

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

Date: 08/06/12		Item Number: PH-2	
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 2012/2013.			
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 (08/01/12) Property owners were mailed a courtesy notice on (08/01/12).			
Department Approval: Charles D. Herbertson (07/24/12)		City Attorney Approval: Carol Schwab (by H. Baker) (07/31/12)	
Chief Financial Officer Approval: Jeff Muir (08/01/12)		City Manager Approval: John M. Nachbar (08/01/12)	
<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 2012/2013. <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 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 July 2, 2012, 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. The hearing was continued to this evening from its original date (July 23, 2012) to allow for full noticing of the hearing to be completed.

DISCUSSION:

The total proposed fiscal year assessment levy for the District is \$19,402.24. The total proposed expenditure is \$20,607.00. 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 \$1,204.76. Nevertheless, staff is not recommending seeking an increase to the assessment levy for Fiscal Year 2012/2013 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 fund'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.

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) prior to the conclusion of the Public Hearing.

Should a majority protest exist against the increased levy of an annual assessment, the City Council cannot impose the increase to 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, so long as the changes do not result in an increase of the rates above the voter approved maximum rates adjusted by an inflationary formula, if any. Since no increase in assessment is proposed for Fiscal Year 2012/2013, a majority protest is not expected. Adoption of such resolution constitutes the assessment levy for Fiscal Year 2012/2013. The City Council may also choose to

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dissolve the District pursuant to CCMC Section 15.01.065.A.3 or pay for the assessment with the City's General Fund.

FISCAL ANALYSIS:

The Higuera Street Landscaping and Lighting Assessment District budget is 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 Engineer's Report.

ATTACHMENT:

1. Proposed Resolution

MOTION:

That the City Council:

(Absent a majority protest) Adopt a Resolution approving the Engineer's Report and affirming the existing assessment levy for Higuera Street Landscape and Lighting Assessment District - Fiscal Year 2012/2013.