



**BENICIA CITY COUNCIL
CITY COUNCIL MEETING AGENDA**

**Benicia City Hall, 250 East L Street
September 24, 2019
6:00 PM**

Call To Order (6:00 P.M.)

1. Roll Call

2. Pledge Of Allegiance

3. Reference To The Fundamental Rights Of The Public

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

4. Adoption Of Agenda

5. Opportunity For Public Comments

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

6. Written Comment

7. Public Comment

8. Workshop

8.A - LANDSCAPE & LIGHTING ASSESSMENT DISTRICT UPDATE (Public Works Director)

The City of Benicia currently has one Landscaping and Lighting Assessment District with five benefit zones, which have not increased their assessment revenue since the creation of the District in the late 1970s and are currently subsidized by the General Fund. The City has contracted with Harris & Associates to review the City's existing District and to provide options for the formation of a new or updated District to ensure fiscal sustainability and compliance with Proposition 218.

Recommendation:

Receive presentation and provide direction to staff.

[Staff Report - Landscape and Lighting Assessment District Update](#)

9. Adjournment (8:00 P.M.)

Public Participation

The Benicia City Council and its Boards and Commissions welcome public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Alan Shear, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the

City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

Contact Your Council Members

If you would like to contact the Mayor or a Council Member, please call the number listed below to leave a voicemail message.

Mayor Patterson: 746-4213

Vice Mayor Strawbridge: 746-4213

Council Member Campbell: 746-4213

Council Member Young: 746-4213

Council Member Largaespada: 746-4213



AGENDA ITEM
CITY COUNCIL MEETING DATE – SEPTEMBER 24, 2019
WORKSHOP

TO : City Manager

FROM : Public Works Director

SUBJECT : **LANDSCAPE & LIGHTING ASSESSMENT DISTRICT UPDATE**

EXECUTIVE SUMMARY:

The City of Benicia currently has one Landscaping and Lighting Assessment District with five benefit zones, which have not increased their assessment revenue since the creation of the District in the late 1970s and are currently subsidized by the General Fund. The City has contracted with Harris & Associates to review the City’s existing District and to provide options for the formation of a new or updated District to ensure fiscal sustainability and compliance with Proposition 218.

RECOMMENDATION:

Receive presentation and provide direction to staff.

BUDGET INFORMATION:

Currently, the district assessments generate \$427,663 in revenues for the Landscape and Lighting Assessment District (LLAD) based on fixed assessment for residential parcels and varying assessment for commercial and industrial parcels. The current assessments for residential is \$136.56 per benefit unit and assessments for commercial and industrial parcels vary from \$101.32 to \$645.00 per acre. The projected revenue needed to fully fund the LLAD is \$622,066 with a 2% increase each year for maintenance and servicing items and a 3% increase each year for utilities. The estimated assessments needed to fully fund the LLAD is \$207.51 for residential per benefit unit and \$110.93 to \$797.00 per acre for commercial and industrial parcels. Due to the shortfall in revenue, the City has deferred maintenance improvements in the current LLAD in order to minimize the funding gap. The City currently subsidizes the LLAD annually \$250,000 from the General Fund.

BACKGROUND:

The City’s current Landscape and Lighting Assessment District (“LLAD” or “District”) was originally formed in the late 1970s to provide a dedicated source of funds for the ongoing maintenance and operations of certain landscape and lighting improvements installed within the Southampton area. Since the formation, the City had annexed additional areas to the LLAD through the creation of benefit zones. The City’s LLAD currently has five separate benefit zones:

Residential, Fleetside Industrial Park, Goodyear Road, East 2nd Street, and Columbus Parkway. Approximately 21% of the parcels (2,400 of the 11,000 parcels) within the City are being assessed under the LLAD. Street lighting, landscape maintenance and park maintenance that are not included in the current LLAD are funded by other funds, such as the General Fund.

The City's District was originally formed under the authority of Section 22500 of the California Streets and Highway's Code (the "Act"). As defined in the Landscape and Lighting Act of 1972, an "assessment district shall consist of all territory which, as determined by the legislative body, will benefit by the improvements that are to be assessed to apportion the costs thereof" and "may consist of all or any part of the territory" within the City. The Act also states that the "assessment district may consist of contiguous or noncontiguous areas" and that the "improvements in one area need not be of benefit to other areas". The types of improvements that may be maintained and incidental expenses that may be funded using assessment revenues are defined in the Act.

The City has not increased assessments within the LLAD for inflation or needed maintenance improvements since the passage of Proposition 218 in 1996, the "Right to Vote on Taxes Act." This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent. Proposition 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees. As a result, the City has deferred needed improvements to match the available LLAD revenues. The total revenue from the current LLAD is approximately \$427,663; however, direct cost totaled \$622,066. In more recent years, the City has allocated General Fund revenues to several zones within the LLAD in order to maintain some basic services and utilities. It is estimated that approximately \$250,000 in General Fund revenue was allocated in FY 2019-2020. The General Fund contribution will continue to increase as the cost of utilities and maintenance grows each year.

As a result of these circumstances, Harris & Associates ("Harris") was retained by the City to review the City's existing LLAD and to provide options to the City for the formation of a new District that would provide a dedicated source of funds for the maintenance of parks, landscaping and street lighting within the City, and to do so in a manner that is compliant with Proposition 218 and the legal landscape that exists today.

Historical Background of Assessments

Public agencies throughout the State of California have been using benefit assessments as one of the tools used to pay for public facilities and services that provide a special benefit to property since the beginning of the 20th century. Since that time, there have been various statutes approved by the legislature that authorize public agencies to collect an assessment to help the agency generate revenue to provide specific improvements and services.

With the passage of Proposition 13 in 1978, the "People's Initiative to Limit Property Taxation", the proposition successfully added a constitutional amendment to the California State

Constitution. In summary, Proposition 13 limited the ability of government agencies to levy ad valorem taxes on real property to one percent of the value and it capped annual property tax increases at two percent.

Over the years, the state legislature approved several other statutes authorizing public agencies to establish and collect benefit assessments as a way to fund public improvements and services that provide a special benefit to property. Due to the Proposition 13 property tax limitations, the use of assessments became a widely utilized tool for public agencies in California to fund various types of public improvements and services, and Benicia has been no different.

However, since 1978, the California voters have approved three (3) initiatives that further limit the methods by which local governments may raise local revenues, but only one of the initiatives, Proposition 218, will be discussed for the purposes of this study. In 1996, California voters approved Proposition 218, the “Right to Vote on Taxes Act”. Proposition 218 amended the California Constitution by adding Article XIIC and Article XIID, which affect the ability of local government to levy and collect existing and future taxes, assessments, and property-related fees and charges. To that end, Proposition 218 was intended to bolster Proposition 13’s limitations on ad valorem property taxes and special taxes by placing new restrictions on the imposition of taxes, assessments, fees, and charges.

The District was formed and zones were added at various times over the past 40 years. The District and some of the zones were established prior to the approval of Proposition 218 in November of 1996. Proposition 218 allows for assessments to be levied to fund the cost of improvements and services, as well as the maintenance and expenses associated with such facilities and improvements, all of which provide a special benefit to the property to be assessed.

Review of Financing Options for District

Harris & Associates looked at multiple scenarios and have identified the following options as best meeting the City’s goal to reduce the need to allocate General Fund revenue to the current LLAD and to provide a dedicated source of funds for street lighting, street landscaping and park services.

1. Create a new Citywide Landscape and Lighting Assessment District, which would levy assessments on all parcels in the City in proportion to the special benefit they receive from the improvements and services being provided. The total amount to be assessed would be determined by the City Council, subject to the approval of property owners, as required by Proposition 218.
2. Create a new Overlay District. This would leave the existing District and assessments intact, but create a new district, which would also include all parcels in the City. The purpose of an Overlay District would be to eliminate the current annual deficit of approximately \$250,000.

3. Update the current District. This option would update the existing District through the Proposition 218 process but may not reduce the current annual General Fund allocation to maintain improvements and services.

Each of the options would consist of three improvement areas for each type of service provided (street lighting, street landscaping, and park services). An escalation factor to allow for future increase in assessments would also be included.

Review of Facilities, Improvements, and Services

The current LLAD provides funds from the assessments levied on parcels within the current District which were originally installed as a condition of development or were installed specifically for the benefit of the properties being assessed. This section reviews the improvements within the current LLAD as well as improvements on a Citywide basis that could be funded by assessments.

Street Lighting: The Act allows assessment revenues to be used for the maintenance and operation of the local public street lighting improvements adjacent to the parcels and developments within the District boundaries. While the number of street lights and wattage of lights may vary from one area to the next, the overall street lighting system and proximity of street lights to parcels within the City is fairly consistent, with little variation in the spacing of the lights except for differences associated with street types (arterial v. residential streets).

A detailed list of the street lights maintained within the City is on file at City Hall. A summary of the street lights located in each existing Zone of the LLAD, and the total number of street lights in the City is shown on the table below:

Street Lights within a Zone	Count	Street Lights Outside a Zone	Citywide	Percent in Zones
Residential	304	1,918	2,358	19%
Fleetside	33			
Columbus Pkwy	10			
East 2nd Street	78			
Goodyear Road	<u>15</u>			
	440			

Street Landscaping (Streetscapes): Much of the street landscaping within the City (median landscaping and parkway landscaping) which could be maintained using assessment revenues is located within the zones in the existing LLAD and were installed as development occurred in those areas. As a result of the limited assessment revenues available, since assessments have not been able to be increased since the passage of Proposition 218 in 1996, the level of maintenance has been significantly reduced. As a result, much of the street landscaping within the current

zones is in a state of disrepair and generally in need of replacement or significant maintenance. In addition, there is some street landscaping in several other areas of the City (along 1st Street, Military West and Southampton Road), including at the entrances to the City, off the interstates.

The Act also allows assessment revenues to be used for the care and maintenance of street trees. The City does not have an accurate inventory of its street trees but has identified a three to five-year cycle for pruning of street trees. Assessment revenues from the current LLAD have been used for limited pruning of street trees within the existing zones, however no pruning has been done in recent years, and as a result, many of the street trees are overgrown and some are in poor condition. In addition, trees have not been replaced when a tree has been removed. Elsewhere in the City, there has not been regular pruning of street trees and many of the trees have become overgrown, and in some cases, their roots are damaging sidewalks or other improvements. The City's efforts have been limited to the removal or pruning of trees that represent an immediate public safety hazard.

Parks: The City has three park classifications: Regional Parks, Community Parks, and Neighborhood Parks. The purpose of Regional Parks is to serve larger community populations by providing large recreational facilities and open space areas. The purpose of Community Parks is to provide a broad range of both passive and active recreational opportunities. Neighborhood Parks are intended to serve residents who live in close proximity to those parks.

Park improvements include but are not limited to:

- Landscaping
- Irrigation
- Lighting
- Hardscape (sidewalks, parking lots)
- Play/ball fields
- Fencing
- Play structures
- Shade covers
- Picnic equipment (tables, bbq. pits, etc.)
- Restrooms

A majority of the revenues from the current assessment district have been used for the maintenance of the parks within the current LLAD, since the assessments have not increased since 1996. While costs have continued to increase, the levels of maintenance have significantly declined over the years. In recent years, the City has had to allocate General Fund revenues to the LLAD. In addition, many of the improvements are in need of rehabilitation and the City has not been able to set aside assessment revenues in a Reserve Fund for the future replacement of those facilities.

The City has used General Fund revenues for the maintenance of those parks that are located outside of the current LLAD. Similar to the LLAD, the City has had to reduce service levels at those parks based upon the level of funds available.

The Citywide District or the Overlay District options will include the same improvements and services shown above, plus additional street lighting, street landscaping and park services throughout the City. The purpose of creating either of these districts is to assess all benefitting parcels within the City boundaries. Currently, the majority of parcels in the City do not pay an assessment for the improvements and services provided by the City, even though there is a special benefit received by all parcels.

NEXT STEPS:

After receiving Council direction, staff will develop a timeline and implementation plan, a public outreach plan, and initiate the Proposition 218 Process.

ALTERNATIVE ACTIONS:

If Council chooses to not make changes to the District assessments, the current five zones in the LLAD would remain subsidized by the General Fund.

General Plan	Goal 2.4: Ensure that development pays its own way
	Policy 2.4.1: Ensure any new development to be fiscally and financially sound and pay its own way with respect to City and School Districts capital improvements.
	Program 2.4.A: Monitor development to ensure it does not overburden the City's infrastructure.

Strategic Plan	Strategic Issue #3: Strengthening Economic and Fiscal Conditions
	Strategy #4: Manage City finances prudently

CEQA Analysis	Landscaping and lighting district assessments are exempt from the California Environmental Quality Act (CEQA) under Guidelines Selection 15378 (b) (4), because government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment is not considered a project.
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ATTACHMENT: None.

*For more information contact: William Tarbox, Public Works Director
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