

**City of Culver City, California
Agenda Item Report**

Meeting Date: 06/27/11		Item Number: PH-6	
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING - Adoption of a Resolution Confirming the Assessment and Ordering the Levy for the Higuera Street Landscape and Lighting Assessment District - Fiscal Year 2011/2012			
Contact Person/Dept.: Mate Gaspar/DPW		Phone Number: (310) 253-5602	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (06/22/11) Property owners were mailed a courtesy notice on (06/15/11).			
Department Approval: Charles D. Herbertson (06/16/11)		City Attorney Approval: Carol Schwab (by H. Baker) (06/22/11)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (06/22/11)		City Manager Approval: John M. Nachbar (06/22/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a Resolution confirming the assessment and ordering the levy for the Higuera Street Landscape and Lighting Assessment District for Fiscal Year 2011/2012. <u>PROCEDURE:</u> 1. Mayor seeks motion from City Council to receive and file the affidavits of publication and posting of notices, and correspondence received in response to the public hearing notices; and 2. Mayor calls for a staff report and the City Council Members may pose questions to staff as desired; and, 3. Mayor seeks a motion to open the public hearing and ballot tabulation; and 4. Mayor seeks a motion to close the public hearing after all public testimony has been presented; and, 5. City Council discusses the item and arrives at its decision. <u>BACKGROUND:</u> The Higuera Street landscaping and street lighting improvements were installed in 1995 at the request of the property owners. The assessment district was formed and the boundary includes properties on both sides of Higuera Street between Lindblade Avenue and Hayden Avenue. Each of the properties directly or indirectly benefits from the public improvements maintained in the District.			

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In December 2009, following two failed attempts to increase the assessment, the City Council approved the reduction of maintenance from 4 times a month to 2 times a month, removal of lantanas around the street trees, and reduction of landscape irrigation by 30%, in order for the District expenditures to match the District revenues.

On June 6, 2011, the City Council approved the Engineer's Report, declared its intention to order the assessment levy and collection of assessments, and set the date, time and place for this public hearing, for Higuera Street Landscape and Lighting Assessment District.

DISCUSSION:

The total proposed fiscal year assessment levy for the District is \$19,402.24. The total proposed expenditure is \$22,315.00. The charge per linear frontage footage per parcel is \$4.35. The purchase of three new irrigation controllers in fiscal year 2009/2010 is being amortized over a five year period and as a result the District will have a projected operating deficit of \$2,912.76. Nevertheless, staff is not recommending seeking an increase to the assessment levy for Fiscal Year 2011/2012 and that the existing assessment levy be affirmed.

Taking into account the current revenue and expenditures for the District minus the amortization costs of the new controllers, the District would have a positive fund balance. Therefore, after the five year amortization period is completed, the District's negative fund balance will be reduced each year by an annual surplus until the balance is positive. Staff will continue to monitor the rate of expenditure growth and recommend additional cutbacks to services to the District when deemed necessary.

In response to a comment from a resident of the District last year, staff was directed to conduct a non-binding survey that asked if the District should continue to be responsible for parkway maintenance. A majority of the property owners that responded to the survey indicated a preference that the parkway maintenance remain a District responsibility.

Pursuant to Section 15.01.070.H of the Culver City Municipal Code (CCMC), any interested persons may file a written protest with the City Clerk (or withdrawal a previously filed protest) until the conclusion of the Public Hearing. Pursuant to Article XIII D of the California Constitution (Proposition 218), the City shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, written notices submitted in opposition to the assessment exceed the written notices submitted in favor of the assessment. In determining if a majority protest exists, the written notices shall be weighted according to the proportional financial obligation of the affected property.

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Should a majority protest exist, the City Council cannot impose the annual assessment. However, pursuant to CCMC Section 15.01.070 (J and K), the City Council may choose to order changes in any of the matters provided in the report, including changes in the improvements or services, or both, and any zones within the district, and the proposed diagram or proposed assessment or it may choose to adopt a resolution confirming the diagram and assessment, either as originally proposed or as changed by it. Adoption of such resolution constitutes the assessment levy for Fiscal Year 2011/2012. The City Council may also choose to dissolve the District pursuant to CCMC Section 15.01.065.A.3 or pay for the assessment from the City's General Fund.

FISCAL ANALYSIS:

The Higuera Street Landscaping and Lighting Assessment District budget should be 100 percent self-supporting for all expenditures. Property owners within the District are charged for their fair share of these costs, as described in the City Engineer's Report. The operating deficit is projected to be \$2,912.76 for Fiscal Year 2011/2012; however, after the completion of the amortization period for the irrigation controllers the District is projected to have an annual operating surplus which will be used to pay down the accumulated negative balance in the fund.

ATTACHMENTS:

1. Proposed Resolution

MOTION:

That the City Council:

(Absent a majority protest) Adopt the Resolution confirming the assessment and ordering the levy for the Higuera Street Landscape and Lighting Assessment District - Fiscal Year 2011/2012.