

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/20/2009		Item Number: <u>A-6</u>	
AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT: Adoption of a Resolution initiating Proceedings for a Proposed increase of Assessments within Higuera Street Landscaping and Lighting Maintenance District, the Levy of Annual Assessments Therein and Ordering the Preparation of an Assessment Engineer's Report, and (2) Approval of a Professional Services Agreement with NBS Government Finance Group (dba NBS) for the Preparation of the Annual Assessment Engineer's Report, and (3) Approval of a Related Budget Amendment			
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: Master E-Mail Notification (04/15/09)			
Department Approval: Charles D. Herbertson (04/09/09)		City Attorney Approval: Carol Schwab (by H. Baker) (04/16/09)	
Chief Financial Officer Review: Jeff Muir (by N. Kimball) (04/15/09)		City Manager Approval: Jerry B. Fulwood (04/16/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution initiating proceedings for a proposed increase of assessments within Higuera Street Landscaping and Lighting Maintenance District, the levy of annual assessments therein, and ordering the preparation of an assessment engineer's report. Staff also recommends the City Council <u>approve a professional services agreement with NBS Government Finance Group dba NBS to prepare the engineer's report for the proposed increase to the annual assessment levies for Higuera Landscape and Lighting Assessment District for Fiscal Year 2009/10, in an amount not to exceed \$7,000;</u> <u>A Budget Amendment requires a four-fifths vote</u> <u>BACKGROUND/DISCUSSION:</u> The Higuera Street landscaping and street lighting improvements were installed in 1995 at the request of the property owners. The assessment area was formed and the boundary includes properties on both sides of Higuera Street between Lindblade and Hayden Avenues. Each of the properties directly or indirectly benefits from the public improvements maintained by the District. On May 4, 2009, staff will be recommending to the City Council to approve the Engineer's report, declare its intention to increase the annual assessment levy by a			

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majority ballot process by the property owners within the District per Proposition 218 requirements, and setting the date, time and place for the Public Hearing.

This year, based on a preliminary evaluation, staff is considering proposing the assessment district be modified to provide for an automatic annual increase based on the Consumer Price Index (CPI) plus 2%. If approved by the property owners in the District, the annual CPI increase would be applied with an additional 2% premium each year until the total revenues generated from the District match the annual expenditures and the funds have a positive balance.

As stated earlier, the assessment process is much more difficult and time consuming when increases are proposed. In order to complete the Engineer's Report by the deadline for inclusion in the upcoming 2009/10 tax rolls, it is recommended that the preparation of the engineer's report and other related assessment services be conducted by a professional consulting firm.

NBS is a consulting firm that specializes in the processing of the annual assessment levies to assessment districts for many agencies in the region. Recently, the Redevelopment Agency contracted with NBS to prepare a proposed landscape assessment district on Washington Boulevard near Meier Street.

NBS is proposing to conduct their professional services for an amount not-to-exceed \$7,000.

FISCAL ANALYSIS:

It should be the goal of an Assessment District, including the Higuera Street Landscaping and Lighting Maintenance District, to be 100 percent self-supporting for all expenditures (thereby eliminating the need for subsidy from other funds, including the General Fund). Property owners within the District are charged their fair share of these costs, as will be described in the Engineer's Report. If the increase to the assessment is not approved by the property owners within the district, then services will be decreased accordingly to stay within the existing assessment amount, or the City Council may determine to supplement the District with General Funds. However, given the current economic situation, staff cannot recommend such a subsidy at this time should one be necessary.

Culver City Municipal Code Section 15.01.045 states that incidental expenses incurred in conjunction with assessment districts include the cost of preparation of the engineer's reports, assessment, printing, advertising, posting, and mailed notices. There is funding available in Fund 425 – Landscape Maintenance District to accommodate the professional services agreement with NBS. This funding includes

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receipts from the respective assessment district annual levies, and therefore would be appropriate to use for this purpose.

ATTACHMENT:

1. Resolution

MOTIONS:

1. Staff recommends the City Council adopt a resolution initiating proceedings for a proposed increase of assessments within Higuera Landscape and Lighting Assessment District, the levy of annual assessments therein, and ordering the preparation of an assessment Engineer's report;
2. Approve a professional services agreement with NBS Government Finance Group dba NBS to prepare the engineer's reports for the proposed increases to the annual assessment levies for Higuera Landscape and Lighting Assessment District for Fiscal Year 2009/10, in an amount not to exceed \$7,000;
3. Authorize the City Attorney to review/prepare the necessary documents;
4. Authorize the City Manager to execute such documents on behalf of the City; and
5. Approve a budget amendment to appropriate funds in the amount of \$7,000 from Fund 425 Landscape Maintenance Assessment Districts reserve to object account 42533100.612800 – Engineering Services (**requires four-fifths vote**).