

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 4/20/09		Item Number: <u>A-5</u>	
AGENDA ITEM: Adoption of a Resolution Approving the Engineer's Report and Declaring the City Council's Intention to Form the West Washington Boulevard Benefit Assessment District Number 1.			
Contact Person/Dept.: Elaine Warner/ Sol Blumenfeld		Phone Number: 310.253.5777 310.253.5702	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List (4/15/09); Property owners within Phase I AIP area (4/2/09)			
Department Approval: Sol Blumenfeld: (04/07/09)		City Attorney Approval: Carol Schwab (by H. Baker) (04/16/09)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (04/15/09)		City Manager Approval: Jerry B. Fulwood (04/16/09)	

RECOMMENDATION:

Staff recommends the City Council adopt a resolution (1) approving the assessment engineer's report and (2) declaring its intention to form the West Washington Boulevard Benefit Assessment District Number 1. and (3) setting the time and place for the Public Hearing and directing staff to send out the notice and ballot to all record property owners in compliance with Proposition 218 and Article XIID of the California Constitution.

BACKGROUND

In December 2007, the Council approved an Area Improvement Plan along West Washington Blvd ("The Plan") between Wade Street and Beethoven Street. (Attachment 1). A key component of the Plan involves the installation of streetscape medians funded by the Culver City Redevelopment Agency (Agency). While the Agency has proposed to fund the improvements, it will only do so if the on-going median maintenance is funded through an assessment district. To this end, the City has been working towards the creation of an assessment district with the affected property owners and held two public meetings (May 1, 2008 and October 28, 2008) as well as met with several property owners individually. Public notice for these meetings was via personalized letters to each property owner. Additionally, staff also met with the surrounding neighborhood community on February 19, 2009 to present the conceptual plans. Property owners in the area were noticed for

In September 2008, the City approved a Resolution of Initiation for begin the proceedings for the formation of a benefit assessment district along West

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Washington. The Name designated for this district is "the West Washington Boulevard Benefit Assessment District Number 1" ("The District").

Since that time, conceptual plans have been developed and approved by the Agency. The conceptual plans include five (5) new medians, totaling 391 linear feet, that will be positioned along West Washington Boulevard between Rosabell Avenue and Beethoven Street. The proposed medians will enhance the commercial area with drought tolerant and low maintenance planting to ensure that ongoing maintenance costs are held to a minimum.

Estimated maintenance costs for these medians would be funded by the District through assessment of these costs to property owners within the District. The total annual cost is approximately \$14,390 and would include maintenance service twice a month. Assessments would be levied on a blended calculation of commercial linear feet as well as buildable square feet. As previously noted, construction documents for this project would not be prepared until the assessment district had been formed with the majority approval vote of the district's property owners.

DISCUSSION:

The District must provide a distinct and special benefit to those parcels that are within the District. Initially, a linear front footage assessment had been explored, however, this alone does not show any distinction between the various parcels' uses, parking lot layouts or future development. Based on the various parking lot arrangements and planned development for the parcels, it is necessary to take into consideration the building square footage of each parcel as a partial determination of special benefit. Linear front footage and building square footage combined, allow for each parcel to be assessed in proportion to the special benefit received. The area has 1,863 feet of commercial linear footage and approximately 113,292 square footage. Given current legal determinations related to assessment district formation and maintenance, the District must distinguish between special benefit and general benefit, as well as determine the various levels of special benefit. The building square footage component is a partial determination of the special benefit conferred upon each parcel from the maintenance of the improvements and must be fairly distributed among all parcels. The estimated blended assessments are not anticipated to be greatly dissimilar to amounts previously presented to the property owners.

In August 2008, an administrative contract with NBS was executed to assist with the assessment district formation. NBS has prepared an Engineer's report (Attachment 2) that outlines the requirement and benefit for the district and details the general nature, location and extent of the improvements to be maintained, an estimate of the

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costs of the maintenance, operations and servicing of the improvements, a diagram showing the area and properties to be assessed and an estimate of the costs of maintenance, operations and servicing the improvements, assessment amounts upon all assessable lots and/or parcels with the District in proportion to the special benefit received.

Pursuant to the Engineer's Report, the assessments are proposed to be based on the following formula:

$$\begin{array}{r} \text{Parcels linear front footage (total costs x.030)} \\ + \\ \text{Building square footage (total costs x .070)} \end{array}$$

$\equiv$
Total Annual Levy

A Resolution of Intention has been prepared to approve the Engineer's Report. The Resolution sets the time and place for the Public Hearing (June 22, 2009) and directs the City Clerk to send out the notice and ballot to all record property owners in compliance with Proposition 218 and Article XIID of the California Constitution.

FISCAL ANALYSIS:

The Engineer's Report calculates the total annual maintenance assessments to be \$14,399.25, which includes the County administration cost of \$309.50. The proposed assessments included in the Engineer's Report sets the initial maximum assessment for 2009/10. On February 1st of each year beginning in Fiscal Year 2010/11 the maximum assessment shall be increased by the year over year change in Consumer Price Index for all Urban Consumers for the Los Angeles, Riverside and Orange County area (CPI-U LA-Riverside-OC) through December. The annual assessment shall not exceed the maximum assessment unless the appropriate Proposition 218 proceedings are conducted by the City to authorize an increase beyond the maximum assessment amount.

As noted during conceptual plan approval, construction documents for this project would not be prepared unless the assessment district is formed.

The engineer's report includes annual administrative costs, including the preparation of the annual engineer's report and City/Agency administrative costs. This cost is estimated to be approximately \$3,500. It is proposed the Agency fund the administrative costs of the District for the first two years of the District's operations. Thereafter, it is proposed to have the District pay those costs.

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ATTACHMENTS:

Attachment 1 – Area Improvement Plan Map
Attachment 2 – Engineer’s Report
Attachment 3 – Copy of Public Notice
Attachment 4 – Resolution No. _____
Attachment 5 – Letter from Property Owner Jeanen Monteleone

MOTION:

That the City Council:

Adopt a resolution (1) approving the Engineer’s Report and (2) declaring its intention to form the West Washington Boulevard Assessment District Number 1 and (3) setting the time and place for the Public Hearing and direct staff to send out the notice and ballot to all record property owners in compliance with Proposition 218 and Article XIID of the California Constitution.