



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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CONSENT
June 1, 2010

Honorable Mayor and
Members of the City Council

Title: Citywide Landscaping and Lighting Assessment District - Initiate Annual Proceedings Fiscal Year 2010/11

Location/Council District: Citywide

Recommendation: Adopt 1) a **Resolution** directing filing of Annual Report for Fiscal Year (FY) 2010/11 for the Citywide Landscaping and Lighting Assessment District; and 2) a **Resolution** approving Engineer's Annual Report and Intention to Order Maintenance of Improvements for FY2010/11 for the Citywide Landscaping and Lighting Assessment District and setting a time and place for a Public Hearing for June 22, 2010.

Contact: Brian Wong, Program Specialist, (916) 808-5778; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis:

Issue: The Citywide Landscaping and Lighting Assessment District (District) is required by the California Streets and Highways Code to present an annual budget to City Council for approval. Approval of the annual budget will authorize the City to collect assessments which will partially fund the maintenance of the improvements in the District for FY2010/11.

Policy Considerations: The annual proceedings for the District are being conducted as set forth in the Landscaping and Lighting Act of 1972 (1972 Act), California Streets and Highways Code Section 22500, et seq. This action is consistent with the Strategic Planning Focus Area of Sustainability and Livability.

Environmental Considerations: Under California Environmental Quality Act (CEQA) guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

Sustainability Considerations: There are no sustainability considerations applicable to the formation process or administration of a special district.

Committee/Commission: None

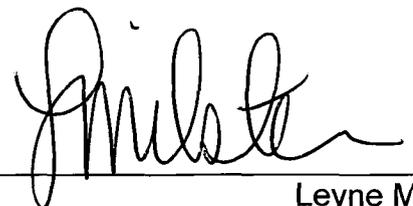
Rationale for Recommendation: The recommended actions in the Resolutions are required by the California Streets and Highways Code, as set forth in Section 22500 of the 1972 Act, for annual proceedings of an existing district.

Financial Considerations: Each year the District budget is developed taking into consideration several factors including the cost of services, the projected number of parcels in each assessment category, and the amount of projected surplus/deficit in the District fund balance at the end of the current fiscal year. The proposed budget and changes over the current year are shown on Attachment 2, page 5. The proposed increase in the FY2010/11 assessment by land use category is 1.72%, a percentage as determined by the change in the April 2010 CPI index over the prior 12 months.

The proposed FY2010/11 District budget will total \$13,815,479, an increase of \$331,566 or 2.46% over the current FY2009/10 District budget. Efforts to audit this district to ensure that all parcels are being levied correctly are ongoing from FY2008/09. Corrections are made to the assessment roll for the subsequent fiscal year.

Emerging Small Business Development (ESBD): City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: 
Mark Griffin
Fiscal Manager, Finance Department

Approved by: 
Leyne Milstein
Director, Finance Department

Recommendation Approved:

Gus Vina
Interim City Manager

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BACKGROUND

The Citywide Landscaping & Lighting District (District) was established in June of 1989. The District contributes funding for the maintenance and rehabilitation of City parks and other public landscaped areas, street tree maintenance, and the energy and maintenance cost of streetlights throughout the City. Property owners are assessed in accordance with a series of benefit formulas adopted by City Council in 1989. Annual assessments are paid by property owners along with their regular county property taxes. Each year the City must update and adopt the annual Engineer's Report and approve the assessment.

The budget is arranged in three categories as described below. In addition to the maintenance activity, each category also contains a proportionate share of the administration and billing costs.

- 1) **Street Related Operations and Maintenance:** This section contains the budget for safety lighting, neighborhood lighting, median maintenance, and street tree maintenance.
- 2) **Bonded Indebtedness:** A portion of the annual District budget goes toward the payment of debt service on 20-year bonds sold in 1996 to finance park improvements. These bonds will expire after tax year 2016.
- 3) **On-going Park Maintenance, Park Improvements, and Graffiti Abatement:** This section contains the park maintenance budget, the graffiti abatement program, and funding for park capital improvement projects. The voters approved this portion in November 1996.

The District contains a provision for an annual adjustment in budget and assessments to account for inflation. The district allows for an annual increase based on the Consumer Price Index (CPI), San Francisco area, all items, but not to exceed 3% in any year. The change in the April 2010 CPI index is 1.72% over the prior 12 months, therefore, the increase in the FY2010/11 assessment will be 1.72%.

**PROPOSED FY2010/11 BUDGET FOR
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT
(With 1.72% CPI adjustment increase in assessments)**

<u>Street Related Operations & Maintenance:</u>	Approved FY2009/10	Proposed FY2010/11
Safety Lighting & Medians	\$1,774,003	\$1,787,909
Neighborhood Street Lighting Maintenance	3,298,092	3,505,902
Tree Maintenance – Residential	3,202,218	3,299,092
Tree Maintenance – Non-Residential	1,139,797	1,124,643
Administration & Billing	<u>211,696</u>	<u>187,460</u>
Subtotal Street Related O&M	\$9,625,806	\$9,905,006
<u>On-Going Park Maintenance:</u>		
Park Maintenance & Improvements	\$2,859,165	\$2,929,649
Graffiti Abatement	155,681	156,807
Administration & Billing	<u>67,795</u>	<u>59,540</u>
Subtotal On-Going Park Maintenance:	\$3,082,641	\$3,145,996
<u>Bonded Indebtedness:</u>		
Park CIP Improvements	\$768,566	\$757,698
Administration & Billing	<u>6,900</u>	<u>6,779</u>
Subtotal Bonded Indebtedness	\$775,466	\$764,477
Less Debt Service	(\$586,980)	(\$585,175)
Excess Available For Parks CIP	\$181,586	\$172,523
TOTAL DISTRICT BUDGET	\$13,483,913	\$13,815,479
Fund Balance Offset	(\$175,000)	(\$349,999)
TOTAL ASSESSED TO PROPERTY OWNERS:	\$13,308,913	\$13,465,480

Citywide Landscaping & Lighting – Initiate Annual Proceedings

June 1, 2010

Attachment 3

SCHEDULE OF PROCEEDINGS

**CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY2010/11 SCHEDULE**

June 1, 2010	Council Considers Resolution of Intention and Sets Date for Public Hearing
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June 7, 2010 Publish Notice of Meeting and Hearing

June 22, 2010 Hold Public Hearing
Council Orders Annual Levy

August 2010 Assessments to County for Placement on Tax Roll

RESOLUTION NO.

Adopted by the Sacramento City Council

DIRECTING FILING OF ANNUAL REPORT FOR THE CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2 FY2010/11 (Pursuant to Landscaping and Lighting Act of 1972)

BACKGROUND:

- A.** The Citywide Landscaping and Lighting Assessment District No. 2 (District), was established by the City Council on August 1, 1989. The City Council adopted Resolution No. 89-600 thereby approving Assessment District No. 2 for all developed properties within the City of Sacramento.
- B.** The City Council established the District under the Landscaping and Lighting Act of 1972 (part 2 of division 15 in the Streets and Highways Code, beginning with Section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for landscaping and lighting maintenance services and related services to be provided within the District, all in accordance with the 1972 Act.
- C.** The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The City Council finds and determines that the background statements A through C are true and correct.
- Section 2.** The Supervising Engineer of the Department of Transportation, the person designated by this Council as the Engineer of Work for the District, is hereby directed to file an annual report in accordance with the provisions of the 1972 Act.
- Section 3.** This resolution is adopted pursuant to Section 22622 of the Streets and Highways Code.

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING ENGINEER’S ANNUAL REPORT AND INTENTION TO ORDER
MAINTENANCE OF IMPROVEMENTS FOR THE CITYWIDE LANDSCAPING AND
LIGHTING ASSESSMENT DISTRICT NO. 2 FY2010/11
(Pursuant to Landscaping and Lighting Act of 1972)**

BACKGROUND:

- A. The Citywide Landscaping and Lighting Assessment District (District) was established by the City Council on August 1, 1989 by adopting Resolution No. 87-1012.
- B. The City Council established the District under the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 in the Streets and Highways Code, beginning with Section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for landscaping and lighting maintenance services and related services to be provided within the District; all in accordance with the 1972 Act.
- C. The Supervising Engineer of the Department of Transportation, the person designated by this Council as the Engineer of Work for the District, was directed to file an annual report in accordance with the provisions of the 1972 Act.
- D. The Council is fully advised in this matter.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1.** The City Council finds and determines that the background statements A through D are true and correct.
- Section 2.** City Council hereby approves the Engineer’s Annual Report for FY2010/11 on file in the City Clerk’s Office.
- Section 3.** The City Council intends to levy and collect assessments within the District during FY2010/11. The area of land to be assessed is located in the City of Sacramento, Sacramento County.
- Section 4.** The maintenance or construction of improvements to be made in this assessment district is generally described as follows:
 - a) The maintenance of improvements is generally described as follows:
 - 1) landscaping; 2) statuary fountains, and other ornamental structures and facilities; 3) all works or improvements used or useful for the lighting of public places, including ornamental

standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (4) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (5) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (6) the acquisition of land for park, recreational, or open-space purposes; and (7) any and all expenses incidental to the above.

b) The installation or construction of improvements including:

(1) landscaping; (2) statuary fountains, and other ornamental structures and facilities; (3) all works or improvements used or useful for the lighting of public places, including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (4) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (5) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (6) the acquisition of land for park, recreational, or open-space purposes; and (7) any and all expenses incidental to the above.

Section 5. In accordance with this Council's resolution directing the filing of an annual report, the Engineer of Work has filed with the City Clerk the report required by the 1972 Act. All interested parties are referred to that report 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 assessment district.

Section 6. At the hour of 6:00 pm on Tuesday, June 22, 2010, the City Council will conduct a public hearing on the questions of the levy of the proposed annual assessment. The hearing will be held at the meeting place of the City Council located in the City Hall, 915 I Street, First Floor, Sacramento, California.

- Section 7.** This year's assessments are an increase from the previous year and are equal to the highest authorized amount for this District shown on Exhibit A.
- Section 8.** The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.
- Section 8.** Exhibit A is part of the resolution.

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Exhibit A: Proposed Annual Parcel Assessments FY2010/11

EXHIBIT A

PROPOSED ANNUAL ASSESSMENTS FOR FY2010/11						
Assessment Components	Single Family Residence	Multi-Family Residence	Business Property (Parcel Square Ft.)			Church
			0-25,000	25,001-100,000	100,001 or more	
<u>Street Related O&M:</u> Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance			\$113.22	\$566.06	\$1,177.39	\$32.35
With Lights:	\$52.20	\$36.54				
Without Lights:	\$25.13	\$17.59				
<u>Bonded Indebtedness:</u>						
CIP-Park Improvements	\$4.07	\$2.77	\$6.04	\$30.18	\$62.77	\$1.72
<u>Park Facilities & Related O&M:</u>						
Park Main., Youth Employment Program, Graffiti Abatement	\$16.19	\$11.02	\$27.68	\$138.39	\$287.84	\$7.91
Proposed Assessment:			\$146.94	\$734.63	\$1,528.00	\$41.98
With Lights:	\$72.46	\$50.33				
Without Lights:	\$45.39	\$31.38				
<i>Current Year Assessment (FY09/10):</i>			\$145.50	\$727.50	\$1,513.20	\$41.56
<i>With Lights:</i>	\$71.30	\$49.52				
<i>Without Lights:</i>	\$44.68	\$30.88				
<i>Change in assessment with 1.72% CPI increase adjustment:</i>			\$1.44	\$7.13	\$14.80	\$0.42
<i>With Lights:</i>	\$1.16	\$0.81				
<i>Without Lights:</i>	\$0.71	\$0.50				