

**TO:** James L. App, City Manager  
**FROM:** Joseph M. Deakin, Public Works Director  
**SUBJECT:** Initiate Proceedings for Annual Levy of Landscape & Lighting District FY 2003-2004  
**DATE:** April 1, 2003

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**NEEDS:** For the City Council consider initiating proceedings for annual levy of the Landscape & Lighting District for fiscal year 2003/2004.

**FACTS:**

1. The City Council formed a Landscape & Lighting Assessment District (L&L District) in 1989 for the maintenance of streetlights, hardscapes, detention basins, parkways, median islands, open space, slopes and other appurtenant facilities related to the L&L District.
2. The City began assessing levies in 1993.
3. The L&L District now consists of over 70 sub areas comprised of over 3,000 lots.
4. The annual levy is a two-step process. The first step is for the City Council to adopt Resolutions to initiate the proceedings by scheduling a Public Hearing. The second and final step would be the Public Hearing where the City Council could approve the final levy report.

**ANALYSIS  
AND**

**CONCLUSION:** The L&L District provides a collective means to attend to common-area facility and landscape maintenance. The idea is to achieve economy of scale by combining the efforts for all maintenance services within separate geographic location (individually, "sub-area"). A single landscape maintenance contractor provides most services contracting directly with the City. L&L District funding is determined annually, based upon several factors. In summary, each sub-area's costs are determined based upon the landscape, lighting and architectural amenities associated with a tract, and costs associated with its maintenance. Costs are apportioned to the parcels within each sub-area based on an equity-based formula. Each sub-area is intended to be an independently funded project within the L&L District. Each tract essentially receives only those maintenance services funded by property owners within a particular tract.

Proposition 218

The flexibility to manage L&L Districts was changed by Proposition 218. By restricting the levy on property value for public services, Proposition 218 limited the maximum annual L&L District levy to the maximum historical sub-area levy. For sub-areas in existence prior to Proposition 218, most had maximum amounts that would be quickly eclipsed simply due to cost inflation. Proposition 218 provides that the maximum levy can be established or increased by ballot, in which a two-thirds of the voting ratepayers elect to increase the maximum allowable levy. Ballots to increase maximum levies have, to date, not been attempted on existing sub-areas.

Besides the ballot process to increase the allowable maximum levy, there are two practical alternatives to resolve the shortfall in sub-area funds:

- Reduce maintenance effort (and cost) in the sub-area to eliminate the deficit; or
- Subsidize the deficit from another fund source (e.g. the General Fund).

### Fund Balances

The City managed the L&L to be in balance since FY00 by providing increased levies to those sub-areas not restricted by the maximum allowable levy. Prior to this time, the L&L deficits relied upon supplements from the City's General Fund to reconcile the overall L&L account. Beginning in FY00, the overall fund went back in balance, however individual sub-areas were either in deficit or excess.

Subsequently, staff is proposing to issue ballots to those sub areas in deficit in order to implement new assessments for FY 2004. Prior to sending the ballots, staff and its consultant will be convening 2-3 meetings with these property owners to notify them for the need to ballot. The Sub Areas proposed for balloting this year are:

Sub Areas 1, 3, 4, 5, 6, 7, 8, 10, 11, 13, 14, 15, 16, 18, 19, 21, 22, 27, 32, 46, 51, 55,

#### **POLICY**

**REFERENCE:** Resolution No. 89-89 which formed the Landscape & Lighting District No. 1 for the City of Paso Robles.

#### **FISCAL**

**IMPACT:** Costs for the preparation of the Levy Reports and filing with San Luis Obispo County is funded from District Assessment Fees. Should the ballots fail in receiving a positive result, staff will need to determine how to decrease the maintenance services in order to eliminate the deficit, or to subsidize the deficit from another fund source.

#### **OPTIONS:**

- a.** Adopt Resolution No. 03-xx:
  - 1) initiating proceedings for the annual levy for the maintenance of District facilities; and
  - 2) declaring the intent to levy and cause a Notice to be published for a Public Hearing to be scheduled on June 17, 2003; and
  - 3) adopt the Draft Preliminary Engineer's Levy Report as presented and make it available to the public for review and comment.
- b.** Amend, modify or reject the above option.

#### Attachments (2)

- 1) Resolution
- 2) Draft Preliminary Engineer's Levy Report

A COPY OF  
THE DRAFT PRELIMINARY  
ENGINEER'S LEVY REPORT  
IS AVAILABLE FOR  
REVIEW IN THE LIBRARY  
AND CITY CLERK'S OFFICE

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
INITIATING PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS FOR THE EL PASO  
DE ROBLES LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1 FOR FISCAL  
YEAR 2003/2004 PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15  
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

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WHEREAS, the City Council has, by previous Resolutions, formed the El Paso De Robles Landscape and Lighting Maintenance District No. 1 (hereafter referred to as "District") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act") that provides for levy and collection of assessments by the County of San Luis Obispo for the City of El Paso De Robles to pay the maintenance and services of lighting facilities, landscaping, and all appurtenant facilities and operations related thereto; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and,

WHEREAS, the City Council has retained MuniFinancial for the purpose of assisting with the Annual Levy of the District and to prepare and file a report with the City Clerk in accordance with the Act;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, CALIFORNIA FOR THE EL PASO DE ROBLES LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1 AS FOLLOWS:

SECTION 1. Engineer's Annual Levy Report: The City Council hereby orders MuniFinancial to prepare the Engineer's Annual Levy Report concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22622* of the Act.

SECTION 2. Proposed Improvements and Any Substantial Changes in Existing Improvements: The improvements within the District include: the maintenance and operation of and the furnishing of services and materials for street lighting facilities, fencing, detention basins, open space areas, landscaping, irrigation systems, bike paths, pedestrian pathways, slope maintenance, graffiti abatement, local parks, entry monuments, landscaping which includes trees, shrubs, grass, and other ornamental vegetation, and appurtenant facilities, including irrigation systems and drainage devices within the District. The Engineer's Annual Levy Report describes all new improvements or substantial changes in existing improvements.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of April 2003 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING THE ANNUAL ENGINEER'S LEVY REPORT FOR THE EL PASO DE ROBLES  
LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1  
FOR FISCAL YEAR 2003/2004

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WHEREAS, the City Council has, by previous Resolutions, ordered the preparation of an Engineer's Annual Levy Report (hereafter referred to as the "Report") for the district known and designated as the El Paso De Robles Landscape and Lighting Maintenance District No. 1 (hereafter referred to as the "District") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act") ; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has now been presented with the Report as required by *Chapter 1, Article 4, Section 22566* of said Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented and is preliminarily satisfied with the District, each and all of the budget items and documents as set forth therein and is satisfied on a preliminary basis that the proposed assessments have been spread in accordance with the benefits received from the improvements, operation, maintenance, and services to be performed within each benefit zone as set forth in said Report; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, CALIFORNIA FOR THE EL PASO DE ROBLES LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1 AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the presented Report consists of the following:

- a. A Description of the Improvements
- b. The Annual Budget (Costs and Expenses of Services, Operation, and Maintenance)
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The District Roll containing the proposed assessment for each parcel within the District for fiscal year 2003/04.

SECTION 3. The Report is hereby approved on a preliminary basis and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's Annual Levy Report.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1<sup>st</sup> day of April 2003 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
DECLARING ITS INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE EL PASO DE  
ROBLES LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR  
2003/2004 AND TO CONDUCT A PROPERTY OWNER PROTEST BALLOTING ON THE  
MATTER OF PROPOSED INCREASED ASSESSMENTS

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WHEREAS, the City Council has, by previous Resolutions, formed the El Paso De Robles Landscape and Lighting Maintenance District No. 1 (hereafter referred to as the "District") and initiated proceedings for Fiscal Year 2003/04 pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act") that provides for the levy and collection of assessments by the County of San Luis Obispo for the City of El Paso De Robles to pay the maintenance and services of all improvements and facilities related thereto; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the City Council has retained MuniFinancial for the purpose of assisting with the Annual Levy of the District and to prepare and file a Report with the City Clerk in accordance with the Act, and that said Report has been prepared and filed with the City Clerk and presented to the City Council; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, CALIFORNIA FOR THE EL PASO DE ROBLES LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1 PURSUANT TO *CHAPTER 3, SECTION 22624* OF THE ACT AS FOLLOWS:

**SECTION 1. Intention:** The City Council hereby declares that it intends to seek the Annual Levy of the District pursuant to the Act, over and including the land within the District boundary, and to levy and collect assessments on all such land to pay the costs of the following: the operation, maintenance, and servicing of lighting, landscaping, and all appurtenant facilities and operations related thereto.

**SECTION 2. Description of Improvements and Any Substantial Changes Proposed:** The improvements within the District include: the maintenance and operation of and the furnishing of services and materials for street lighting facilities, fencing, detention basins, open space areas, landscaping, irrigation systems, bike paths, pedestrian pathways, slope maintenance, graffiti abatement, local parks, entry monuments, landscaping which includes trees, shrubs, grass, and other ornamental vegetation, and appurtenant facilities, including irrigation systems and drainage devices within the District. The Engineer's Annual Levy Report describes all new improvements or substantial changes in existing improvements.

**SECTION 3. Boundaries and Designation:** The boundaries of the District are described as the boundaries previously defined in the formation documents of the original District. The District includes sixty-eight (68) Sub Areas: (1) Tract 1581 1-2; (2) Tract 1632 1-9; (3) Tract 1457; (4) Tract 1619; (5) Tract 1508 1-2; (6) Tract 1463-1; (7) Woodland Plaza; (8) Tract 1630; (9) Tract 1942; (10) Tract 2036; (11) Tract 1723; (12) Tract 2070; (13) Tract 1886; (14) Williams Brothers; (15) Tract 1832; (16) Tract 1508-3; (18) Tract 1581-2; (19) Tract 1463-2; (20) PR 91-088; (21) Tracts 1754 1-2; (22) PR 91-095; (23) PR 93-085; (25) PR 94-016; (27) Tract 1508-4; (28) Tract 1718; (29) PR 95-013; (30) PR 91-089; (31) PR 94-128; (32) Tract 2223-1; (33) PR 97-167; (34) Target Center; (35) CUP 95-018; (36) Tract 1895 1-2; (37) Tract 2269; (38) PR 98-008; (39) PR 98-009; (40) PR 93-087; (41) PR 97-138; (42) Tract 2214 1-4; (43) Tract 1951; (44) Tract 2186; and (45) Tract 1771-1 and 3-6; (46) PR 98-038; (47) Tract 2137-1; (48) Tract 2284; (49) Tract 2276; (50) Tract 2311; (51) Tract 2259; (52) 2281 1-5; (53) PR 91-045; (54) Tract 1983; (55) Tract 1463-2; (56) Tract 2137-2; (57) Tract 2223-2; (58) Tract 2137-3; (59) Tract 2352; (60) Tract 2071; (61) Tract 2005 and (62) PR 01-007; (63) Tract 2351; (64) PR 01-186; (66) PD 00-029; (67) Tract 2373; (68) PD 01-003; (69) Tract 2369-1; (70) Tract 2254 1-2; (71) PR 01-263; (72) Tract 2350. The District is designated as "El Paso de Robles Landscape and Lighting Maintenance District No. 1."

SECTION 4. Balloting for Assessment Increase: Pursuant to California Constitution Article XIID, an assessment ballot proceeding is hereby called on behalf of the District on the matter of confirming proposed increased assessments for specific Sub Areas and properties within the District. The assessment ballot proceeding for the District, authorizing an increase of the existing maximum assessments and the application of an inflationary formula shall be presented to property owners pursuant to California Constitution Article XIID, Section 4 consisting of a ballot, included with a mailed notice, distributed by mail to the property owners of record as of the last County equalized roll and subject to the proposed assessment increase. Each property owner may return the ballot by mail or in person to the City Clerk not later than the conclusion of the Public Hearing for this matter.

SECTION 5. Public Hearing: The City Council hereby declares its intention to conduct a Public Hearing concerning the levy of assessments for the District in accordance with *Chapter 3, Section 22626* of the Act and protest ballot proceedings for proposed assessment increases in accordance with the provisions of the *California Constitution Article XIID, Section 4*.

SECTION 6. Ballot Tabulation: Upon conclusion of public testimony at the Public Hearing, the City Clerk or their designee shall open and tabulate the ballots returned to determine if a majority protest exists. The ballots shall be weighted according to the proportional financial obligation of the affected properties. A majority protest exists if ballots submitted in opposition to the assessments exceed the ballots submitted in favor of the assessment. The determination of majority protest will first be evaluated for all ballots received. If majority protest exists for all ballots received, property owner ballots received will be evaluated individually for each Sub Area balloted.

SECTION 7. Notice: Pursuant to sections 22626, 22552 and 22553 of the 1972 Act and 6061 of the Government Code, the City Clerk shall give notice of the time and place of the Public Hearing to all property owners within the District by causing the publishing of this Resolution once in the El Paso De Robles Press one time not less than ten (10) days before the date of the public hearing and by posting a copy of this Resolution on the official bulletin board customarily used by the City Council for the posting of notices; and the City Clerk or their designee shall cause a ballot and notice of the hearing to be distributed by first class mail to the property owners of record as of the last County equalized roll subject to a proposed assessment increase pursuant to the *California Constitution Article XIID*.

SECTION 8. Time of Public Hearing: Notice is hereby given that a public hearing will be held by the City Council of the City of El Paso De Robles on **Tuesday, June 17, 2003 at 7:30 p.m.** and/or as soon thereafter as feasible in the Regular Meeting Chambers located within the Paso Robles City Hall Conference Center located at 1000 Spring Street, El Paso De Robles.

SECTION 9. Other Actions: The City Council and such employees of the District as are appropriate, are authorized and directed to execute such other documents and take such further action as shall be consistent with the intent and purpose of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1<sup>st</sup> day of April 2003 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk