

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 06/25/07		Item Number: <u>PH - 2</u>	
AGENDA ITEM: Adoption of a Resolution Approving the Engineer's Report and Ordering the Assessment Levy for Landscaping Maintenance District No. 1, Zone 1 and Zone 2 - Fiscal Year 2007/2008.			
Contact Person/Dept.: Mate Gaspar/PW		Phone Number: (310) 253-5602	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☒		Action Item: ☐	Attachments: ☒
Public Notification: <u>Legal:</u> The Resolution of Intention was posted on the City's official bulletin board on April 23, 2007 and published in the April 27 issues of Culver City News. <u>Non-Legal:</u> First Class Postcards were mailed to the property owners on April 23, 2007. Master Notification List on June 21, 2007			
Department Approval: Charles D. Herbertson 6/19/07		City Attorney Approval: Carol Schwab (by H. Iker) (06/20/07)	
City Controller Approval: Marlee Chang (06/20/07)		City Manager Approval: Jerry B. Fulwood (06/20/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council, based on the outcome of the ballot measures and discussion, adopt the Resolution approving the Engineer's Report and ordering the assessment levy for Fiscal Year 2007/2008 for Landscape Maintenance District No. 1, Zone 1 and Zone 2. <u>PROCEDURE:</u> Mayor: Announce that this is the time and place for the public hearing to discuss the annual levy of assessments for Landscaping Maintenance District No. 1, Zone 1 and Zone 2 ("LMD #1") for Fiscal Year 2007/2008. City Clerk: Announce that notice of this hearing has been given pursuant to the provisions of Chapter 15.01 of Code of the City of Culver City, California, and pursuant to the provisions of the City Council's Resolution 2007-R023 and in accordance with Articles XIII C and D of the California Constitution, known as the "Right to Vote on Taxes Act" or more commonly known as Proposition 218 and the provisions of the			

City of Culver City, California
City Council Agenda Item Report

1972 Landscape and Lighting Assessment District Act, and that the following affidavits are on file in his office:

1. Affidavit of Publication; and
2. Affidavit of Posting.

Mayor and Council: Motion to receive and file all affidavits.

City Engineer: Present the City Engineer's Report and explain method of assessment for the annual levy.

City Clerk: Announce the amounts supporting and opposing each of the ballot issues.

Mayor: First, ask to hear from those who have filed a written protest. Next, ask to hear from those in the audience wishing to speak against the proposed assessments.

Then, ask to hear from anyone who wishes to speak in favor of the proposed assessments.

Mayor: Offer an opportunity for Rebuttal and announce this is the property owners' final opportunity to change or withdraw their votes.

Mayor and Council: Declare the Public Hearing CLOSED.

Mayor and Council: Discussion.

Mayor and Council: By Motion, depending upon whether or not a majority of voters approve the increased assessment, adopt a Resolution regarding the assessments

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BACKGROUND:

LMD#1, consisting of two zones, was created for the purpose of providing on-going maintenance of landscaping along:

- "Zone 1" (Studio Estates), being the periphery of the MGM Lot 2 residential subdivision; and

City of Culver City, California
City Council Agenda Item Report

- “Zone 2” (Ballona Creek), being the 20-foot wide strip along the southerly side of Ballona Creek from the easterly side of Overland Avenue to the northeasterly line of Westside Business Park, a distance of about 2,200 feet.

Location maps are included in the Engineer's Report.

Zone 1 was the result of a City Council conditional approval of the subdivision being created. The Developer wanted to develop an area that was surrounded by landscaping within the public right-of-way. The City Council allowed the additional landscaping along Elenda Street and Culver Boulevard conditioned upon the formation of a maintenance district, paid for by the property owners, to perpetually provide maintenance of that landscaping.

DISCUSSION:

On April 23, 2007, the City Council adopted Resolution 2007-R023, ordering the preparation of the City Engineer's Report, declaring it's intention to order the levy of annual assessment and scheduling this public hearing for Fiscal Year 2007/2008 for Landscape Maintenance District No. 1.

The Fiscal Year 2006/07 assessment levies are \$19,746 for Zone 1 and \$3,306 for Zone 2.

The attached City Engineer's report shows that the actual estimated costs to maintain the District are much greater than what is currently being assessed on the property owners. The landscape contractor, Proscap, stated that the frequency of the maintenance in the District has declined due to the amount of the contract with the City. They stated that they were told by former City staff in the past that the funding would remain at the same level to maintain the District. In order to improve the maintenance of the districts and ensure full recovery of costs of services to residents in the City, staff requested that Proscap provide up-to-date cost proposals for once-a-week maintenance and enhanced maintenance of the District. The costs are presented below.

The estimated costs that will be incurred including a 4% COLA during Fiscal Year 2007/08 are \$31,515 for Zone 1 and \$11,209 for Zone 2.

The estimated costs for enhanced maintenance during Fiscal Year 2007/08 are \$46,179 for Zone 1 and \$12,915 for Zone 2.

City of Culver City, California
City Council Agenda Item Report

Based on this aforementioned information, staff mailed ballots to each property owner within the District. The property owners were requested to return the ballot in the return envelope.

For **Zone 1**, Studio Estates, the ballot measure is asking the property owner the following:

I APPROVE A 60% INCREASE TO MY EXISTING ASSESSMENT FROM \$_____ TO \$_____ PER YEAR, FOR THE CURRENT LEVEL OF SERVICE OF MAINTENANCE AND IRRIGATION OCCURRING ONCE A WEEK TO PAY FOR MY SHARE OF THE DISTRICT'S COSTS.

I APPROVE A 134% INCREASE TO MY EXISTING ASSESSMENT FROM \$_____ TO \$_____ PER YEAR, FOR THE ENHANCED LEVEL OF SERVICE OF MAINTENANCE AND IRRIGATION OCCURRING ONCE A WEEK TO PAY FOR MY SHARE OF THE DISTRICT'S COSTS.

For **Zone 2**, Ballona Creek, the ballot measure is asking the property owner the following:

I APPROVE A 239% INCREASE TO MY EXISTING ASSESSMENT FROM \$_____ TO \$_____ PER YEAR, FOR THE CURRENT LEVEL OF SERVICE OF MAINTENANCE AND IRRIGATION OCCURRING ONCE A WEEK TO PAY FOR MY SHARE OF THE DISTRICT'S COSTS.

I APPROVE A 291% INCREASE TO MY EXISTING ASSESSMENT FROM \$_____ TO \$_____ PER YEAR, FOR THE ENHANCED LEVEL OF SERVICE OF MAINTENANCE AND IRRIGATION OCCURRING ONCE A WEEK TO PAY FOR MY SHARE OF THE DISTRICT'S COSTS.

If all ballot measures fail, City Council could still impose the existing assessment with a 4/5ths majority vote. The existing assessment levies would remain at \$19,746 for Zone 1 and \$3,306 for Zone 2. The City would absorb the additional costs to maintain the district with the City's General Fund or reduce the level of maintenance in accordance with the amount of the assessment.

The City Council could, by simple majority, order the District disbanded and discontinue the services. A resolution implementing that disbanding action would be brought to at a subsequent meeting.

Lastly, City Council could, by 4/5ths majority vote, suspend collection of said assessment and continue the services, funding them with the City's General Fund.

City of Culver City, California
City Council Agenda Item Report

Public Notification

Legal:

The Resolution of Intention was posted on the City's official bulletin board on April 23, 2007 and published in the Culver City News on April 19, 2007.

Non-Legal:

Letters were mailed to the property owners on April 23, May 10, and May 12, 2007.

A public workshop was conducted at City Hall regarding the ballot measures on May 8, 2007.

The City's Master Public Notification List was notified via e-mail on June 20, 2007.

FISCAL ANALYSIS:

The LMD #1 Landscaping and Lighting Maintenance District budget is meant to be 100% self-supporting for all expenditures. Property owners within the District are charged for their fair share of these costs, based upon their benefit, as described in the Engineer's Report. Should one of the proposed ballot measures be approved for both zones, there will be sufficient revenues from the assessment to provide maintenance services at the current or an enhanced level as described in the Engineer's report.

However, should the ballot measures fail for either or both zones and, the existing level of assessment revenue is continued for Fiscal Year 2007/2008, there would be either (1) a General Fund subsidy to the district or (2) a decrease of services from the Fiscal Year 2006/2007 levels. The actual amount of any General Fund subsidy would depend upon three factors: (1) the determination by the City Council to provide reduced service levels; or (2) the determination by the City Council that it wished to provide such a subsidy to maintain current service levels; or (3) the determination by the City Council to provide such a subsidy in order to provide for an enhanced service level. The estimated General Fund subsidy ranges from \$0 to \$26,433 for Zone #1 and from \$0 to \$9,609 for Zone #2.

City of Culver City, California
City Council Agenda Item Report

ATTACHMENTS:

- City Engineer's Report
- Location maps
- Resolution
- Sample Ballots

MOTION:

That the City Council:

{Should the landowners in the District approve the assessment for the ENHANCED level of services}

1. Adopt the resolution approving the Engineer's Report and ordering the increased annual assessment (ENHANCED level of service) levy for the Fiscal Year beginning on July 1, 2007 and ending on June 30, 2008 for Landscape Maintenance District No. 1 (Zone 1 and Zone 2)

OR

{Should the landowners in the District approve the assessment for the CURRENT level of services}

2. Adopt the resolution approving the Engineer's Report and ordering the increased annual assessment (CURRENT level of service) levy for the Fiscal Year beginning on July 1, 2007 and ending on June 30, 2008 for Landscape Maintenance District No. 1 (Zone 1 and Zone 2)

OR

{Should the landowners in the District disapprove any increase in the assessment}

1. Adopt the Resolution approving the Engineer's Report and confirming the existing annual assessment levy for Fiscal Year July 1, 2007 to June 30, 2008 for Landscape Maintenance District No. 1 and provide direction to staff as to the

City of Culver City, California
City Council Agenda Item Report

appropriate (if any) general fund subsidy for the district and the corresponding level of maintenance service.