



Agenda Item #: \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Ward and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Bruce Moe, Finance Director  
Henry Mitzner, Controller

**DATE:** April 18, 2006

**SUBJECT:** Consideration of Resolution Ordering Plans, Specifications, Cost Estimates and Engineer's Report for Annual Street Lighting Assessment

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### **RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 6026 ordering the preparation of plans, specifications, cost estimates and the engineer's report for the annual renewal of the Landscaping and Lighting District for Fiscal Year 2006-2007.

### **FISCAL IMPLICATION:**

The assessment engineering cost for the Landscaping and Lighting District is \$7,500, and is budgeted in the Public Works department.

The Street Lighting and Landscape Fund balance is projected to decrease by \$43,978 in FY 2006-2007. At the current rate, the fund will be depleted by the end of FY 2007-2008. Further discussion of the fund is included below.

### **BACKGROUND:**

The City provides for the maintenance and operational costs of street lighting and downtown streetscape via the Street Lighting and Landscaping Assessment District. Property owners are assessed for these costs through their annual property tax bill. The District, which was formed pursuant to the Landscaping and Lighting Act of 1972, must be renewed annually through a series of City Council resolutions, culminating with a public hearing. The public hearing and adoption of a final resolution are scheduled to coincide with adoption of the Fiscal 2006-2007 Budget on June 6, 2006.

### **DISCUSSION:**

Each year, the City hires an assessment engineer to properly allocate the assessments for lighting and landscaping. Maintenance and cost information is submitted to the engineer by City staff based upon projections for the coming year's (FY 2006-2007) proposed budget. The preliminary total assessment remains unchanged for FY 2006-2007 at \$378,764.

The largest components of the annual assessment are for Street Lighting energy costs and Streetscape labor and contract maintenance. Based on current year trends we anticipate these costs to increase by

\$40,000 compared to the current year budget amounts; however, the balance in the Street Lighting and Landscaping Fund is expected to decrease by \$43,978 after contribution from the General Fund.

The Street Lighting and Landscape Fund, under current conditions, is expected to be depleted by the end of FY 2007-2008. This is a direct result of fixed assessments coupled with escalating costs. The assessments will remain fixed unless an election is held (as required by Proposition 218) and the property owners consent to increased assessments. Until that time, the Street Lighting Fund balance and the City's General Fund will be relied upon to pay for excess costs. The City's General Fund is already contributing to the cost of Streetscape (\$58,115 in FY 2006-2007), and will continue to make up that deficit, which most likely will increase each year. Alternatively, costs could be reduced through lower service levels (reduced lighting, less landscape maintenance, etc.) to limit the impact to the General Fund, but that may have other ramifications and undesirable side effects.

The City's subsidy of Streetscape is in two forms: 1) Approximately 10% of the Streetscape expenditures (\$168,000 for 06-07) directly benefit the City since City-owned parcels are within the zone. Therefore the proposed transfer includes \$16,611 which represents General Fund benefit; and 2) the remainder of the transfer (\$41,504) represents a direct subsidy of Streetscape program.

In the past, City Council and staff have discussed the possibility of creating a City-wide landscaping and lighting assessment district that would encompass sidewalk maintenance and repairs, parkway tree maintenance, street lighting, etc. If we were to pursue this option, we may have the opportunity to remedy the current deficit funding situation (assuming a favorable election result). In the event that option is not pursued, Council may want to consider a future assessment vote on the current districts to sustain the funding for these services.

*Next Steps*

The first step in this process is for Council to pass a Resolution of Initiation tonight, which authorizes the preparation of an Engineering report on the District. Then, on May 2, 2006, the Engineering Report will be submitted to Council, along with a Resolution of Intention, which authorizes proceedings for the annual levy and collection of assessments. Finally, on June 6, 2006, the public hearing will be held after which Council will be asked to adopt a resolution providing for the levy and collection of street lighting assessments for the fiscal year 2006-2007.

Attachment:

- A) Resolution No.6026

RESOLUTION NO. 6026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, ORDERING THE PREPARATION OF PLANS, SPECIFICATIONS, COST ESTIMATE, DIAGRAM, ASSESSMENT AND REPORT PURSUANT TO PROVISIONS OF DIVISION 15, PART 2, OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA FOR PROCEEDINGS FOR ANNUAL ASSESSMENT LEVY AFTER FORMATION OF MAINTENANCE DISTRICT

WHEREAS, this City Council has conducted proceedings for the formation of a maintenance district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, in what is known and designated as LANDSCAPING AND STREET LIGHTING MAINTENANCE DISTRICT NO. 99 (hereinafter referred to as the "District"); and

WHEREAS, at this time, this City Council is desirous to take proceedings for the annual levy of the assessments as required following the formation of said District; and

WHEREAS, these proceedings for the annual levy of assessments shall relate to the fiscal year commencing July 1, 2006 and ending June 30, 2007; and

WHEREAS, the provisions of said Division 15, Part 2 require a written "Report" consisting of the following:

1. Plans and specifications for the works of improvement;
2. An estimate of the costs for maintaining the improvement for the ensuing fiscal year;
3. A diagram of the area proposed to be assessed;
4. An assessment of the estimated costs for the maintenance work for said fiscal year.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That a map entitled "Street Lighting Maintenance District No. 99" be submitted to the City Council, showing the boundaries of the proposed area to be assessed and showing the works of improvement to be maintained, is hereby approved and adopted by this City Council, and a copy shall be on file in the Office of the City Clerk and open for public inspection. The proposed parcels and properties within said area are those to be assessed to pay certain of the costs and expenses for said maintenance work.

SECTION 3. That the proposed maintenance work within the area proposed to be assessed shall be for certain lighting improvements, as said maintenance work is set forth in the "Report" to be presented to this City Council for consideration.

SECTION 4. That in all zones within the District, except Zone 10, the costs of the proposed maintenance for the above-referenced fiscal year shall be spread amongst the property owners within the District based upon an Equivalent Dwelling Unit parcel method. The costs in Zone 10 will be allocated based upon an adjusted front footage method as used in previous years.

SECTION 5. That the assessment engineering firm of Berryman & Hennigar Inc., is hereby ordered to prepare and file with the City Council a " Report" relating to said annual assessment and levy in accordance with the provisions of Article IV, commencing with section 22565 of Chapter 1 of the Streets and Highways Code of the State of California.

SECTION 6. That upon completion, said "Report" shall be filed with the City Clerk, who shall then submit the same to this City Council for its consideration pursuant to Sections 22623 and 22624 of said Streets and Highways Code.

SECTION 7. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 8. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 18th day of April, 2006.

Ayes:  
Noes:  
Absent:  
Abstain:

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Mayor, City of Manhattan Beach, California

ATTEST:

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City Clerk