

Meeting Date: 6/9/2015

Report Type: Consent

Report ID: 2015-00162

Title: Citywide Landscaping and Lighting Assessment District - Initiate Annual Proceedings

Location: Citywide

Recommendation: Pass 1) a Resolution directing the filing of the Annual Report for Fiscal Year (FY) 2015/16 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 FY2015/16 for the Citywide Landscaping and Lighting Assessment District, and setting a time and place for a Public Hearing for July 14, 2015.

Contact: Diane Morrison, Program Specialist, (916) 808-7535; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

1-Description/Analysis

2-Background

3-Schedule of Proceedings

4-Proposed FY2015-16 Citywide L&L District Budget Table

5-Resolution, Directing Filing of Annual Report

6-Resolution, Approving Engineer's Annual Report and Intention to Order Maintenance of Improvements

City Attorney Review

Approved as to Form

Michael W. Voss

5/28/2015 11:15:53 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/26/2015 3:35:49 PM

Description/Analysis

Issue: The Citywide Landscaping and Lighting Assessment District (District) is required by the California Streets and Highways Code to present an annual report to Council for approval. The annual report authorizes the collection of assessments to fund maintenance of the improvements in the District for Fiscal Year (FY) 2015/16.

Policy Considerations: The District provides funding for a variety of operations and maintenance services throughout the City including arterial and intersection lighting, neighborhood street lighting, medians, street trees, neighborhood parks, and graffiti abatement. The District also funds park capital improvements if funds are available.

Environmental Considerations: Under California Environmental Quality Act guidelines, annual proceedings of a special district do not constitute a project, and are therefore exempt from review.

Rationale for Recommendation: The recommended actions in the attached 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 assessment and budget are 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 or deficit in the District fund balance at the end of the current fiscal year. As shown on Attachment 4, the proposed FY2015/16 District expenditure budget will total \$16,450,531, an increase of \$277,844 or 1.7 percent over the current FY2014/15 District expenditure budget.

The proposed increase in the FY2015/16 assessment by land use category is 2.44 percent, a percentage determined by the change in the April 2015 Consumer Price Index (CPI) associated with the San Francisco Area, All Items, but not to exceed three percent in any year. Based on this increase, the assessment totals \$15,511,999.

The difference between the expenditure budget and the assessment is being funded from fund balance. The support from fund balance for FY2015/16 is decreasing by \$37,864 or 4.0% compared to FY2014/15.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

The District, established in June of 1989, provides 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 obtain approval of the assessment associated with the land use designation.

The budget is divided into 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: 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) Ongoing Park Maintenance, Park Improvements, and Graffiti Abatement: Park maintenance, graffiti abatement, and funding for park capital improvement projects if available. This portion of the assessment was approved by voters in November 1996.

The budget by category is provided in Attachment 4.

SCHEDULE OF PROCEEDINGS

CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FY2015/16 SCHEDULE

June 9, 2015	Council Considers Resolution of Intention and Sets Date for Public Hearing
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July 2, 2015 Publish Notice of Meeting and Hearing

July 14, 2015 Public Hearing: Council Orders Annual Levy

August 2015 Assessments to County for Placement on Tax Roll

ATTACHMENT 4

PROPOSED FY2015/16 BUDGET FOR FUND 2232 CITYWIDE LANDSCAPING AND LIGHTING DISTRICT With 2.44% CPI adjustment increase in assessments		
	Approved FY2014/15	Proposed FY2015/16
<i>Street Related Operations & Maintenance:</i>		
Safety Lighting & Medians	\$2,426,428	\$2,426,428
Neighborhood Street Lighting Maintenance	4,129,814	4,129,814
Tree Maintenance – Residential	3,874,506	4,010,114
Tree Maintenance – Non-Residential	1,312,741	1,312,741
Administration & Billing	<u>170,013</u>	<u>187,991</u>
Subtotal Street Related O&M	\$11,913,502	\$12,067,088
<i>On-Going Park Maintenance:</i>		
Park Maintenance & Improvements	\$3,465,000	\$3,586,275
Graffiti Abatement	150,000	150,000
Administration & Billing	<u>52,335</u>	<u>59,107</u>
Subtotal On-Going Park Maintenance:	\$3,667,335	\$3,795,382
<i>Bonded Indebtedness:</i>		
Park CIP Improvements	\$584,525	\$580,788
Administration & Billing	<u>7,325</u>	<u>7,273</u>
Subtotal Bonded Indebtedness	\$591,850	\$588,061
TOTAL DISTRICT BUDGET	\$16,172,687	\$16,450,531
Fund Balance Offset	(976,396)	(938,532)
TOTAL ASSESSED TO PROPERTY OWNERS:	\$15,196,291	\$15,511,999

RESOLUTION NO.

Adopted by the Sacramento City Council

**DIRECTING FILING OF ANNUAL REPORT FOR THE
CITYWIDE LANDSCAPING AND LIGHTING
ASSESSMENT DISTRICT NO. 2 FOR FISCAL YEAR 2015/16
(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.

**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 B are true and correct.
- Section 2. The Supervising Engineer of the Department of Public Works, 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 FOR FISCAL YEAR 2015/16 (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 adoption of Resolution No. 89-600.
- 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 Public Works, 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.

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 City Council hereby approves the Engineer's Annual Report for Fiscal Year (FY) 2015/16 on file with Public Improvement Financing (PIF) of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts.
- Section 3. The City Manager is authorized to make any necessary budgetary adjustments associated with the approval of the Engineer's Annual Report for FY2015/16.
- Section 4. The City Council intends to levy and collect assessments within the District during FY2015/16. The area of land to be assessed is located in the City of Sacramento, Sacramento County.
- Section 5. The maintenance or construction of improvements to be made in this assessment district is generally described as follows:

a) Maintenance of improvements:

(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) Installation or construction of improvements:

(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 6.

In accordance with this Council's resolution directing the filing of an annual report, the Engineer of Work has filed with PIF 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 7. At the hour of 6:00 pm on Tuesday, July 14, 2015, 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 8. 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 9. The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.

Section 10. Exhibit A is part of the resolution.

Table of Contents:

Exhibit A: Proposed Annual Parcel Assessments FY2015/16

EXHIBIT A

PROPOSED ANNUAL PARCEL ASSESSMENTS FY2015/16						
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			120.66	603.27	1,254.79	34.47
With Lights:	59.07	41.35				
Without Lights:	28.43	19.90				
<u>Bonded Indebtedness:</u>						
CIP-Park Improvements	3.07	2.09	4.60	23.00	47.83	1.31
<u>Park Facilities & Related O&M:</u>						
Park Maintenance, Youth Employment Program, Graffiti Abatement	18.31	12.46	31.31	156.57	325.66	8.94
Proposed Assessment:			\$156.57	\$782.84	\$1,628.28	\$44.72
With Lights:	\$80.45	\$55.90				
Without Lights:	\$49.81	\$34.45				
<i>Current Year Assessment (FY14/15):</i>			153.83	769.07	1,599.66	43.95
<i>With Lights:</i>	78.22	54.35				
<i>Without Lights:</i>	48.48	33.53				
<i>Change in assessment with 2.44% CPI increase adjustment:</i>			2.74	13.77	28.62	0.77
<i>With Lights:</i>	2.23	1.55				
<i>Without Lights:</i>	1.33	0.92				