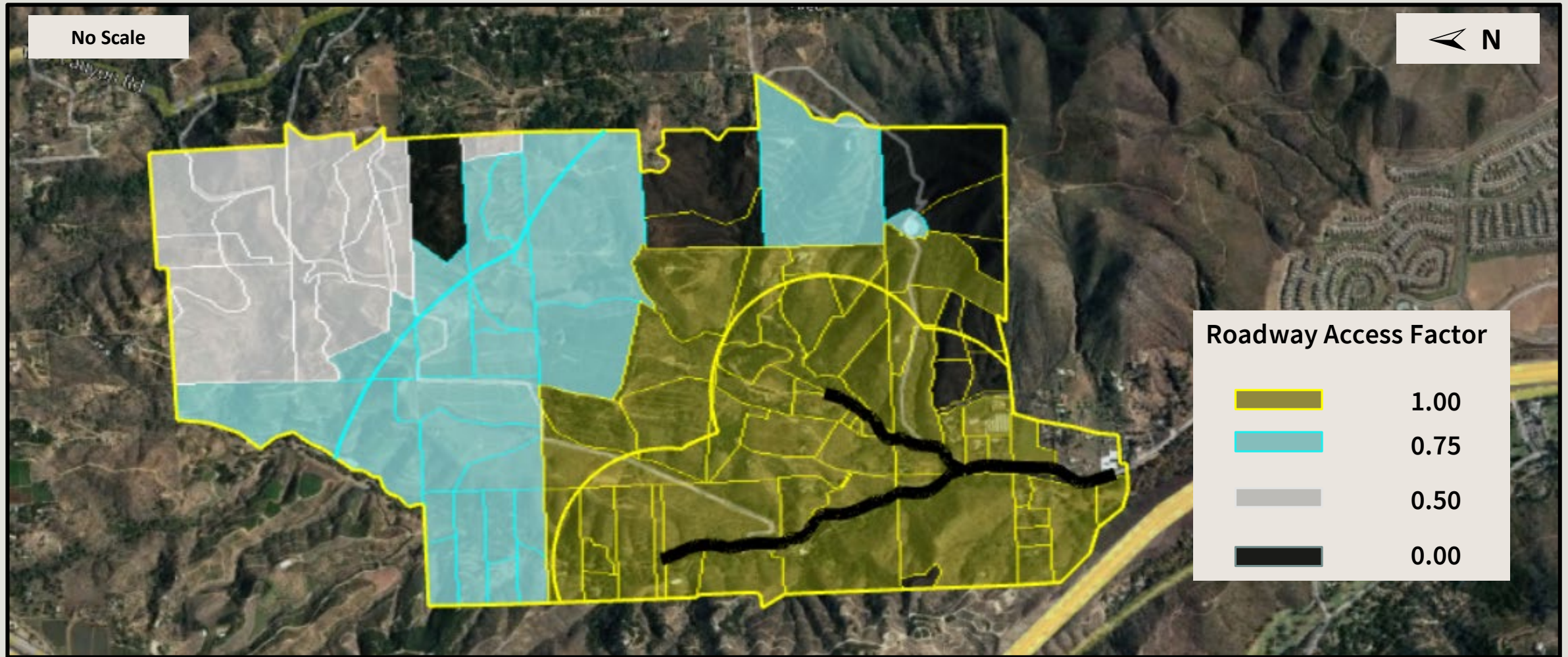
Trip Generation x *Roadway Access Factor*

Distance from Roadway	Description	Roadway Access Factor
Up to ¼ mile	The direct distance from the nearest point of a parcel to either Stewart Canyon Road or Stewart Canyon Road East is less than ¼ mile	1.00
¼ mile to ¾ mile	The direct distance from the nearest point of a parcel to either Stewart Canyon Road or Stewart Canyon Road East is between ¼ mile and ¾ mile	0.75
More than ¾ miles	The direct distance from the nearest point of a parcel to either Stewart Canyon Road or Stewart Canyon Road East is more than ¾ miles	0.50
No Access	A parcel does have access to either Stewart Canyon Road or Stewart Canyon Road East	0.00

$$\text{Parcel Benefit} = \text{Roadway Use Benefit} + \text{Benefit of Emergency Response}$$

$$\text{Trip Generation} \times \text{Roadway Access Factor}$$

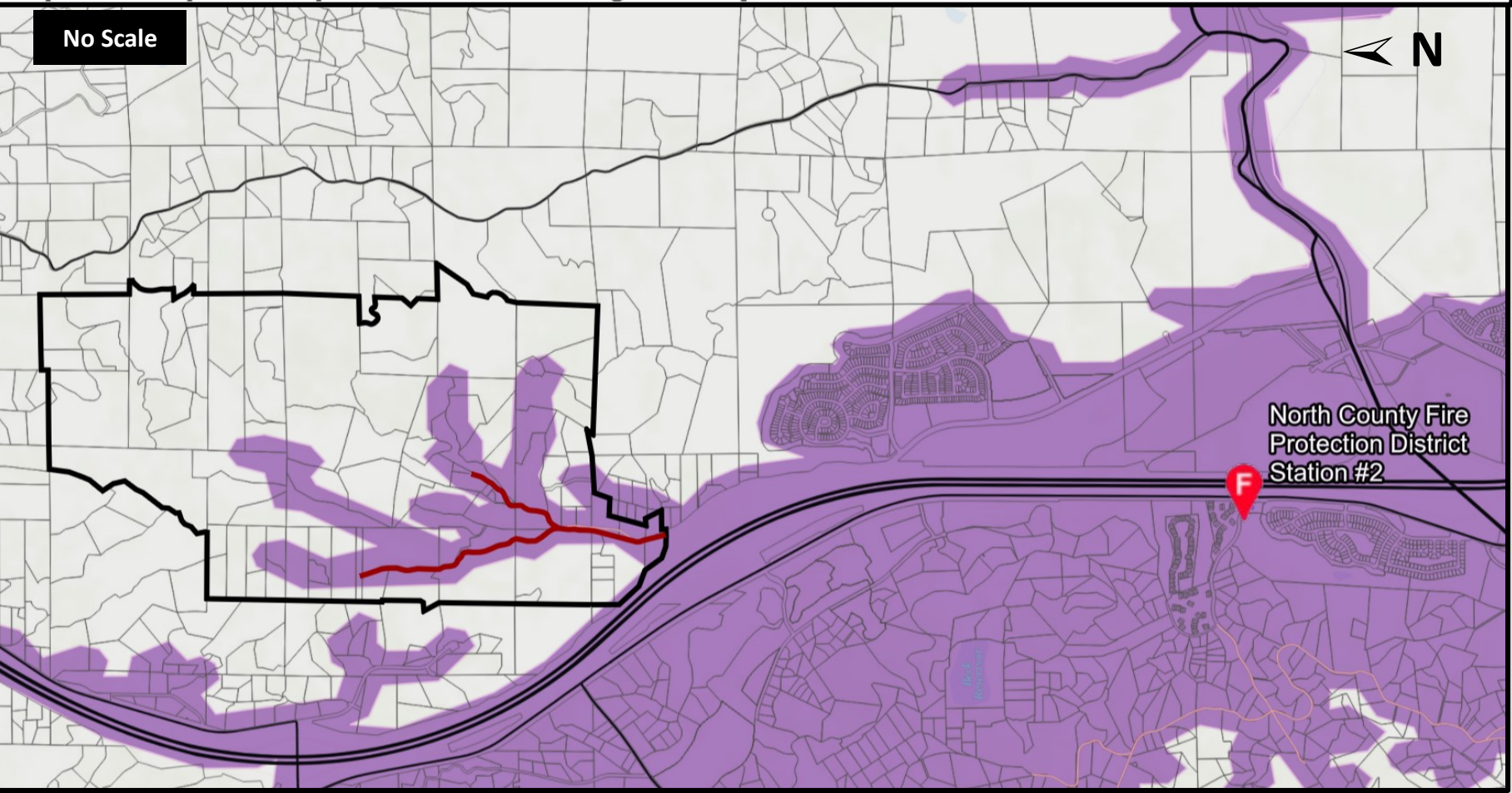
Roadway Access Factor



$$\text{Parcel Benefit} = \text{Roadway Use Benefit} + \text{Benefit of Emergency Response}$$

Trip Generation \times *Roadway Access Factor*

Map 7.4: Response Capabilities for San Diego County Fire Stations



LEGEND

Fire Station #2



PRD 13B Boundaries



8-Minute Response Area



$$\text{Parcel Benefit} = \text{Roadway Use Benefit} + \text{Benefit of Emergency Response}$$

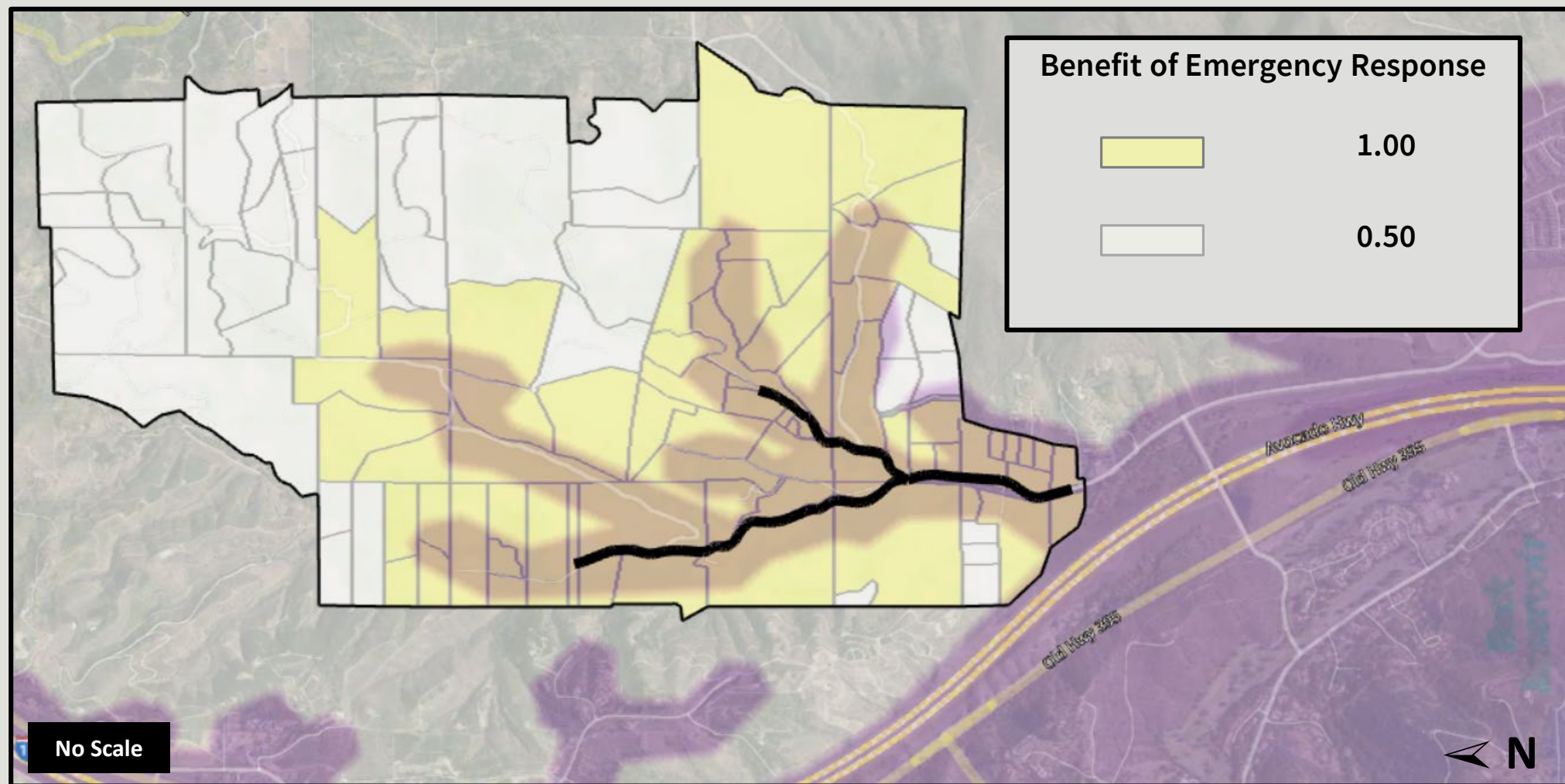
Trip Generation *x* *Roadway Access Factor*

Benefit of Emergency Response

Parcel Location	Benefit of Emergency Response
Within 8-minute response area	1.00 per parcel
Outside of 8-minute response area	0.50 per parcel

$$\text{Parcel Benefit} = \text{Roadway Use Benefit} + \text{Benefit of Emergency Response}$$

$$\text{Roadway Use Benefit} = \text{Trip Generation} \times \text{Roadway Access Factor}$$



$$\text{Parcel Benefit} = \text{Roadway Use Benefit} + \text{Benefit of Emergency Response}$$

$$\text{Roadway Use Benefit} = \text{Trip Generation} \times \text{Roadway Access Factor}$$

Parcel Benefit Calculation for Sample Parcels

Land Use and Location	Trip Generation	x	Roadway Access Factor	=	Roadway Use Benefit	+	Benefit of Emergency Response	=	Parcel Benefit
60 acre agricultural use, no dwelling units, adjacent to Stewart Canyon Rd	60 ÷ 6 = 10.00		1.00		10.00		1.00		11.00
60 acre agricultural use, one dwelling unit, adjacent to Stewart Canyon Rd	60 ÷ 6 = 10.00 + 1.00 = 11.00		0.75		8.25		1.00		9.25
Five vacant acres, one dwelling unit, northeast corner of PRD	1.00		0.50		0.50		0.50		1.00
Five vacant acres , ½ mile to Stewart Canyon Rd	0.25		0.75		0.75		1.00		1.75
Special permit parcels, 43.02 acres combined	8.80 (three parcels combined)		1.00		8.80 (three parcels combined)		3.00 (three parcels combined)		11.80 (three parcels combined)

Parcel Benefit

=

Trip Generation

x

Roadway Access Factor

+

Benefit of Emergency Response

Determining the Maximum Assessment Rate

$$\textit{Maximum Assessment Rate} = \textit{Total PRD Costs} \div \textit{Total Parcel Benefit}$$

Determining Maximum Assessment Amounts for Parcels

$$\textit{Maximum Parcel Assessment Amount} = \textit{Maximum Assessment Rate} \times \textit{Parcel Benefit}$$

Special Taxes

- May be allocated to parcels on any reasonable basis except for property value

- Special tax per parcel

- Special tax per acre

- Publicly-owned property is usually exempt
- Requires two-thirds (2/3) approval to pass a special tax ballot measure when there are more than twelve (12) registered voters
- Maximum special tax rates may include a provision for annual increases
- Higher cost to form and administer



- **Special Tax Per Parcel**
- **Special Tax Per Acre**

Determining the Maximum Special Tax Rate

$$\textit{Maximum Special Tax Per Parcel} = \textit{Total PRD Costs} \div \textit{No. of Parcels}$$

$$\textit{Maximum Special Tax Per Acre} = \textit{Total PRD Costs} \div \textit{Total Taxable Acres}$$

Stewart Canyon PRD 13B

THE END

Options for PRD 13B

1

**District
Reassessment**

2

Dissolution

3

**Limited
Service**

Option 1: District Reassessment

- New PRD would be Formed
 - Retain ad valorem tax revenue ~\$6k
 - New rate would be established
 - Can add or remove services and/or road segments
- Annual Revenue would be sufficient to fund all recommended road work in 10 years
 - Property owners feedback will determine scope of road work (repair vs replacement)
- Process takes ~18 months
- Includes:
 - Engineering reports
 - Public Outreach
 - Public Hearings before the Board of Supervisors
 - Mail Ballot Proceedings

District Reassessment: Special Benefit Assessment

Special Benefit Assessment

Number of Taxable Parcels: 89

Total Number of Benefit Units: 185.82

- EBU per parcel 0.625 – 9.175

Options for Road Repair Funding

Annual Revenue: \$73,428 (for 8 years)

- Charge per parcel \$247 - \$3,261
- Most parcels pay \$790
- 72 Parcels would pay under \$1,000
- 18 Parcels would pay \$1,000 - \$3,621

Options for Road Replacement Funding

Annual Revenue: \$145,069 (for 8 years)

- Charge per parcel \$488 - \$6,442
- Most parcels pay \$1,561
- 70 Parcels would pay under \$2,000
- 4 Parcels would pay \$2,000 - \$6,442

Total road repair cost: \$517,422

Total road replacement cost: \$1,060,555

District Reassessment:

Special Tax District (per Parcel)

Special Tax District – Per Parcel

Number of Taxable Parcels: 89

Each benefitting parcel pays the same rate.

Options for Road Repair Funding

Annual Revenue: \$73,428 (for 8 years)

1. Special Tax – Per Parcel
 - Per Parcel Flat Rate: \$825.03

Options for Road Replacement Funding

Annual Revenue: \$145,069 (for 8 years)

1. Special Tax – Per Parcel
 - Per Parcel Flat Rate: \$1,629.99

Total road repair cost: \$517,422

Total road replacement cost: \$1,060,555

District Reassessment:

Special Tax District (per Acre)

Special Tax District – Per Acres

Total Number of Taxable Acres: 983.42

Options for Road Repair Funding

Annual Revenue: \$73,428 (for 8 years)

1. Special Tax – Acreage
 - Per acre: \$74.67
 - Range: \$57.50 - \$4,498

Options for Road Replacement Funding

Annual Revenue: \$145,069 (for 8 years)

1. Special Tax – Acreage
 - Per acre: \$147.51
 - Range: \$113.58 - \$8,886

Total road repair cost: \$517,422

Total road replacement cost: \$1,060,555

Next Steps – New Assessment District Formation Timeline

Property
Owner
Feedback to
Revise
Engineer
Report

Property Owner
Petition of
Support for
Assessment
Election
(Reassessment)

Property
Owner
Election:
Conducted by
Clerk of the
Board

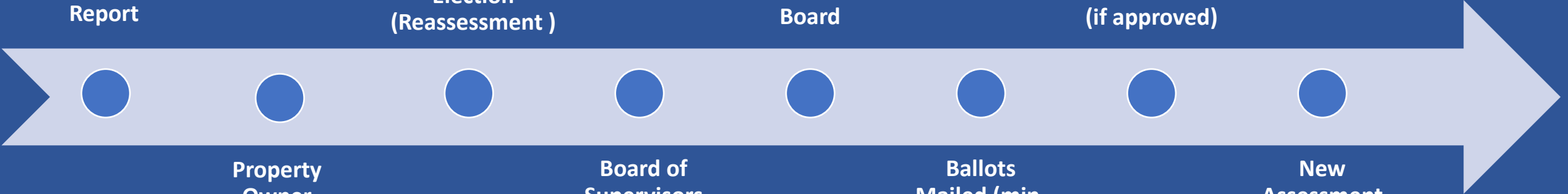
Board of
Supervisors
Hearing #2
to Confirm
Election
Results and
Form New
District
(if approved)

Property
Owner
Meeting /
Outreach
(if needed)

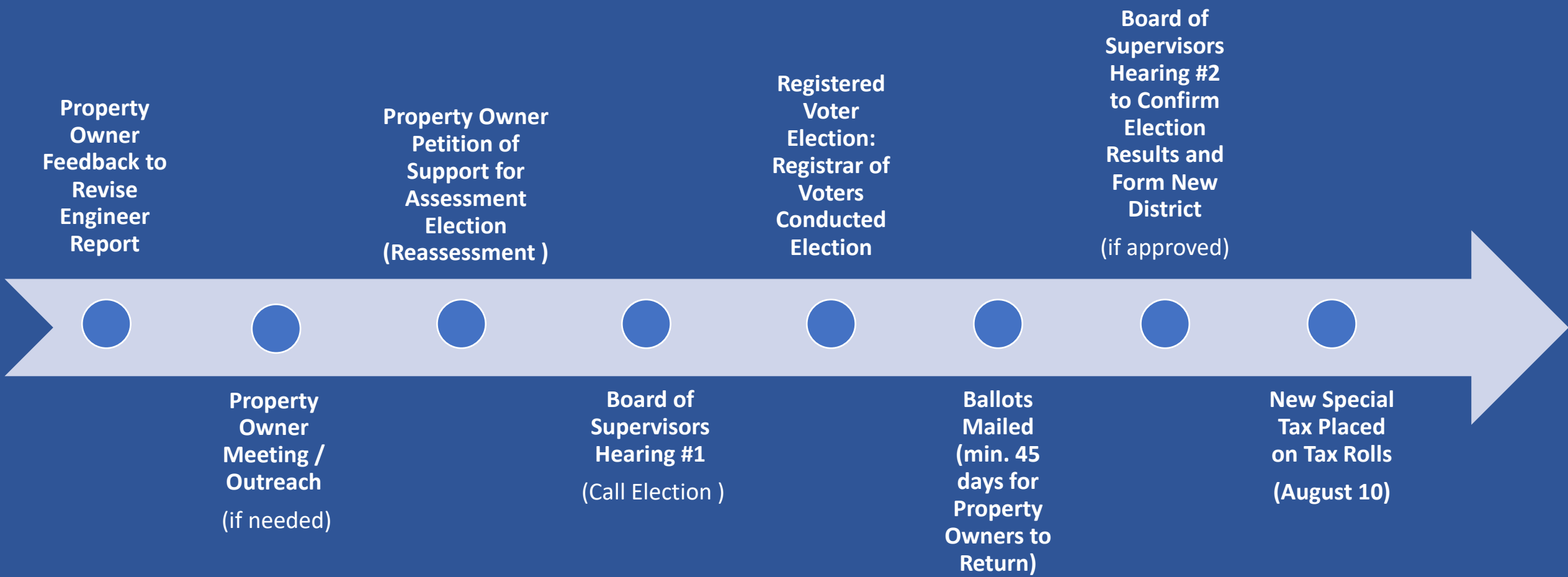
Board of
Supervisors
Hearing #1
(Call
Election)

Ballots
Mailed (min.
45 days for
Property
Owners to
Return)

New
Assessment
Placed on
Tax Rolls
(August 10)



Next Steps – New Special Tax District Formation Timeline



Option 2: Dissolution

PRD would no longer exist

- Assessment no longer be charged on Property Tax Bill
- County would not collect funds for road work
- County not have maintenance responsibility for roads

Property Owners Would Have Road Maintenance Responsibility

Dissolution Process

- Property Owners Initiate Dissolution
- Petition signed by 50% of ALL Prop. Owners
- 2 Board hearings for dissolution
- Petitions should be submitted by July 15 to Remove an Assessment/Special Tax from the Upcoming Property Tax Bill

Option 3: Limited Service

If District Reassessment is Not Approved or does Not Proceed to an Election and PRD remains active:

- PRD 13B will only have enough revenue to fund periodic, limited road work
- PRD will remain in place with current assessment and property tax revenue
- Road work will only be done as funds are available
 - Priority: public safety, maintaining safe egress
- Road Maintenance Responsibility will belong to Property Owners for all road work not completed with PRD funds

County staff will:

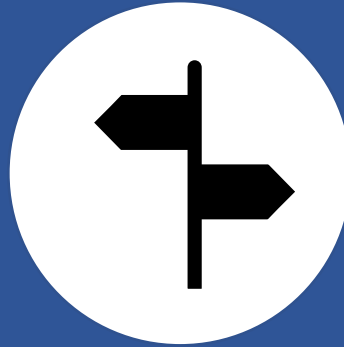
- Conduct prioritized road work as funds are available
- Conduct annual inspections
- Notify property owners annually of their responsibility to maintain road segments within their parcel boundaries

Next Steps – Dissolution or Limited Service

Dissolution



Property
Owners
Submit
Petition for
Dissolution

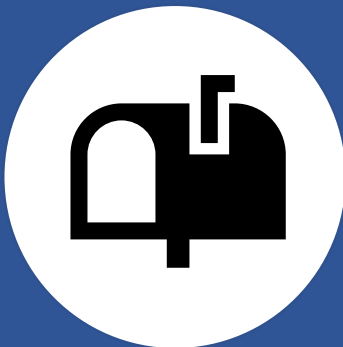


County Board
of Supervisors
Hearings



Remove
Assessment
from Future
Property Tax
Bills

Limited Service



Annual Mailed Notice to Property
Owners about Limited
Funds/Service &
Road Maintenance Responsibility



Questions