

TO: James L. App, City Manager
FROM: Joseph M. Deakin, Public Works Director
SUBJECT: Annual Levy Report for the Landscape & Lighting District
DATE: June 17, 2003

NEEDS: For the City Council to hold a public hearing and consider adopting the attached resolutions to order the collection of assessments for the Landscape and Lighting District ("L&L District") for fiscal year 2003-2004.

- FACTS:**
1. On April 1, 2003, the City Council adopted Resolution No. 03-49 declaring the City's intention to levy L&L District assessment fees for fiscal year 2003-2004 and setting a public hearing for June 17, 2003.
 2. At the April 1, 2003 meeting, the City Council directed staff to issue ballots to seek approval of new assessments in fiscal year 2004 in those Sub Areas where there is a deficit between the amount assessed and the cost of providing services. Prior to sending the ballots, staff convened a meeting with the property owners within these Sub Areas to notify them about the ballot process. After the meetings, ballots were mailed out. As the ballots were received by the City Clerk's Office, they were placed unopened in a secure location. Assessment ballots may be submitted, changed or withdrawn prior to the conclusion of the public testimony on the proposed assessment at the hearing. At the conclusion of the public testimony portion of the public hearing, the City Clerk will open and tabulate the ballots and report the results to the City Council during the latter part of the June 17, 2003 public hearing.
 3. On April 15, 2003, the City Council adopted Resolution No. 03-56 outlining the procedures for the completion, return and tabulation of Assessment District Ballots.
 4. Adoption of the Engineer's Levy Report will allow the City to forward the report to the County for inclusion in property tax assessments.

**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 an economy of scale by combining the efforts for all maintenance services within separate geographic locations (individually called a "Sub Area"). A single landscape maintenance contractor provides most services to the L&L District. L&L District funding is determined annually, based upon several factors, for each Sub-Area. 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

Proposition 218 changed the process for increasing L&L District levies. Proposition 218 provides that the existing maximum levy can be increased if the City follows certain procedures, which includes providing notice and assessment ballots. If, after the City receives and tabulates the assessment ballots, a majority protest exists, the existing levy remains in place and the increased assessment may not be levied. A majority protest exists if the assessment ballots submitted and not withdrawn in opposition to the proposed assessment exceed the assessment ballots submitted and not withdrawn in support of the proposed assessment. The assessments in the Sub-Areas being balloted are not sufficient to cover the costs of providing the maintenance

services for those Sub-Areas. As a result, the balloting seeks approval to increase the assessments to a level that will cover such costs.

If the increased assessments in the Sub-Areas is not approved, the City has two alternatives to resolve the shortfall in Sub Area funds:

- Reduce maintenance effort (and cost) in a Sub Area(s) to eliminate the deficit, which would result in fewer and reduced services provided to a Sub Area; or
- Subsidize the deficit from another fund source (e.g. the General Fund).

Fund Balances

The City managed the L&L District to be in balance since FY 2000 by providing increased levies to those Sub Areas not restricted by the maximum allowable levy. Prior to this time, the L&L District deficits relied upon supplements from the City's General Fund to reconcile the overall L&L District account. Beginning in FY 2000, the overall fund went back in balance, however certain Sub Areas were remained in deficit.

Subsequently, at the direction of the City Council, staff issued ballots to those Sub Areas in deficit in order to implement new assessments for FY 2004. The Sub Areas proposed for increases this year are:

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

POLICY

REFERENCE: Resolution No. 89-89 which formed the Landscape & Lighting District No. 1 for the City of Paso Robles; Resolution No. 03-48 which initiated proceedings for the annual levy assessments; Resolution No. 03-49 which declared the City's intent to levy annual assessments; and Resolution No. 03-56 which adopted the procedures for balloting.

FISCAL

IMPACT: Costs for the presentation of the Levy Report and filing with San Luis Obispo County is funded from District Assessment Fees. Should the ballots result in a majority protest within a Sub Area(s), staff will need to determine how to reduce the maintenance services in order to eliminate the deficit.

OPTIONS:

- a. For the City Council to:
 - 1) Adopt Resolution No. 03-xx approving the Final Engineer's Levy Report and, if necessary, directing staff to request an amendment to such report to reflect proposed reductions in service for those Sub-Areas where increased assessments were not approved; and
 - 2) Adopt Resolution No. 03-xx declaring the results of, and approving certain related actions depending on, the results of the tabulated ballots; and
 - 3) Adopt Resolution No. 03-xx ordering the levy and collection of the Assessments for the Landscape and Lighting Maintenance District for fiscal year 2003/2004.
- b. Amend, modify or reject the above option.

Attachments (4)

- 1) Resolutions (3)
- 2) Engineer's Levy Report

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1
FOR FISCAL YEAR 2003/2004

The City Council of the City of El Paso de Robles, California (hereafter referred to as "City Council") hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council has by previous resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting Maintenance District No. 1 (hereafter referred to as the "District") for the fiscal year commencing July 1, 2003 and ending June 30, 2004; pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act")* to pay the costs and expenses of operating, maintaining and servicing landscaping, street lighting and appurtenant facilities located within the District; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council the Engineer's Annual Levy Report (hereafter referred to as the "Report") in connection with the proposed levy and collection of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution approve such Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2003 and ending June 30, 2004, to pay the costs and expenses of operating, maintaining and servicing landscaping and street lighting improvements and appurtenant facilities located within the District; and

WHEREAS, the City Council has conducted a property owner ballot proceeding for assessments within Sub Areas 1, 3, 4, 5, 6, 7, 8, 11, 13, 14, 15, 16, 18, 19, 21, 22, 27, 32, 46 and 51 proposed to be levied for Fiscal Year 2003/2004, and said assessments are described in the approved Report, and the assessments as described comply with all applicable provisions of the California State Constitution Article XIID; and

[WHEREAS, with respect to Sub-Areas _____ in which the majority of the property owners did not approve the proposed increased assessments, the such properties shall continue to be assessed as the same levels as existed prior to the ballot proceeding]

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL, AS FOLLOWS:

SECTION 1 Following notice duly given, the City Council has held a full and fair public hearing regarding its resolution approving or amending the Engineer's Annual Levy Report prepared in connection therewith; the levy and collection of assessments, and considered all oral and written statements, protests and communications made or filed by interested persons. The City Council has determined that the property owners in accordance with the requirements of the California State Constitution, Article XIID have approved the assessments so presented.

SECTION 2 Based upon its review of the Engineer's Annual Levy Report, a copy of which has been presented to and approved by the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of landscaping, street lighting and appurtenant facilities within the boundaries of District.
- b) District includes all of the lands receiving such special benefit.

- c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2003 and ending June 30, 2004.

SECTION 3 The Report and assessments as presented to the City Council and on file in the office of the City Clerk are hereby confirmed as filed.

SECTION 4 **[Except as to Sub-Areas _____ of the District,]** The City Council hereby orders the improvements described in the Report to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements including turf, ground cover, shrubs and trees, irrigation systems, water features, drainage systems, street lighting and all appurtenant facilities related thereto. **With respect to Sub-Areas _____, the staff has been directed to request that the Assessment Engineer amend the Report to recommend specific reductions in service to such Sub-Areas to a level commensurate with the amount of assessments collected in those Sub-Areas, which specific recommendations shall be considered by the City Council at a future meeting.**

SECTION 5 The maintenance, operation and servicing of the landscaping, street lighting and appurtenant facilities shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

SECTION 6 The City Treasurer shall deposit all money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting Maintenance District, and such money shall be expended only for the maintenance, operation and servicing of the landscaping, street lighting and appurtenant facilities as described in Section 4.

SECTION 7 The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2003 and ending June 30, 2004.

SECTION 8 The City Clerk is hereby authorized and directed to file the levy with the County Auditor upon adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of June 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE MATTER OF
ASSESSMENTS WITHIN THE LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT
NO. 1; AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED
THERTO FOR FISCAL YEAR 2003/2004

The City Council of the City of El Paso de Robles, California (hereafter referred to as "City Council") hereby finds, determines, resolves and orders as follows:

WHEREAS, the City Council, pursuant to the provisions of *Part 2 of Division 15 of the California Streets and Highways Code*, did by previous resolution order the Assessment Engineer, MuniFinancial, to prepare and file a report in accordance with *Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22565*, in connection with the proposed levy and collection of assessments for the Landscaping and Lighting Maintenance District No. 1 (hereafter referred to as the District) for the fiscal year commencing July 1, 2003 and ending June 30, 2004; and

WHEREAS, the Assessment Engineer has prepared and filed with the City Clerk of the City of Paso Robles and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report, Landscaping and Lighting Maintenance District No. 1, Fiscal Year 2003/2004" (hereafter referred to as the "Report"); and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is satisfied with each and all of the items and documents as set forth therein, and finds that the levy has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Report;

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL, AS FOLLOWS:

SECTION 1 The above recitals are all true and correct.

SECTION 2 The Report, incorporated herein by this reference, as presented, consists of the following:

- a) A Description of the District and Improvements.
- b) The Annual Budget (Costs and Expenses of Services, Operations and Maintenance)
- c) A Description of the Method of Apportionment resulting in an Assessment Rate per Levy Unit within said District for fiscal year 2003/2004.

SECTION 3 The Report as presented, is hereby approved **[except as to those portions relating to Sub-Areas _____]** and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection. **[Staff is directed to have the Assessment Engineer amend the report with respect to Sub-Areas _____ to reflect proposed reductions in service to a level commensurate with the level of assessments received from such Sub-Areas. Those amended portions of the Assessment Engineer's report related to those specific Sub-Areas shall be brought back to the City Council for approval.]**

SECTION 4 The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the presentation and final approval of the Report.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of June 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
DECLARING THE RESULTS OF A PROPERTY OWNER PROCEEDING AND APPROVING
CERTAIN RELATED ACTIONS

WHEREAS, the City Council of the City of El Paso de Robles, California (hereafter referred to as "City Council") called and duly held a property owner protest proceeding for certain Sub Areas within the Landscaping 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 "Act") and the *California Constitution Articles XIII C and XIII D*, for the purpose of presenting to the qualified property owners within the District the annual levy of assessments for the costs and expenses of the landscaping, street lighting and appurtenant improvements providing special benefits to the properties within; and

WHEREAS, the landowners of record within certain Sub Areas of the District as of the close of the public testimony portion of the public hearing held on June 17, 2003 did cast their ballots, the results of which are illustrated below:

Sub Area 1	Yes:	No:
Sub Area 3	Yes:	No:
Sub Area 4	Yes:	No:
Sub Area 5	Yes:	No:
Sub Area 6	Yes:	No:
Sub Area 7	Yes:	No:
Sub Area 8	Yes:	No:
Sub Area 11	Yes:	No:
Sub Area 13	Yes:	No:
Sub Area 14	Yes:	No:
Sub Area 15	Yes:	No:
Sub Area 16	Yes:	No:
Sub Area 18	Yes:	No:
Sub Area 19	Yes:	No:
Sub Area 21	Yes:	No:
Sub Area 22	Yes:	No:
Sub Area 27	Yes:	No:
Sub Area 32	Yes:	No:
Sub Area 46	Yes:	No:
Sub Area 51	Yes:	No:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PASO ROBLES, CALIFORNIA,
DOES HEREBY RESOLVE, ORDER AND DETERMINE:

SECTION 1. The above recitals are true and correct.

SECTION 2. The results of the tabulation of the valid property owner ballots returned by the property owners within said Sub Areas of the District, prior to the conclusion of the public hearing and property owner protest proceeding held for the District on June 17, 2003, is hereby confirmed and made a public record.

SECTION 3 If the tabulation of the valid property owner ballots returned by the property owners within said Sub Areas of the District indicates approval of the increased assessment and the assessment range formula, the City Council is hereby authorized to take the necessary steps to levy the increased assessments as approved. For any Sub-Area for which the tabulation of the valid property owner ballots indicates disapproval of the increased assessment and the assessment range formula, the property owners in such Sub-Area shall continue to be assessed at the current level.

SECTION 4 The City Clerk is hereby directed to enter this Resolution on the minutes of the City Council which shall constitute the official declaration of the result of such property owner protest proceeding.

SECTION 5 This Resolution shall become effective immediately upon its adoption.

SECTION 6 The City Clerk shall certify the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of June 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

**ALL ATTACHMENTS TO THIS STAFF REPORT MAY NOT BE AVAILABLE
IN DIGITAL FORMAT FOR VIEWING ON-LINE.**

A hard-copy of the complete agenda packet, along with all staff reports, exhibits and attachments, is available for review in the City Clerk's Office.

**Packets are also available for loan from the City Library,
beginning on the Friday before each Council meeting.**