



City of Culver City

Staff Report

File #: 19-1287, Version: 1

Item #: C-8.

CC - Adoption of a Resolution (1) Approving the Engineer's Report, (2) Declaring the City Council's Intention to Form the West Washington Boulevard Benefit Assessment District No. 3 and Order the Annual Levy and Collection of Assessments, (3) Setting the Date, Time, and Place for a Public Hearing, and (4) 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.

Meeting Date: May 28, 2019

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Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing:

Action Item:

Attachments: Yes No

Commission Action Required: Yes No

Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (05/22/19); (Mail) Property Owners in Proposed West Washington Assessment District No. 3 (05/16/19)

Department Approval: Sol Blumenfeld, Community Development Director (05/19/19)

RECOMMENDATION

Staff recommends the City Council adopt a resolution (1) approving the Engineer's Report, (2) declaring the City Council's intention to form the West Washington Boulevard Assessment District No. 3 and order the annual levy and collection of assessments, (3) setting August 12, 2019 at 7:00 PM in the Mike Balkman Council Chambers as the time, date and place for a Public Hearing, and (4) directing staff to send the notice and ballot to all record property owners in compliance with Proposition 218 and Article XIID of the California Constitution.

BACKGROUND

Over the last ten years, the City has pursued revitalization efforts in the West Washing Boulevard Area resulting in substantial area reinvestment and improvement. The following Area Improvement Plan median improvements have been successfully completed:

- Phases I - between Beethoven Street and Rosabell Avenue;
- Phase II - between Centinela and Boise Avenues;
- Phase III -between Wade and Zanja Streets.

In May 2017, the City Council authorized staff to proceed with the completion of the Area Improvement Plan (AIP) Phase IV project, comprised of seven medians on Washington Boulevard between Beethoven Street and Glencoe Avenue. Similar to prior AIPs, a special benefit assessment district (Assessment District No. 3) can be formed to help fund the on-going new median maintenance for AIP Phase IV. Construction can proceed after the formation of the assessment district as follows:

- Phase IV- A (two medians between Alla Road and Beethoven Street to be bid and constructed in fall 2019;
- Phase IV -B (five medians between Michael Avenue and Glencoe Avenue) to be bid as part of the storm water improvement project and constructed in early 2020. This phase will incorporate an irrigation system that allows for storm water re-use.

The anticipated benefits of the Phase IV improvements include continued revitalization and pedestrian enhancement of the corridor, increased economic activity, traffic calming, introduction landscaping to help soften West Washington Boulevard and storm water capture and reuse for irrigation.

Pursuant to a Resolution adopted by the City Council on May 13, 2019, an Engineer's Report was prepared and filed with the City Clerk.

DISCUSSION

In April 2018, the City engaged NBS to assist with the AIP Phase IV assessment district (District) formation and prepare the Engineer's Report (Attachment 1). The report outlines the requirements and benefits for the district and details the general nature, location and extent of the improvements, an estimate of maintenance costs, an area diagram of parcels to be assessed and related assessment amounts in proportion to the special benefit received.

Assessments are proposed to be levied on property owners based upon a formula that considers building square footage, linear front footage, and land use type and assigns special benefit points per parcel. The assessment rate is then derived by dividing the total assessable costs of the District by the total special benefit points (summed for all parcels). The assessment for each parcel is calculated by multiplying its special benefit points by the assessment rate for the district.

Since the improvements will be provided in a largely linear fashion, a greater weight has been assigned to the linear frontage factor to achieve a 70/30 percent split for frontage and building square footage respectively, similar to AIP Phase I and Phase II.

General vs Special Benefits

Article XIID of the California Constitution classifies benefits as either General or Special Benefits. General Benefits must be funded by the City and are those that are derived by the vehicles passing through the district or parcels at the periphery of the district and Special Benefits are those that improve the aesthetics and economic activity to parcels within the district. Article XIID requires an agency to separate the General Benefits from the Special Benefits because only Special Benefits are assessable. The Engineer's report analyzed the City's General Benefit obligation and determined it to be \$2,630 or 8.61% of district's total budget.

FISCAL ANALYSIS

The Engineer's Report for Fiscal Year 2019/2020 estimates the annual maintenance costs for water, electricity, administrative services, and landscape maintenance and repairs to be \$30,550, which is the initial Maximum Assessment. The Maximum Assessment is determined when a district is formed.

Beginning in Fiscal Year 2020/2021 and for each subsequent year, the Annual Assessment is based upon the Maximum Assessment plus any percentage change in the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim area (up to a maximum of five percent). The Annual Assessment shall not exceed the Maximum Assessment plus CPI unless the appropriate Proposition 218 proceedings are conducted by the City to authorize an increase beyond the maximum assessment amount.

If the assessment district passes, the City will be required to contribute approximately \$2,630 as its General Benefit obligation.

ATTACHMENTS

1. West Washington Boulevard Benefit Assessment District No. 3 - Engineer's Report
2. Proposed Washington Boulevard No. 3 - Resolution of Intention

MOTION

That the City Council:

1. Adopt a resolution (1) approving the Engineer's Report, (2) declaring its intention to form the West Washington Boulevard Assessment District Number 3 and order the annual levy and collection of assessments, (3) setting the time and place for the Public Hearing on August 12, 2019, and (4) 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.