

Memo:

RE: Alameda Corridor Landscape Maintenance Intergovernmental Agreement (IGA) Renewal

To: ACBID Board of Directors

From: Tom Quinn, ACBID Executive Director; and Sarah Hadsall, ACBID Assistant Executive Director

Date: January 31, 2023

Background

In 2022 the BID Board approved a Landscape Maintenance IGA with the Lakewood Reinvestment Authority (LRA) commencing on March 1, 2022. Under the IGA, the BID manages landscape maintenance on parts of the corridor with financial contributions from the LRA. Costs covered under the IGA include a set monthly maintenance charge, irrigation system repairs, and irrigation water.

The IGA originally contained three tranches or segments of funding as described below:

- Tranche 1- The BID paid for the initial \$40,000 in maintenance charges.
- Tranche 2- The LRA paid the next \$65,000.
- Tranche 3- Once costs exceeded \$105,000, we entered Tranche 3 where we shared costs equally with the LRA to a maximum of \$30,000 total (\$15,000 each).
- If Tranche 3 was exceeded, then the LRA paid all additional costs.

We did exceed Tranche 3 for the reasons explained below. Landscape maintenance expenses from March 1, 2022 to December 31, 2022, for monthly maintenance, irrigation system repairs, and water totaled \$153,650.

2022 Maintenance costs exceeded Tranche 3 for three reasons. First, the cost of metered water was roughly \$47,671, nearly one third of the \$153,650 total. The reason for this was the new plantings. Pursuant to the IGA the LRA separately paid to replace over 650 plants and trees in 2022. We also overseeded native grasses in many areas. These new plantings required very extensive metered irrigation watering.

Second, some of the new trees and grasses needed hand watering, resulting in higher labor and equipment charges. No plantings are planned for 2023 other than tree replacements as needed and some grass seed. LMI has projected 2023 water costs at about one half of the 2022 total.

Third, we had an incident in October resulting in damage to one of our irrigation lines at a cost of over \$6,000. A contractor's crew working for Consolidated Mutual Water severed an irrigation line. Our attorney is pursuing a claim for reimbursement at this time.

LMI Landscapes performed their work well throughout the past year. Work was done on time with very few issues. LMI will increase rates by 6% for 2023 beginning in March. This increase appears to be on par with the landscape maintenance industry. For these reasons, we do not

recommend re-bidding the contract for this year. We will reassess at the end of this next contract period.

To assure the efficiency of the irrigation system, LMI will conduct a system assessment in the spring. They will then address any issues identified and install new sensors where needed.

Under the IGA, the BID and LRA were required to begin negotiations for renewal of the IGA in January of 2023. The reason for this was to give us time to learn some lessons and evaluate the situation after the first year to negotiate a new agreement going forward. After negotiation, we present a proposal for board consideration outlined below:

Changes to the IGA for 2023

- The term of the renewed IGA will be March 1, 2023, to December 31, 2023.
- The BID continues to directly manage landscaping working with the contractor.
- BID and LRA Financial Obligations:
 - Initial landscaping budget of \$125,000
 - ACBID base contribution- \$50,000
 - LRA base contribution- \$75,000
- Once the BID reaches the initial \$50,000 in landscape expenses the LRA pays the BID a lump sum contribution of \$75,000 to pay expenses for the remainder of the year. This lump sum payment eliminates the labor-intensive monthly billing process of the BID paying bills and then invoicing the LRA.
- If cost exceed \$125,00, the BID and LRA agree to share costs equally up to a total of an additional \$30,000, maximum of \$15,000 each.
- Maximum financial responsibility for each party if the initial amounts are exceeded:
 - BID- \$65,000
 - LRA- \$90,000
 - Total: \$155,000

BID Budget Impacts

The approved 2023 BID budget already includes \$55,000 for landscape maintenance. In the event the total of \$125,000 is exceeded, additional funds can be moved over from street beautification to cover the maximum additional \$10,000 BID obligation under the IGA. Thus, a budget amendment is not necessary.

Snow Removal

The original IGA excluded any snow removal on public sidewalks, placing this responsibility on business property owners on the corridor. In late 2022 the LRA announced it would pay for snow removal through the end of the term of the IGA, February 28, 2023.

The LRA has agreed to pay the BID a lump sum of \$12,500 for snow removal for the remainder of 2023. This should carry us through the 2023 spring snow season, March-May

Because of the high cost of snow removal, commencing in the Fall of 2023 we will return to following the Lakewood city ordinance requirement for individual business property owners to handle snow removal on their adjacent public sidewalks. Under the ordinance, business property owners are required to remove snow from the adjacent public sidewalks within 24 hours after the snow stops. This includes sidewalks in front, on the sides and any adjacent ramps leading to the street. This policy is consistent with those for other cities and business improvement districts. We are planning an outreach campaign to explain this policy to corridor businesses in advance of the next snow season.

The BID will continue snow removal on public sidewalks on segments of the corridor without business frontage. In the future we will evaluate the possibility of creating an emergency snow removal fund for large snow events.

Legal Review

BID contract counsel Tim Flynn reviewed the draft IGA, and one change was made to clarify the LRA will pay its initial contribution in a lump sum.

Action Requested

Staff requests adoption of a resolution approving the 2023 Landscape Maintenance IGA with the Lakewood Reinvestment Authority.