



CITY OF POMONA COUNCIL REPORT

June 19, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

Subject: **Approval of the Engineer's Report for Consolidated Citywide Street Lighting and Landscaping Maintenance District Fiscal Year 2017-18, and Adoption of a Resolution of Intent Setting July 10, 2017 as the Public Hearing Date Regarding Annexation of Additional Territory and the Levy of Annual Assessments**

OVERVIEW

Recommendation – That the City Council:

1. Approve the Engineer's Report for Consolidated Citywide Street Lighting and Landscaping Maintenance District (the "District") for Fiscal Year 2017-18, including annexation of 62 additional parcels and the annual levy of assessments; and
2. Adopt a Resolution of Intent, setting July 10, 2017 as the date for the Public Hearing regarding the levy and collection of Fiscal Year 2017/2018 assessments for the Consolidated Citywide Street Lighting and Landscaping Maintenance District.

Fiscal Impact – Funding for the Consolidated Citywide Street Lighting and Landscaping Maintenance District is derived from assessments to properties receiving benefits from the District and is anticipated to generate \$1,220,234, including the City's in-kind contribution of \$4,088, for total of \$1,224,322 for Fiscal Year 2017/18. The approved Engineer of Record, Harris & Associates, has determined the City's Assessment District is in compliance with Proposition 218 (Prop 218). Although no rate changes are proposed in the current Engineer's Report, there is a need to review the level of assessments that are required to adequately maintain District facilities and increase the quality of maintenance provided within the District. The costs to provide services within the various zones of the District continue to rise, with no increases to the assessment revenue. Any increase to the annual assessments would require a majority vote of approval by the property owners within the District (Prop 218).

Public Noticing Requirements – In accordance with Section 22552 and 22553 of the California Streets and Highways Code and California Government Code Section 6601, the City is required to post the Resolution of Intent on an official bulletin board known for posting notices and publish in the newspaper the Resolution of Intent, at least 10

days prior to the date of a scheduled Public Hearing, currently set for July 10, 2017 at 7:00 p.m. The Preliminary Engineer's Report will be on file for public review in the Office of the City Clerk. There is no public notice requirement for the present action.

Previous Related Action – On April 17, 2017, City Council adopted Resolution No. 2017-50, authorizing Harris & Associates as the Engineer of Record for Fiscal Year 2017-18, and authorizing the preparation of the Engineer's Report pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, for proceedings of the Annual Assessment Levy for the Consolidated Citywide Street Lighting and Landscaping Maintenance District for Fiscal Year 2017-18.

EXECUTIVE SUMMARY

The proposed action for approval of the Engineer's Report (Attachment 2) for the Consolidated Citywide Street Lighting and Landscaping Maintenance District and adoption of the Resolution of Intent setting the date of July 10, 2017 for the Public Hearing are the next steps required for the annexation of additional territory and the levy of assessments for the 2017/18 fiscal year, as set forth in the Landscaping and Street Light Act of 1972. The final action to approve the levy and collection of assessments for the 2017/18 fiscal year will be taken after the public hearing on July 10, 2017. Approval on July 10th will allow the City to make the August 8 deadline for submittal of the assessment rolls to the County Assessor for inclusion on the tax bills for 2017/18. The revenues will provide funding for District landscaping and lighting maintenance costs.

DISCUSSION

The City's first Street Lighting and Landscape Assessment District was established in 1983. In July of 1990, the City established a Consolidated Citywide District with six benefit/improvement zones (Zones A through F). In subsequent years, as new development occurred, additional Districts were formed, resulting in nine benefit/improvement zones (A through I). In 2000, the assessments collected from properties in Zone G paid off the outstanding obligations for streetlight improvements, and Zone G was combined into Zone C. The City's current "Consolidated Citywide District" includes eight established zones:

- Landscaping Only - Zone A (Phillips Ranch); and
- Lighting and Landscaping - Zone B (Phillips Ranch), Zone D (Garey Avenue – State Route 71/Lexington), Zone E (Garey Avenue – Auto Center), Zone F (Garey Avenue – Lexington to Ninth), and Zone H (University Corporate Center)
- Lighting – Zone C (District-wide) and Zone I (Emerald Court)

With establishment of the Consolidated Citywide District, all new site developments are required to consent to inclusion in the assessment district. As a result of this requirement, 62 parcels are

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being added to the District. The new parcels are listed on page 12 of the Engineer's Report. The revenue from the additional properties is included in the fiscal impact section of this report.

Pursuant to the Landscaping and Street Lighting Act of 1972, the levy of the annual assessments of an established assessment district requires the following actions to be taken prior to the Assessment Roll submission to the Los Angeles County Auditor by August 8, 2017:

CONSOLIDATED DISTRICT RENEWAL PROCEEDINGS	DATE
City Council - Adopt Resolution Ordering Engineer's Report	April 17, 2017 (Completed)
Preliminary Parcel Map Reconciliation	May 1, 2017 (Completed)
Complete Draft Preliminary Engineer's Report	June 2, 2017 (Completed)
City Council – 1) Approve Preliminary Engineer's Report, and 2) Adopt Resolution of Intent Setting the date of Public Hearing	June 19, 2017
City Council – 1) Conduct Public Hearing to receive public comment and testimony regarding the annual assessments, and 2) Adopt a Resolution approving the Assessment Diagram and the Levy of Assessments for FY 2017/18	July 10, 2017
File a certified copy of the diagram and assessments with the County Auditor	By August 8

There are no proposed increases to any assessment formulas within the District. Therefore, there are no Proposition 218 requirements to be met for the current action. It should be noted that there has been no increase to District assessments since FY 1996-1997; however, with maintenance costs continuing to rise, an assessment increase would be necessary for certain portions of the District to provide the desired level of maintenance.

On June 7, 2017 a Phillips Ranch community meeting was held to provide information on the revenue collected from the Phillips Ranch Assessment District and the related maintenance services. Due to costs outpacing the static revenue stream, Staff provided five different options comparing the level of service that could be provided with various increases in assessment fees. The community provided valuable input at the meeting regarding service levels and current maintenance conditions. Staff is working with City Council to develop a strategy for further input from the community. Should a future determination be made that an increase is necessary to provide a specific level of service, all requirements for an assessment increase, including community noticing and voting by affected property owners, would be conducted in accordance with Proposition 218.

Attachments: 1. Resolution Declaring Intention to Annex Additional Territory and the Annual Levy and Collection of Assessments and Setting a Time and Place for Public Hearing

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2. Engineer's Report - Fiscal Year 2017-18

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