STAFF REPORT

City Council
Meeting Date: **5/12/2026**
Staff Report Number: **26-077-CC**

Consent Calendar: **Consider and adopt a resolution approving the preliminary engineer's report for the Menlo Park Landscaping Assessment District and adopt a resolution intending to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2026-27**

Recommendation

Staff recommends that the City Council:

1. Adopt a resolution approving the preliminary engineer's report for the Landscaping Assessment District for fiscal year 2026-27, which proposes an increase to the tree maintenance assessment from $96.94 to $104.68 (an increase of 8%) per single family equivalent (SFE) and to the sidewalk assessment from $57.82 to $62.44 (an increase of 8%) per SFE (Attachment A); and
2. Adopt a resolution intending to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2026-27 pursuant to the Landscaping and Lighting Act of 1972 and set the date for the public hearing for June 9 (Attachment B).

Policy Issues

The Landscape and Lighting Act of 1972 is a California state law that allows cities to levy a fee annually to properties which benefit from the services funded by the assessment. The City formed the Landscaping Assessment District (District) in 1983 and is used to fund street tree maintenance and the repair of sidewalks damaged by street tree roots. The proposed action is consistent with state law. If the City Council does not adopt the levy and collection of assessments, the impact on the City's general fund resources would be approximately $1,852,163, the total amount of the proposed tree and sidewalk assessments.

Background

The District fee covers the maintenance of trees located in the City's right-of-way (excludes trees located in parks and City facilities) and sidewalk repairs for segments damaged by street trees. The fees are collected through two assessments: tree maintenance and sidewalk maintenance.

On Feb. 10, the City Council adopted Resolution No. 7012 directing the preparation of an engineer's report for the District for fiscal year 2026-27. Each fiscal year, the City Council directs the preparation of an engineer's report, budgets and proposed assessments before the District fees can be levied. The engineer's report establishes the foundation and justification for the continued collection of the assessments. The assessments are subject to an annual adjustment based on the engineering news record construction cost index (ENR Index) for the San Francisco Bay Area. In developing the engineer's report, staff provided SCI Consulting Group (SCI) with all District-related databases including tree inventory and sidewalk data and the operating needs to maintain the current level of service.

Tree maintenance

The City maintains a total of 18,906 public trees, 60% of which are street trees. The trees are evaluated and trimmed on a cycle. Trees in declining health that pose safety risks are removed and replaced with younger, healthier trees, ensuring a diverse and sustainable urban forest canopy. The tree assessment expenditure covers contractor agreements for grid-based tree trimming services, along with general operating expenses, partial funding for street sweeping service, vehicle and equipment maintenance, and the salaries and benefits for staff who manage the program and maintain street trees. Regular sweeping of the City's 96 miles of roads is also part of the tree maintenance, as it reduces tree debris from entering the City's waterways and keeps the roads safe for drivers, bicyclists and pedestrians.

On June 11, 2024, the City Council approved a three-year agreement for tree maintenance services with West Coast Arborists with the ability to extend three one-year terms. Staff uses contract services for tree routine grid trimming, planting and removal, and emergency services as necessary. Street trees are trimmed on a five-year rotating schedule, which means a set number of trees is scheduled annually. This is a common practice within municipal arboriculture, as it is more cost-effective to maintain the trees on a regular basis. When trimming is deferred for longer periods, fast growing trees could become prone to limb failure and hazards, requiring maintenance that becomes more expensive.

Sidewalk maintenance

As street trees mature, their extensive network of roots inevitably breaks through and uplifts sidewalks, curbs, gutters and parking strips. Without a proactive sidewalk repair and replacement program, the sidewalks become tripping hazards, progressively worse, and more costly to repair over time. Before 1990, property owners and the City would share the cost to repair sidewalks damaged by City street trees. Each year, the City executed individual agreements with approximately 200 property owners to conduct these repairs. The annual cost was a financial burden to some residents on fixed incomes and burdensome for the City to administer; therefore, the City established an assessment for sidewalk repair in 1990 to make the program more cost-effective and efficient to operate. Damage not caused by City street trees is the responsibility of property owners per Chapter 13.08 of the Municipal Code.

To repair and replace damaged sidewalk, curb, gutter and parking strip caused by street trees, a contractor performs horizontal cutting to address minor tripping hazards. in order to extend the life of the sidewalk before a complete replacement is needed. This method also results in significant cost savings and has environmental benefits as it reduces waste. If horizontal cutting is not feasible, the sidewalk segment is replaced.

On June 11, 2024, the City Council approved a three-year agreement for on-call asphalt and concrete repair services with Cato's General Engineering, Inc. for up to $1,020,000 per fiscal year, with the ability to extend three one-year terms. The agreement with Cato's General Engineering is on its second-year term. The scope of work includes performing horizontal saw cuts to address tripping hazards and the replacement of sidewalks caused by city-maintained trees.

For fiscal year 2025-26, sidewalk replacement started in July 2025, and repairs (horizontal cutting) will begin in mid-May. The contractor replaced 25 sidewalk segments and will complete horizontal saw cutting at approximately 300 locations. The City's website (Attachment C) displays more information on the sidewalk repair program and provides a list of completed sidewalk replacement locations.

Historical assessment rates

There is an annual 3% rate increase cap for the tree and sidewalk assessments. In the past, the City has approved 3% to 10% increases on the tree assessment due to the state's prevailing wage requirement and 5% to 20% increases on the sidewalk assessment to address the high number of sidewalk repair backlog locations (Table 1). These higher increases were possible due to the accumulated unused ENR Index, which allowed the City to raise rates beyond the 3% annual cap. While the ongoing cost of maintenance of trees and sidewalks has significantly increased since the District was created, the City has approved moderate rate increases.

Table 1: Historical assessment rate percentage increase

Fiscal year rate	Assessment	Percent increase	Amount increase
2017-18	Tree	3%	$1.43
	Sidewalk	5%	$1.95
2018-19	Tree	10%	$6.71
	Sidewalk	20%	$6.03
2019-20	Tree	10%	$7.38
	Sidewalk	20%	$7.22
2020-21 to 2024-25	Tree	3%	$2.44 – $2.74
	Sidewalk	3%	$1.30 – $1.46
2025-26	Tree	3%	$2.82
	Sidewalk	15%	$7.54

Analysis

The assessments are subject to an annual adjustment based on the ENR Index and must meet the following parameters:

- The City must contribute at least 25% of the total expenditures. The General Fund has typically provided the required contribution.
- Per the Landscaping and Lighting Act, the assessment shall be reduced by the projected balance, which is less than or equal to the costs necessary to perform maintenance and services until San Mateo County distributes the first assessment payment.
- For fiscal year 2026-27, the maximum rate allowable may not exceed $140.39 for trees and $62.68 for sidewalk assessments per SFE as shown in Table 2. These maximum rates are based on current and accumulated unused ENR index increases reserved from prior years. If the City chooses to implement

these increases, they are legally permissible without additional ballot proceedings to implement a special tax or Prop. 218 proceedings to implement a benefit assessment.

Table 2: Maximum allowable assessment per SFE			
Assessment	**Fiscal year 2025-26 rate**	**Max. allowable for fiscal year 26-27**	**Amount/Percentage increase**
Tree assessment	$96.94	$140.39	$43.45 (44.82%)
Sidewalk assessment	$57.82	$62.68	$4.86 (8.41%)

In preparation for the fiscal year 2026-27 assessments, staff evaluated the following:

- Tree maintenance – Reviewed needs and established the budget for fiscal year 2026-27 to cover the increase in costs.
- Sidewalk maintenance – In spite of increased rates in the last three years, the annual sidewalk replacement needs continue to exceed the budgeted amount and a backlog of requests still exists. In fiscal year 2025-26, the budget allowed for the repair of approximately 25 locations. The budget for the Sidewalk Repair Program for fiscal year 2026-27 would increase from $600,000 to $650,000 to repair 35 locations. Approximately 75 locations would remain as part of the backlog.
- 10-year forecast – Developed a forecast to assess future operating costs and assessment rate increases, while maintaining the minimum 25% City contribution and 10% of reserves. The forecast indicates that rate increases are needed to ensure that the maintenance program remains proactive while maintaining a balanced funding approach and moderating future rate increases to the extent feasible. The increase proposed for fiscal year 2026-27 is 8% and captures the maximum based on unused ENR index increases from prior years while the future years were modeled with 3% annual increases.
- City's contribution – The City's contribution has historically relied on the General Fund, which is experiencing lower revenues. Staff evaluated two options:
  - No increase in the City's total contribution – Under this scenario, the General Fund contribution would remain the same as fiscal year 2025-26 at $542,000 with no increase for fiscal year 2026-27.
  - No increase in the City's total contribution and a reduction in the General Fund funding source – For this option, the General Fund contribution would be reduced to $292,000 and used for tree maintenance. The Highway Users Tax Fund could be used for the $250,000 contribution for sidewalk maintenance. The total City contribution would remain the same as fiscal year 2025-26 at $542,000 with no increase for fiscal year 2026-27.

As shown in Table 3, a fund balance is projected to be carried over from fiscal year 2025-26. Per the Landscaping and Lighting Act, the assessment shall be reduced by the projected balance, which is less than or equal to the costs necessary to perform maintenance and services until the County distributes the first assessment payment.

Table 3: Tree and sidewalk assessments for proposed fiscal year 2026-27		
	Trees	**Sidewalk**
Estimated ending fund balance of fiscal year 2025-26	$691,261.25	$101,300.18
Estimated revenues:		
Assessment revenue	$956,400.45	$417,321.49
City contribution	$292,000.00	$250,000.00
Total	**$1,248,400.45**	**$667,321.49**
Estimated expenses:		
Maintenance costs	$1,102,998.24	$650,000.00
Indirect costs and administration	$99,164.28	$0.00
Total	**$1,202,162.52**	**$650,000.00**
Projected ending fund balance at fiscal year 2026-27	$737,499.18	$188,621.67

Staff recommends the use of $250,000 of Highway Users Tax Fund for sidewalk maintenance, which would reduce the General Fund contribution by approximately 46% (Table 4). The City's contribution amount could remain flat in future years with the use of annual fund balances. The preliminary engineer's report (Attachment D) for the District includes the proposed fiscal year 2026-27 budget. The engineer's report describes in detail the method used for apportioning the total assessment among properties within the District. This method involves identifying the benefit received by each property in relation to a SFE. Below is a summary of the proposed budget and findings from the engineer's report. If the City adopts lower assessment rates for fiscal year 2026-27, the fund balance would deplete faster, requiring larger and more immediate rate increases in the future.

Table 4: Summary of options

Option	City's contribution	Funding source	FY 2026-27 Rate assessment per SFE	Meets 25% City's contribution requirement?	Result/Impact
1	Trees: $292,000 Sidewalk: $250,000	General Fund	Trees: $7.74 (8%) increase Sidewalk: $4.62 (8%) increase	Yes	No increase in General Fund
2	Trees: $292,000 Sidewalk: $250,000	General Fund Highway Users Tax	Trees: $7.74 (8%) increase Sidewalk: $4.62 (8%) increase	Yes	$250,000 reduction General Fund

Table 5 summarizes the proposed rates for parcels with and without street trees. The assessment for properties without street trees, but in close proximity to parcels with street trees, is 50% of the tree assessment due to the direct benefit of the nearby trees.

Table 5: Annual tree assessment rates for proposed fiscal year 2026-27		
Property type	**Properties with street trees**	**Properties without street trees**
Single family	$104.68 per parcel	$52.34 per parcel
R-2 zone, in use as single family	$104.68 per parcel	$52.34 per parcel
Condominium/townhouse	$94.21 per unit ($471.06 maximum per project)	$47.11 per unit ($235.53 max. per project)
Other multifamily	$83.74 per unit ($418.72 max. per project)	$41.87 per unit ($209.36 max. per project)
Commercial	$104.68 per 1/5 acre ($523.40 max. per project)	$52.34 per 1/5 acre ($261.70 max.)
Industrial	$104.68 per 1/5 acre ($523.40 max. per project)	$52.34 per 1/5 acre ($261.70 max.)
Parks, educational	$104.68 per parcel	$52.34 per parcel

Table 6 summarizes the proposed rates to the sidewalk assessment to continue addressing ongoing sidewalk maintenance. Without an increase in the assessment, even fewer sidewalk locations would be repaired.

Table 6: Annual sidewalk assessment rates for proposed fiscal year 2026-27 budget		
Property type	**Properties with street trees**	**Properties without street trees**
Sidewalks, curbs and gutters	$62.44	Not applicable
Parking strips and gutters	$62.44	Not applicable
Curbs and/or gutters only	$41.83	Not applicable
No improvements	$20.61	Not applicable
Parcels with or without improvements	Not applicable	$20.61

Next steps

If the City Council approves the attached resolutions, staff would publish a legal notice of the assessment public hearing at least 10 days before the hearing. The public hearing is tentatively scheduled for June 9. Once the assessments are confirmed and approved, the levies would be submitted to the County Controller for inclusion in the property tax roll for fiscal year 2026-27.

Impact on City Resources

Funding sources for the entire tree maintenance and sidewalk repair programs consist of the District fees, the carry-over of unspent District funds from prior years, and City contributions. If the City Council does not adopt the rate increase, levy and collection of the assessments, the impact on City General Fund resources would be approximately $1,852,163.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378 and 15061(b)(3) (the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Resolution approving the preliminary engineer's report
B. Resolution intending to order the levy and collection of assessments
C. Hyperlink – Sidewalk repair program: www.menlopark.gov/Government/Departments/Public-Works/Maintenance-Division/Sidewalk-repair-program
D. Preliminary engineer's report

Report prepared by:
Joanna Chen, Management Analyst II
Eren Romero, Internal Services Manager

Report reviewed by:
Azalea Mitch, Public Works Director

RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING THE PRELIMINARY ENGINEER'S REPORT FOR THE CITY OF MENLO PARK LANDSCAPING ASSESSMENT DISTRICT FOR FISCAL YEAR 2026-27

WHEREAS, Feb. 10, 2026, the City Council of the City of Menlo Park adopted Resolution No. 7012, directing preparation of the Engineer's Report for the City of Menlo Park Landscaping Assessment District (District) for fiscal year 2026-27, pursuant to provisions of Article XIIID of the California Constitution and the Landscaping and Lighting Act of 1972, in said City and did refer the proposed improvements to SCI Consulting Group and did therein direct SCI Consulting Group to prepare and file with the Clerk of said City a report, in writing, all as therein more particularly described, under and in accordance with Section 22565, et. seq., of the Streets and Highways Code and Article XIIID of the California Constitution; and

WHEREAS, SCI Consulting Group prepared and filed with the city clerk of said City a report in writing as called for in Resolution No. 7012 and under and pursuant to said Article and Act, which report has been presented to this City Council for consideration; and

WHEREAS, the City Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that neither said report, nor any part thereof, should be modified in any respect.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Menlo Park does hereby make the following findings:

1. That the plans and specifications for the existing improvements and the proposed new improvements to be made within the District contained in said report, be, and they are hereby, preliminarily approved; and
2. That the Engineer's estimate of the itemized and total costs and expenses of said improvements, maintenance, and servicing thereof, and of the incidental expenses in connection therewith, contained in said report be, and each of them is hereby, preliminarily approved; and
3. That the diagram (Exhibit A) showing the exterior boundaries of the District referred to and described in said Resolution No. 7012 and the lines and dimensions of each lot or parcel of land within said District as such lot or parcel of land is shown on the San Mateo County Assessor's maps for the fiscal year to which the report applies, each of which lot or parcel of land has been given a separate number upon said diagram, as contained in said report be, and it is hereby, preliminarily approved; and
4. That the proposed continued assessment of the total amount of the estimated costs and expenses of the proposed improvements upon the several lots or parcels of land in said District in proportion to the estimated benefits to be received by such lots or parcels, respectively, from said improvements including the maintenance or servicing, or both, thereof, and of the expenses incidental thereto, as contained in said report be, and they are hereby, preliminarily approved; and
5. That said report shall stand as the Engineer's Report for the purpose of all subsequent proceedings to be had pursuant to said Resolution No. 7012.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the twelfth day of May, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

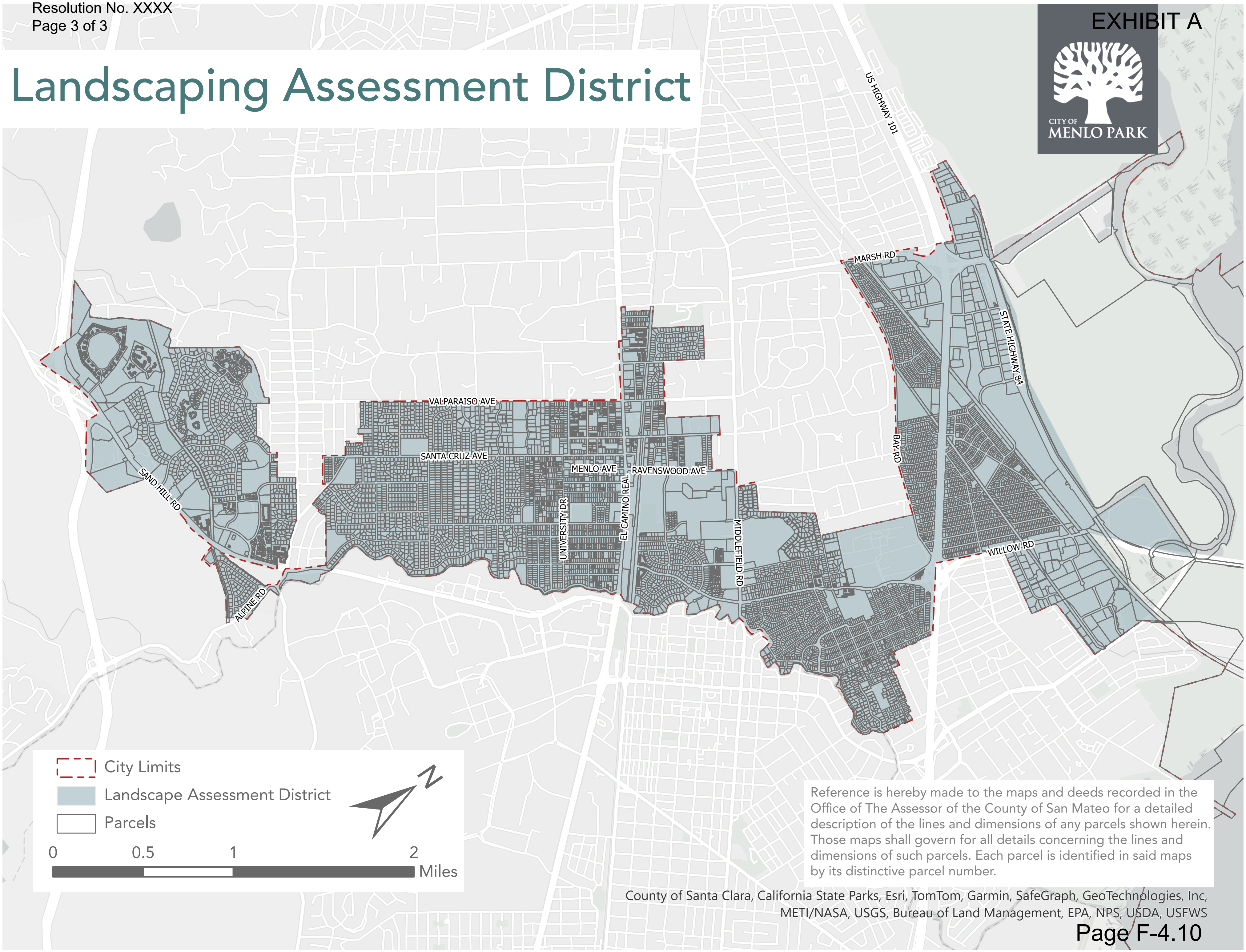
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of __, 2026.

____
Judi A. Herren, City Clerk

Exhibits
A. Exterior boundaries of the District

EXHIBIT A

Landscaping Assessment District



Reference is hereby made to the maps and deeds recorded in the Office of The Assessor of the County of San Mateo for a detailed description of the lines and dimensions of any parcels shown herein. Those maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in said maps by its distinctive parcel number.

County of Santa Clara, California State Parks, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA, USFWS

RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK INTENDING TO ORDER THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE LANDSCAPING ASSESSMENT DISTRICT FOR FISCAL YEAR 2026-27 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

WHEREAS, pursuant to Resolution No. 7012 directing the preparation of the Engineer's Report for fiscal year 2026-27 for the City of Menlo Park Landscaping Assessment District (District), adopted Feb. 10, 2026, by the City Council of Menlo Park; and

WHEREAS, pursuant to provisions of Article XIIID of the California Constitution and the Landscaping and Lighting Act of 1972, SCI Consulting Group for said City has prepared and filed with the City Clerk of this City the written report called for under and in accordance with Section 22565, et. seq., of the Streets and Highways Code and Article XIIID of the California Constitution; and

WHEREAS, by said Resolution No. 7012, which said report has been submitted and preliminarily approved by this City Council in accordance with said Article and Act.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Menlo Park does hereby make the following findings:

1. In its opinion, the public interest and convenience require, and it is the intention of this City Council, to order the continuation and collection of assessments for fiscal year 2026-27 pursuant to the provisions of Article XIIID of the California Constitution and the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, for the construction or installation of the improvements, including the maintenance or servicing, or both, thereof, more particularly described in Exhibit A hereto attached and by reference incorporated herein; and
2. The cost and expense of said improvements, including the maintenance or servicing, or both, thereof, are to be made chargeable upon the assessment district designated as "City of Menlo Park Landscaping Assessment District" the exterior boundaries of which District are the composite and consolidated area as more particularly described on a map thereof on file in the office of the Clerk of said City, to which reference is hereby made for further particulars. Said map indicates by a boundary line the extent of the territory included in the District and the general location of said District; and
3. Said Engineer's Report prepared by SCI Consulting Group, preliminarily approved by this City Council, and on file with the Clerk of this City, is hereby referred to for a full and detailed description of the improvements, the boundaries of the assessment district and the proposed assessments upon assessable lots and parcels of land within the District; and
4. The authorized maximum assessment rates for the District include an annual adjustment by an amount equal to the annual change in the Engineering News Record Index, not to exceed 3% per year, plus any uncaptured excesses. Assessment rates for the tree portion of the assessments are proposed to increase during fiscal year 2026-27 by $7.74 (8%). Including the authorized annual adjustment, the maximum authorized assessment rate for street tree maintenance for fiscal year 2026-27 is $140.39 per single family equivalent benefit unit, and the assessment rate per single family equivalent benefit unit for fiscal year 2026-27 is $104.68 which is less than the maximum authorized rate. Assessment rates for

the sidewalk repairs portion of the assessments are proposed to increase during fiscal year 2026-27 by $4.62 (8%). Including the authorized annual adjustment, the maximum authorized assessment rate for sidewalk maintenance for fiscal year 2026-27 is $62.68 per single family equivalent benefit unit, and the assessment rate per single family equivalent benefit unit for fiscal year 2026-27 is $62.44, which is less than the maximum authorized rate; and

5. Notice is hereby given that Tuesday, June 9, 2026, at the hour of 6:00 p.m., or as soon thereafter as the matter may be heard, by hybrid meeting available, at which time and place interested persons may participate and be heard on, and the same are hereby appointed and fixed as the time and place for a Public Hearing by this City Council on the question of the continuation and collection of the proposed assessment for the construction or installation of said improvements, including the maintenance and servicing, or both, thereof, and when and where it will consider all oral statements and all written protests made or filed by any interested person at or before the conclusion of said hearing, against said improvements, the boundaries of the assessment district and any zone therein, the proposed diagram or the proposed assessment, to the Engineer's estimate of the cost thereof, and when and where it will consider and finally act upon the Engineer's Report; and
6. The city clerk of said City is hereby directed to give notice of said Public Hearing by causing a copy of this resolution to be published once in The Examiner, a newspaper circulated in said City, and by conspicuously posting a copy thereof upon the official bulletin board customarily used by the City for the posting of notices, said posting and publication to be had and completed at least 10 days prior to the date of public hearing specified herein; and
7. The Department of Public Works of said City is hereby designated as the office to answer inquiries regarding any protest proceedings to be had herein, and may be contacted during regular office hours at the City Hall, 701 Laurel Street, Menlo Park, California, 94025, or by calling 650-330-6780.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the twelfth of May, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of __, 2026.

____
Judi A. Herren, City Clerk

Exhibit

A. City of Menlo Park Landscaping Assessment District

EXHIBIT A

City of Menlo Park Landscaping Assessment District

Maintaining and servicing of street trees, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health, and beauty of landscaping, including cultivation, trimming, spraying, fertilizing, or treating for disease or injury, the removal of trimmings, rubbish, debris, and other solid waste, and water for the irrigation thereof, and the installation or construction, including the maintenance and servicing thereof, of curbs, gutters, sidewalks, and parking strips.

Fiscal Year 2026-27

ENGINEER'S REPORT

City of Menlo Park

Landscaping Assessment District

June 2026

CITY OF MENLO PARK

Pursuant to the Landscape and Lighting Act of 1972 and Article XIIID of the California Constitution

Engineer of Work:

SCIConsultingGroup
Public Finance Consulting Services

4745 Mangels Boulevard
Fairfield, California 94534
707.430.4300
www.sci-cg.com

City of Menlo Park

Menlo Park City Council

Mayor Betsy Nash, District 4

Vice Mayor Jennifer Wise, District 5

Councilmember Drew Combs, District 2

Councilmember Jeff Schmidt, District 3

Councilmember Cecilia Taylor, District 1

City Manager

Justin Murphy

City Clerk

Judi A. Herren

City Attorney

Nira Doherty

Engineer of Work

SCI Consulting Group

John Bliss, P.E.

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Introduction

Assessment Background

Between 1960 and 1982, the City of Menlo Park had one three-person crew to care for approximately 9,000 City trees. As the trees grew, it took considerably more time per tree to provide proper care. Consequently, one tree crew was unable to perform the necessary work to maintain all of the street trees in proper condition. The Landscape Assessment District was originally formed in 1983 for the purpose of levying annual special assessments in order to properly maintain street trees in the City of Menlo Park. Currently, there are approximately 11,000 street trees that are maintained by the assessments.

Prior to 1990, property owners and the City would split the cost of repairing sidewalks damaged by City trees. The City would annually enter into an agreement with approximately 200 individual property owners. The one-time cost was a financial burden to some residents on fixed incomes. In order to make the program more cost-effective and less of a financial burden for property owners, an assessment for repair of sidewalks/parking strips due to City street-tree related damages was established in 1990.

The increased cost of the necessary work made the assessment amounts levied in Fiscal Year 1997-98 insufficient for adequately maintaining the City's street trees, curbs, gutters, and sidewalks. An increase in the assessments was required to provide funding for continued tree maintenance and sidewalk repairs. However, with the passage of Proposition 218 on November 6, 1996, assessments can only be raised after the City conducts an assessment ballot proceeding and the ballots submitted in opposition to the assessments do not exceed the ballots in favor of the assessments. (Each ballot is weighted by the amount of assessment for the property it represents.)

Assessment Process

In 1998, the City conducted an assessment ballot proceeding for increased tree maintenance and sidewalk repair assessments pursuant to the requirements of Article XIIID of the California Constitution (Proposition 218) and the Landscaping and Lighting Act of 1972. The proposed tree maintenance assessments for Fiscal Year 1998-99 were $64.28 per single family equivalent unit and the proposed sidewalk repair assessments were $28.70 per single family equivalent. The proposed maximum assessments also included an annual assessment cost escalator tied to the annual change in the Engineering News Record Construction Cost Index for the San Francisco Bay Area ("ENR Index"). These proposed assessments were supported by 73% of assessment ballots received from property owners (with each ballot weighted by the amount of assessments it represented). Therefore, on June 16, 1998 by its Resolution Number 4840-D, the City Council levied the new assessments.

Engineer's Report and Continuation of Assessments

In each subsequent year for which the assessments will be continued, the City Council must direct the preparation of an Engineer's Report, budgets, and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the City Council may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council.

The maximum authorized assessment rate, as increased each year by the change in the ENR Index, is the maximum assessment rate that can be levied in the given fiscal year without approval from property owners in another assessment ballot proceeding. In Fiscal Year 1998-99, the assessments were levied at the maximum rate for that fiscal year. Since this first fiscal year after the ballot proceeding, the assessments for tree maintenance have been levied below the maximum authorized rate, and the assessment rate for sidewalk repairs has not been increased above the original rate.

From December 2024 to December 2025, the ENR Index increased by 0.62%. The maximum allowed assessment amount is increased annually by the change in the ENR Index plus any uncaptured excess reserved from prior years, with a maximum increase not to exceed 3% in any year.

Based on accumulated excess reserves from prior years, the maximum authorized rates for Fiscal Year 2026-27 are $140.39 for trees and $62.82 for sidewalks without another ballot proceeding. (No additional ballot proceeding is required because the maximum authorized assessment rates, including the annual adjustments in these rates, were approved in the 1998 ballot proceeding. The actual rate levied in any given fiscal year can be revised up or down by any amount that does not cause the actual rates levied to exceed the maximum authorized assessment rates.)

The City reduced the assessment rate for tree maintenance in Fiscal Year 2000-01 and increased the assessment rate in Fiscal Years 2002-03, 2005-06 through 2009-10, 2014-15, and 2016-17 through 2025-26. In other fiscal years, it was not necessary to increase the rate, due to sufficient reserve funds carried forward from prior fiscal years, combined with general benefit contributions. For fiscal Year 2026-27, the proposed assessments for tree maintenance were proposed to increase 8.00% from Fiscal Year 2025-26, and the assessments for sidewalk maintenance are proposed to increase 8.00%. The proposed rates are $104.68 per Single Family Equivalent (SFE) for tree maintenance and $62.44 per SFE for sidewalk maintenance. The comparison of actual rates levied in Fiscal Year 2025-26 and the proposed rates for Fiscal Year 2026-27 are shown below.

Sidewalk Maintenance

FY 2025-26 Rate	ENR Increase Applied	**FY 2026-27 Rate**	Increase
$57.82	8.00%	**$62.44**	$4.62

Tree Maintenance

FY 2025-26 Rate	ENR Increase Applied	**FY 2026-27 Rate**	Increase
$96.94	8.00%	**$104.68**	$7.74

If the Council approves this Engineer's Report and the continuation of the assessments by resolution, a notice of assessment levies must be published in a local newspaper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 9, 2026. At this hearing, the Council will consider approval of a resolution confirming the continuation of the assessments for Fiscal Year 2026-27. If so confirmed and approved, the assessments will be submitted to the County Controller for inclusion on the property tax roll for Fiscal Year 2026-27.

Legal Analysis

Proposition 218

This assessment is consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996 and is now Article XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process used to establish this assessment.

The original assessment existed prior to the passage of Proposition 218. Although the original assessment is also consistent with Proposition 218, the California judiciary has generally referred to pre-Proposition 218 assessments as “grandfathered assessments” and held them to a lower standard than post-Proposition 218 assessments.

Silicon Valley Taxpayers Association, Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority (“SVTA vs. SCCOSA”). This ruling is the most significant court case in further legally clarifying the substantive assessment requirements of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e., 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010 the 4th District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer's Report is consistent with the requirements of Article XIIIC and XIIID of the California Constitution and with the *SVTA* decision because the Improvements to be funded are clearly defined; the Improvements are directly available to and will directly benefit property in the Assessment District; and the Improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with *Beutz, Dahms* and *Greater Golden Hill* because the Improvements will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the Improvements and proportional special benefit to each property.

Plans & Specifications

Following is a description of the Services that are provided for the benefit of property in the Assessment District. Prior to the residential development in Menlo Park, the Level of Service on these improvements was effectively zero. The formula below describes the relationship between the final level of improvements, the baseline level of service (pre-development) had the assessment not been instituted, and the enhanced level of improvements funded by the assessment.

Final Level of Service	=	**Baseline Level of Service (≈zero, pre-development)**	+	**Enhanced Level of Service**

The City of Menlo Park maintains street trees, sidewalks, curbs, gutters, and parking strips throughout the City. The proposed improvements to be undertaken by the City of Menlo Park and financed by the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. The said improvements consist of maintaining, trimming, disease treatment, tree debris removal, and replacement of street trees; and the repair and replacement of damaged sidewalks, curbs, gutters, and parking strips damaged by street trees throughout the City of Menlo Park.

Method of Assessment

This section of the Engineer's Report includes an explanation of the benefits to be derived from the maintenance, repair, and replacement of street trees, sidewalks, curbs, gutters, and parking strips throughout the City, and the methodology used to apportion the total assessment to properties within the Landscaping Assessment District.

The Landscaping Assessment District consists of all Assessor Parcels within the boundaries of the City of Menlo Park as defined by the County of San Mateo tax code areas. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Landscaping Assessment District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to properties. This benefit is received by property over and above any general benefits and such benefit is not based on any one property owner's use of the amenities or a property owner's specific demographic status. With reference to the requirements for assessment, Section 22573 of the Landscaping and Lighting Act of 1972 states:

> *"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Article XIIID, Section 4 of the California Constitution has confirmed that assessments must be based on the special benefit to property:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing of landscaping and lighting improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from maintenance and improvements such as those within by the District. These types of special benefit are summarized as follows:

A. Proximity to improved landscaped areas within the Assessment District.

B. Access to improved landscaped areas within the Assessment District.

C. Improved views within the Assessment District.

D. Enhanced environment because of the vigorous street tree program for owners of property in the Landscaping Assessment District.

E. Increased safety against tripping and other hazards caused by cracked or damaged sidewalks, curbs, and gutters.

F. Enhanced desirability of the property.

G. Reduced liability for landscape maintenance.

In this case, the recent the SVTA v. SCCOSA decision provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or Improved Access
- Views

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that landscaping improvements are a direct advantage and special benefit to property that is proximate to landscaping that is improved by an assessment:

> *The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Proximity, improved access, and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

Benefit Factors

The special benefits from the Improvements are further detailed below:

Proximity to improved landscaped areas within the Assessment District

Only the specific properties within close proximity to the Improvements are included in the Assessment District. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.

In absence of the assessments, the Improvements would not be provided and the landscaping areas in the Assessment District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits, but when combined with the unique proximity and access enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

Access to improved landscaped areas within the Assessment District

Since the parcels in the Assessment District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved landscaping areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

Improved views within the Assessment District

The City, by maintaining these landscaped areas, provides improved views to properties in the Assessment District. The properties in the Assessment District enjoy close and unique proximity, access and views of the Improvements; therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District. The Landscaping Assessment District provides funding to maintain and protect these public resources and facilities of the City. For example, the assessments provide funding to trim and maintain the street trees to maintain them in a healthy condition. This benefits properties by maintaining and improving the public resources in the community.

In order to allocate the proposed assessments, the Engineer begins by identifying the types of special benefit arising from the maintenance, repair, and replacement of the aforementioned facilities and that would be provided to property within the District. These types of special benefit are as follows:

Enhanced environment because of the vigorous street tree program for owners of property in the Landscaping Assessment District

Residential properties benefit from the enhanced environment provided by a vigorous program to install and maintain the street trees at a level beyond that followed by other cities throughout the County. The increased use of street trees provides an atmosphere of beauty beyond the norm. The improvements to the trees will be available to residents and guests of properties within the District.

Non-residential properties also will benefit from these improvements in many ways. The use of street trees softens the environment making it more pleasant for employees during commute time and at breaks from their work. These improvements, therefore, enhance an employer's ability to attract and keep quality employees. The benefits to employers ultimately flow to the property because better employees improve the employment prospects for companies and enhanced economic conditions benefit the property by making it more valuable.

Increased safety against tripping and other hazards caused by cracked or damaged sidewalks, curbs and gutters

An aggressive inspection program identifies hazardous conditions in sidewalks, curbs and gutters caused by street trees and allows for these conditions to be repaired on a timely basis. Timely repair of hazardous conditions greatly improves the overall safety of the environment, thereby providing for safer use of property.

Enhanced desirability of the property

The assessments will provide funding to improve the City's street tree program, raising the quality to a more desired level, and to ensure that the sidewalks, curbs, and gutters remain operable, safe, clean and well maintained. Such improved and well-maintained facilities enhance the overall desirability of property. This is a benefit to residential, commercial and industrial properties.

Reduced liability for landscape maintenance

The assessments will reduce the liability for landscape maintenance to street trees and other improvements. This is a benefit to residential, commercial and industrial properties.

General vs. Special Benefit

Article XIII D of the Constitution specifies that only special benefits are assessable, and that the City must separate the general benefits from the special benefits conferred on any parcel. The complete analysis of special benefits and their allocation are found elsewhere in this report. For the Landscaping Assessment District, the City has identified a general benefit and has separated it from the special assessments.

The City's maintenance of street trees and sidewalk facilities provides a general benefit to the community and to the general public to some degree. The measure of this general benefit is the enhancement of the environment and safety provided to the greater public at large. This general benefit can be measured by the proportionate amount of time that the City's sidewalks and street trees are used and enjoyed by the greater public at large[1]. It is reasonable to assume that approximately 1/4 or 25% of the usage and enjoyment of the improvements is by the greater public. Therefore, approximately 25% of the benefits conferred by the improvements are general in nature.

The City's total budget for maintenance and improvement of its trees and sidewalk facilities is $1,852,163. Of this total budget amount, the City will contribute $250,000 from sources other than the assessments for sidewalk repair and $292,000 for street tree maintenance. These contributions by the City equate to approximately 29.3% of the total budget for maintenance and more than offset the cost of the general benefits resulting from the improvements.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided within the assessment district. It is also important to note that the improvements and services funded by the assessments in Pomona are similar to the improvements and services funded by the Assessments described in this Engineer's Report and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this Report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the Assessment.

1 . The greater public at large is generally defined as those who are not residents, property owners, customers or employees within the City, and residents who do not live in close proximity to the improvements.

Method of Assessment

The second step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single-family home, or, in other words, on the basis of Single-Family Equivalents (“SFE”). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer’s Report, all properties are designated an SFE value, which is each property’s relative benefit in relation to a single-family home on one parcel. The "benchmark" property is the single family detached dwelling, which is one Single Family Equivalent, or one SFE.

As stated previously, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner’s use of the improvements, on a specific property owner’s occupancy of property, or the property owner’s demographic status such as age or number of dependents. However, it is ultimately people who enjoy the special benefits described above, use and enjoy the City’s trees and sidewalks, and control property values by placing a value on the special benefits to be provided by the improvements. In other words, the benefits derived to property are related the average number of people who could potentially live on, work at or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at, or otherwise use a property is an indicator of the relative level of benefit received by the property.

Assessment Apportionment - Street Trees

Properties with Street Trees

All improved residential properties that represent a single residential dwelling unit and have a street tree on or fronting the property are assigned 1.0 SFE. All single-family houses with tree(s) and those units in R-2 zones that are being used as single-family dwellings (with trees) are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the relative number of people who reside in multi-family residential units compared to the average number of people who reside in a single-family home. The population density factors for the County of San Mateo from the 1990 US Census (the most recent data available when the Assessment was established) are depicted below. The SFE factors for condominium, townhouse, and multi-family parcels, as derived from relative dwelling unit population density, are also shown below.

Figure 1 – Residential Assessment Factors

Property Type	*Total Population*	*Occupied Households*	*Persons per Household*	*SFE Factor**
Single Family Residential	412,685	140,248	2.94	1.0
Condominium/Townhouse	54,284	19,331	2.81	0.9
Multi-Family Residential	158,004	65,981	2.39	0.8

Source: 1990 Census, San Mateo County

The SFE factor for condominium, townhouse, and multi-family parcels is based on the ratio of average persons per household for the property type versus the average persons per household for a single-family residential home. Multi-family units are assessed at 0.80 per unit up to a maximum of 4.0 SFE per parcel (maximum of 5 units multiplied by 0.80). Condominium and townhouse parcels are assessed at 0.90 per unit, up to a maximum of 4.5 SFEs per development (maximum of 5 units multiplied by 0.90).

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single-family residential property and the average commercial/industrial property. The average size of a parcel for a single-family home in the District is approximately 0.18 acres, and such single-family property has an SFE value of 1.0. Using the equivalence of benefit on a land area basis, improved commercial and industrial parcels of approximately 0.20 acres or less would also receive an SFE benefit factor of 1.0. Commercial and industrial parcels in excess of a fifth of an acre in size are assigned 1.0 SFE per 0.20 acre or portion thereof, and the maximum benefit factor for any commercial/industrial parcel is 5.0 SFE.

Vacant parcels are also benefited from the street tree improvement and maintenance program. An example of a benefit is enhancement of the visual appeal that will accrue to a vacant parcel from the presence or proximity of the community's street trees based on its future potential use. Undeveloped property also benefits from the installation and maintenance of street trees, because if the property is developed during the year, the street trees will be available to the developed property. The relative benefit to vacant property is determined to be generally equal to the benefit to a single-family home property. Therefore, vacant property with street tree(s) are assessed 1 SFE.

Properties without Street Trees

The special benefit factors conferred on property can be defined by the benefits conferred to properties with and without street trees. The types of benefits conferred to all property in the community include protection of views, screening, and resource values and enhanced desirability of the property. A higher level of special benefits is conferred directly on parcels with street trees because these parcels obtain additional benefits from well-maintained, healthy trees fronting the property. The types of special benefits that are increased for properties with street trees include enhanced levels of safety, desirability, unique proximity, access and views of resources and facilities from healthy trees on the property. Therefore, individual properties without street trees but in close proximity to parcels with street trees receive a direct benefit from the street trees and should pay 50% of the rate for a similar property with street trees. Such properties are assigned an SFE benefit factor that is 50% of that for a similar property with street trees.

Assessment Apportionment - Sidewalk Program

The benefits to property for sidewalks, curbs, gutters, and parking strips are closely related to a parcel's proximity to these improvements and the parcel's proximity to street trees. Street trees are the most common cause of sidewalk problems. Therefore, the highest benefit from the proposed sidewalk improvements is to properties with street trees and sidewalks, curbs and gutters, or street trees and parking strips and gutters, because without the maintenance work, these improvements would degrade more quickly, which would affect the parcel's appearance and safety. It is estimated that 1/3 of the special benefits are conferred to property with street trees and sidewalks or parking strips. Another 1/3 of the special benefits are conferred to property with street trees and curbs and gutters. Special benefit factors are also conferred on property without street trees or adjoining sidewalk, curb, gutter and/or parking strip improvements that are in close proximity to these types of improvements. It is estimated that the remaining 1/3 of the special benefit factors from the Sidewalk Program are conferred to these parcels that are in close proximity to the improvements but that do not have improvements directly adjacent to their property.

Consequently, properties with street trees and sidewalks or parking strips and curbs and gutters or valley gutters are assigned a benefit factor of 1 SFE. Properties with street trees, curbs, and gutters are assigned a benefit factor of 0.67 SFE. If there are street trees but no improvements along the frontage of a parcel, or no street trees on a parcel, its benefit is 1/3 or 0.33 SFE.

Assessment Apportionment - Other Properties

Improved, publicly owned parcels that are used for residential, commercial, or industrial purposes are assessed at the rates specified previously. Other improved public property; institutional property and properties used for educational purposes, typically generate employees on a less consistent basis than other non-residential parcels. Moreover, many of these parcels provide some degree of on-site amenities that serve to offset some of the benefits from the District. Therefore, these parcels, with or without street trees, receive minimal benefit and are assessed an SFE factor of 1 for street tree assessments and an SFE factor of 1 for sidewalks, curbs, and gutter assessments.

All properties that are specially benefited have been assessed. Agricultural parcels without living units, public right-of-way parcels, well, reservoir or other water rights parcels, unimproved open space parcels, watershed parcels and common area parcels generally provide recreational, open space and/or scenic benefits to the community. As such, they tend to provide similar benefits as provided by the improvements in the District. Any benefits they would receive from the landscaping maintenance are generally offset by the equivalent benefits they provide. Moreover, these parcels typically do not generate employees, residents, or customers. Such parcels are, therefore, not specially benefited and are not assessed.

Appeals and Interpretation

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Public Works Director of the City of Menlo Park or their designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Public Works Director or their designee will promptly review the appeal and any information provided by the property owner. If the Public Works Director or their designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County of San Mateo for collection, the Public Works Director or their designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Public Works Director or their designee shall be referred to the City Council of the City of Menlo Park and the decision of the City Council of the City of Menlo Park shall be final.

Figure 2 – Tree Maintenance Assessments

Property Type	2026-27 Assessment Rates	
Parcels with Trees	***Assessment Rate***	
Single Family	$104.68	(per Parcel)
R-2 Zone, in use as single family	$104.68	(per Parcel)
Condominium/Townhouse	$94.21	(per Unit, $471.06 max. per Project)
Other Multi-family	$83.74	(per Unit, $418.72 max. per Project)
Commercial	$104.68	(per 1/5 acre, $523.40 max. per Project)
Industrial	$104.68	(per 1/5 acre, $523.40 max. per Project)
Parks, Educational	$104.68	(per Parcel)
Miscellaneous, Other	$0.00	(per Parcel)
Parcels without Trees		
Single Family	$52.34	(per Parcel)
R-2 Zone, in use as single family	$52.34	(per Parcel)
Condominium/Townhouse	$47.11	(per Unit, $235.53 max. per Project)
Other Multi-family	$41.87	(per Unit, $209.36 max. per Project)
Commercial	$52.34	(per 1/5 acre, $261.7 max.)
Industrial	$52.34	(per 1/5 acre, $261.7 max.)
Parks, Educational	$52.34	(per Parcel)
Miscellaneous, Other	$0.00	(per Parcel)

Figure 3 – Sidewalk, Curb, Gutter, Parking Strip Assessments

Property Type	2026-27 Assessment Rates	
Parcels with Trees	***Assessment Rate***	
Sidewalks, curbs, gutters	$62.44	(per Parcel)
Parking strips and gutters	$62.44	(per Parcel)
Curbs and/or gutters only	$41.83	(per Parcel)
No improvements	$20.61	(per Parcel)
Miscellaneous, Other	$0.00	(per Parcel)
Parcels without Trees		
Parcels with or without improvements	$20.61	(per Parcel)
Miscellaneous, Other	$0.00	(per Parcel)

Note: All total combined tree and sidewalk assessment amounts are rounded to the lower even penny.

Assessment

WHEREAS, on February 10, 2026, the City Council of the City of Menlo Park, County of San Mateo, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIIID of the California Constitution (collectively "the Act"), adopted its Resolution Initiating Proceedings for the Levy of Assessments within the Landscaping Assessment District; and

WHEREAS, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars.

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the City Council of said City of Menlo Park, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto, to be paid by the Landscaping Assessment District for the Fiscal Year 2026-27 is generally as follows:

Figure 4 – Summary Cost Estimate

		FY 2026-27 Budget
Street Tree Program	$	1,102,998.24
Sidewalk Program	$	650,000.00
Incidental Expenses	$	99,164.28
TOTAL BUDGET	**$**	**1,852,163**
Plus:		
Projected Fund Balance	$	856,120.85
Less:		
City Contribution for General Benefits	$	(542,000.00)
Contribution from Carry-Over Fund Balances	$	(792,561.43)
NET AMOUNT TO ASSESSMENTS	**$**	**1,373,722**

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Landscaping Assessment District. The distinctive number of each parcel or lot of land in the said Landscaping Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incidental thereto, upon the parcels and lots of land within said Landscaping Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is made upon the parcels or lots of land within the Landscaping Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said improvements.

The assessment is subject to an annual adjustment tied to the Engineering News Record (ENR) Construction Cost Index for the San Francisco Bay Area, with a maximum annual adjustment not to exceed 3%. Any change in the ENR in excess of 3% shall be cumulatively reserved as the “Unused ENR” and shall be used to increase the maximum authorized assessment rate in years in which the ENR is less than 3%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of 1) 3% or 2) the change in the ENR plus any Unused ENR as described above. The initial, maximum assessment rate balloted and established in Fiscal Year 1998-99 was $64.28 per single family equivalent benefit unit for tree maintenance, and $28.70 per single family equivalent benefit unit for sidewalk maintenance.

Based on the preceding annual adjustments, the maximum assessment rate for Fiscal Year 2025-26 was $136.30 for tree maintenance and $60.86 for Sidewalk maintenance. The change in the ENR from December 2024 to December 2025 was 0.62% and the unused CPI carried forward from the previous fiscal year is 8.81%. Therefore, the maximum authorized assessment rate for Fiscal Year 2026-27 has been increased by 3% which results in $140.39 per single family equivalent benefit unit for tree maintenance, and from $62.68 per single family equivalent benefit unit for sidewalk maintenance. However, the estimate of cost and budget in this Engineer’s Report proposes assessments for Fiscal Year 2026-27 at the rate of $104.68 per single family equivalent benefit unit for tree maintenance, which is less than the maximum authorized assessment rate and is an 8.00% increase over the rate assessed in the previous fiscal year. The proposed assessment rate for Fiscal Year 2026-27 for sidewalk maintenance is $62.44 per single family equivalent benefit unit, which is also less than the maximum authorized assessment rate and is an 8.00% increase over the rate assessed in the previous fiscal year.

Property owners in the Assessment District, in an assessment ballot proceeding, approved the initial fiscal year benefit assessment for special benefits to their property including the ENR adjustment schedule. As a result, the assessment may continue to be levied annually and may be adjusted by up to the maximum annual ENR adjustment without any additional assessment ballot proceeding. In the event that in future years the assessments are levied at a rate less than the maximum authorized assessment rate, the assessment rate in a subsequent year may be increased up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Mateo for the Fiscal Year 2026-27. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the Fiscal Year 2026-27 for each parcel or lot of land within the said Landscaping Assessment District.

Dated: April 28, 2026

Engineer of Work

REGISTERED PROFESSIONAL ENGINEER
JOHN W. BLISS
C 52091
CIVIL
STATE OF CALIFORNIA

By ______________________

Jown W. Bliss, P.E.
License No. C052091

Figure 5 – Engineer's Cost Estimate, Fiscal Year 2026-27

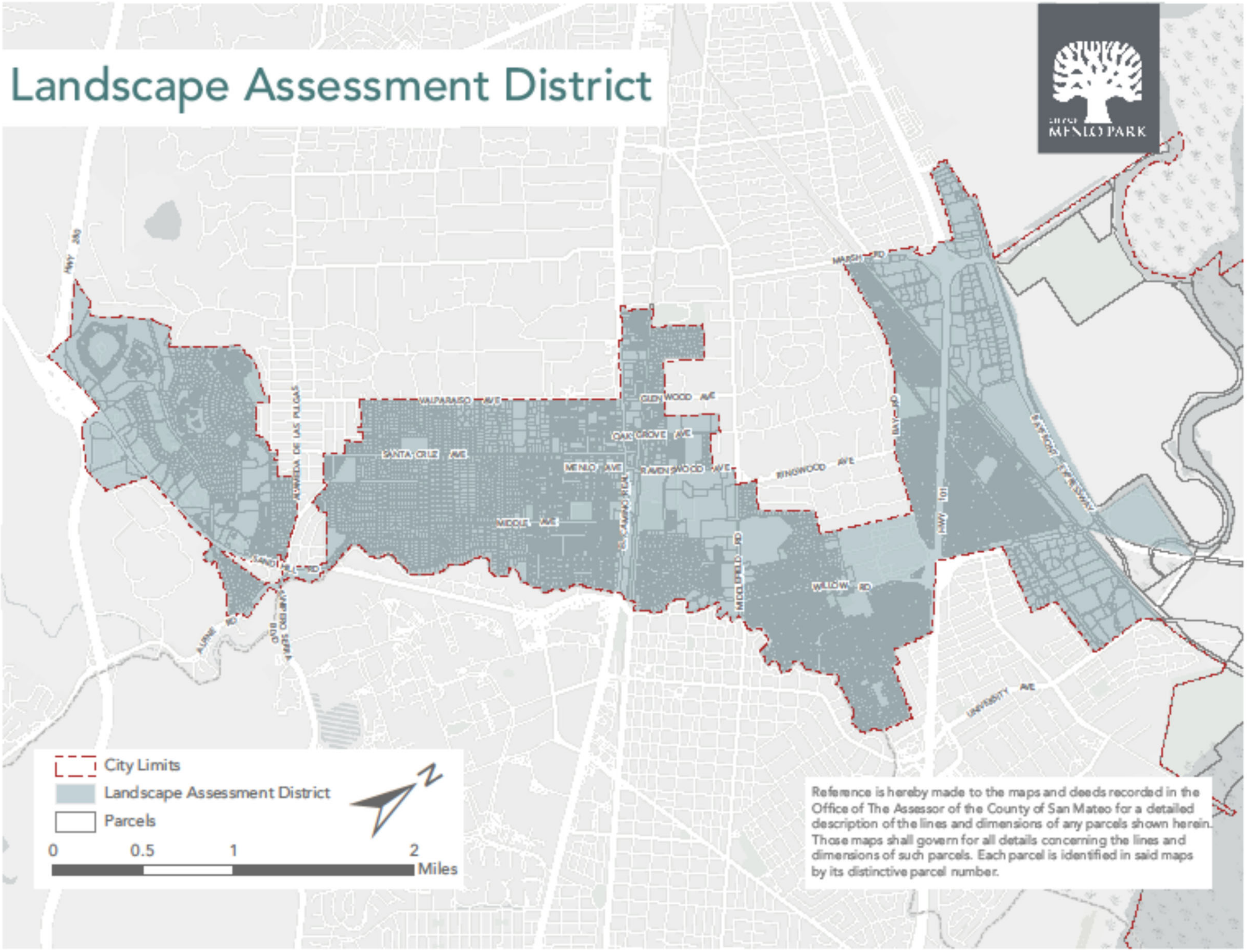
Fiscal Year 2026-27
CITY OF MENLO PARK LANDSCAPING ASSESSMENT DISTRICT
ENGINEER'S COST ESTIMATE

A. Tree Maintenance	**Tree Budget**	**Sidewalk Budget**
Salaries & Benefits	$ 464,332.24	
Operating Expense	$ 228,666.00	
Professional Services	$ 410,000.00	
(Tree Spraying, Tree Trimming, Misc.)		
Subtotal - Tree Maintenance	$ 1,102,998.24	$ -
B. Sidewalk, Curb, Gutter, Parking Strip Repair/Replacemer	**Tree Budget**	**Sidewalk Budget**
Construction Costs		$ 650,000.00
Design & Inspection		$ -
Subtotal - S/W,C,G, & PS Repair/Replace	$ -	$ 650,000.00
C. Incidentals	**Tree Budget**	**Sidewalk Budget**
Indirect Costs & Administration	$ 99,164.28	
Subtotal - Incidentals	$ 99,164.28	$ -
Total Cost	**$ 1,202,162.52**	**$ 650,000.00**
Projected Fund Balance	$ 737,499.18	$ 118,621.67
Tree Maintenance Ending Fund Balance	$ (691,261.25)	
Less General Fund Contribution	$ (292,000.00)	
Sidewalk Fund Ending Balance		$ (101,300.18)
Highway Users Tax		$ (250,000.00)
Net to Assessment	**$ 956,400.45**	**$ 417,321.49**

Engineer's Cost Estimate, Fiscal Year 2026-27 (continued)		
	Tree Budget	**Sidewalk Budget**
Revenue		
Single Family Equivalent Benefit Units - Trees		9,136.42
Single Family Equivalent Benefit Units - Sidewalks		6,683.56
	2026-27	2025-26
Assessment Rate for Tree Fund/ SFE	$104.68	$96.94
Assessment Rate for Sidewalk Fund/ SFE	$62.44	$57.82
Revenue for Tree Fund		$956,400.45
Revenue for Sidewalk Fund		$417,321.49
Total Revenue *		**$1,373,721.93**

Assessment Diagram

The Landscaping Assessment District includes all properties within the boundaries of the City of Menlo Park. The boundaries of the Landscaping Assessment District are displayed on the following Assessment Diagram.


Landscape Assessment District
CITY OF MENLO PARK
City Limits
Landscape Assessment District
Parcels
0
0.5
1
2
Miles
N
VALPARAISO AVE
SANTA CRUZ AVE
GLENWOOD AVE
OAK GROVE AVE
MENLO AVE
RAVENSWOOD AVE
RINGWOOD AVE
MIDDLE AVE
MIDDLEFIELD RD
WILLOW RD
MARSH RD
HWY 101
UNIVERSITY AVE
SAND HILL RD
Reference is hereby made to the maps and deeds recorded in the Office of The Assessor of the County of San Mateo for a detailed description of the lines and dimensions of any parcels shown herein. Those maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in said maps by its distinctive parcel number.

Appendix A – Assessment Roll, FY 2026-27

Reference is hereby made to the Assessment Roll in and for the assessment proceedings on file in the office of the City Clerk of the City of Menlo Park, as the Assessment Roll is too voluminous to be bound with this Engineer's Report.

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