Legislation Details (With Text)

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File created:	5/3/2019			**In control:**	City Council
On agenda:	5/15/2019			**Final action:**	5/15/2019
Title:	City Council consideration of Resolution No. 2019-028, declaring intention to levy and collect assessments within Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2019-20, approving preliminary Engineer's Report as it pertains to Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20, and providing notice of public hearing on proposed assessments.				
Sponsors:					
Indexes:					
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Attachments:	1. Staff Report, 2. Staff Report with Attachments				

Date	Ver.	Action By	Action	Result
5/15/2019	1	City Council	adopted	

AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION

DATE: 5/15/2019

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:
City Council consideration of Resolution No. 2019-028, declaring intention to levy and collect assessments within Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2019-20, approving preliminary Engineer's Report as it pertains to Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20, and providing notice of public hearing on proposed assessments.

RECOMMENDED ACTION:
That the City Council adopt Resolution No. 2019-028, declaring intention to levy and collect assessments within Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2019-20, approving preliminary Engineer's Report as it pertains to Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20, and providing notice of public hearing on proposed assessments.

ANALYSIS:
Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 (the

"District") were established in accordance with the provisions of the Landscaping and Lighting Act of 1972 (the "1972 Act") in 1986. The purpose of the District is to provide landscape maintenance and operating services for the public landscaping, and related appurtenances within the District's boundaries.

Each zone imposes a different assessment levy based on the benefit areas associated with that zone. The annual assessments proposed to be levied within the District will pay for the maintenance of parks, slopes, parkways, and open spaces during Fiscal Year 2019-20. Services provided include all necessary service, operations, administration, capital replacements, and maintenance required to keep the above-mentioned improvements in a healthy and satisfactory working condition.

The State of California Street and Highways Code Section 22500 requires an annual review of the assessments levied by the assessment districts formed under the 1972 Act. In order to levy and collect special assessments within the districts, Engineer's Reports must be prepared, which provide details on the improvements that are maintained and the estimated budgets for each district.

On May 1, 2019, the City Council adopted Resolutions No. 2019-017, to initiate the proceedings to levy and collect assessments for the District for Fiscal Year 2019-20, appointed Spicer Consulting Group, LLC as the engineer of record, and ordered the preparation of an Engineer's Report for each of the assessment districts.

Attached to this report is the preliminary Engineer's Report for the District, which includes a detailed description of the existing improvements within each zone, the estimated maintenance costs, the methods of assessment apportionment, and diagrams showing the boundaries of each zone. The report also provides analyses of each zone's financial status.

Adoption of the recommended resolution will declare the City's intent to levy and collect Fiscal Year 2019-20 assessments, approve the preliminary Engineer's Reports, and set a public hearing for June 19, 2019, at which time the City Council may approve the annual assessments and order the levy of assessments within the District.

COMMITTEE ACTION:
Not applicable.

STRATEGIC PLAN:
This item supports the City's Strategic Plan Goal 6: Improve Communications with Our Community; Objective a: Commit to transparency in all City actions. The recommended action will help achieve these goals by providing concise, forthright information regarding the annual levy proceedings for the special assessment districts.

FISCAL IMPACT:
The cost of operation, servicing and maintenance of the District will be funded by the assessments levied and collected within the District. For Fiscal Year 2019-20, it is projected that the current year assessment revenues will be sufficient to cover the operating costs for zones 1, 4, 7, 10, 14, 15, and 20 within the District during the same fiscal period. It is also projected that the current year assessment revenues will be insufficient to cover the operating costs for zone 2, 17, and 18 during the same fiscal period, which will be covered by a one-time contribution from each respective zone's capital reserves.

The overview of each zone within the District's estimated assessment revenues and proposed expenditures for Fiscal Year 2019-20 is presented below. Detailed information per zone can be found in the attached preliminary Engineer's Report.

District	Estimated Costs	Estimated Assessmen Revenue	General Bene Contribution[1]	MWD Rebate	Estimated Excess/(Defic	Contributio (To)/From Operating Reserve	Contributio (To)/From Capital Reserve	Operating Reserve[2]	Capital Reserve[3]
LMD 84-2, Zone 1	3,210	4,147	-	-	937	-	(937)	1,605	19,146
LMD 84-2, Zone 2	84,439	81,084	209	-	(3,146)	-	3,146	42,220	24,659
LMD 84-2, Zone 4	64,391	91,780	-	1,000	28,389	-	(28,389)	32,196	167,88
LMD 84-2, Zone 7	71,088	78,793	-	5,000	12,705	-	(12,705)	35,544	69,070
LMD 84-2, Zone 10	1,330,448	2,144,599	-	22,000	836,151	-	(836,151)	665,224	4,724,95
LMD 84-2, Zone 14	363,835	588,663	767	5,000	230,595	-	(230,595)	181,918	958,79
LMD 84-2, Zone 15	28,436	26,755	-	-	(1,681)	-	1,681	14,218	76,689
LMD 84-2, Zone 17	32,569	22,110	-	500	(9,959)	-	9,959	16,285	2,742
LMD 84-2, Zone 18	58,769	35,980	383	5,000	(17,406)	-	17,406	29,385	60,413
LMD 84-2, Zone 20	774,645	1,068,698	-	20,000	314,053	-	(314,053)	387,323	1,338,16

(1) Benefit received by non-residents of the District for the landscape improvements. This amount is contributed by the City's General Fund.
(2) The Operating Reserve fund may equal up to 50% of the estimated annual cost of providing services.
(3) The Capital Replacement Reserve fund will be used for capital improvement projects. All existing improvement in the District have finite life expectancies and will require replacement at some point in the future. On an annual basis, any non-expended assessment monies, in excess of Operating Reserve contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient funds to pay for the needed replacement, or respond to unforeseen capital improvement needs.

ENVIRONMENTAL ANALYSIS:
This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA. This action merely declares the City's intent to levy and collect assessments within the District for Fiscal Year 2019-20, and there is no possibility that adopting the resolution will have a significant effect on the environment.

PREPARED BY: LIEN-CHI CANTUBA, FINANCIAL ANALYST III

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER

Attachment:
Fiscal Year 2019-20 Landscaping Maintenance District No. 84-2 Preliminary Engineer's Report