

May 1, 2007

Honorable Mayor and Members of
The Hermosa Beach City Council

Regular Meeting of
May 8, 2007

**HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT
2007-2008 ADOPTION OF RESOLUTIONS REGARDING THE
ENGINEER'S REPORT AND SETTING JUNE 12, 2007,
FOR A PUBLIC HEARING**

Recommendation:

It is recommended that the City Council:

1. Adopt the attached Resolution approving the Engineer's Report for Hermosa Beach Landscaping & Street Lighting District 2007-2008 ("District") made pursuant to the requirements of Resolution No. 07-6522; and
2. Adopt the attached Resolution declaring the City Council's intention to order certain improvements and to levy and collect assessments within the District for the fiscal year beginning July 1, 2007 through June 30, 2008; and setting June 12, 2007, to accept public input on the matter of the proposed assessment.

Discussion:

The Landscaping and Street Lighting District assesses all property owners in the City in order to provide funding for the maintenance and operation of the citywide street lighting program and landscaping within the street medians and parkways. The City Council must confirm the annual assessment each year to be placed on the tax roles to be collected by the County Tax Assessor.

This year's assessment amount is set at \$41.45 per dwelling unit, which has not increased since 1996. With the passage of Proposition 218 in 1996, this amount cannot be increased without the approval of the affected property owners through a ballot procedure under the majority protest rule. This means that the proposed assessment would be defeated if more than 50% of the ballots received are opposed to the increase.

Adoption of both Resolutions is necessary at this time so that a public hearing can be held to take testimony on the assessments. The first Resolution approves the report prepared by the Director of Public Works acting as the Assessment Engineer. Its adoption confirms that the report has been prepared prior to the public hearing. This report covers matters relating to the District and is on file in the City Clerk's office.

The adoption of the second Resolution provides for the setting of a public hearing for June 12, 2007, at 7:30 PM. At the conclusion of the public hearing, the City Council will be provided with a Resolution it may adopt ordering the assessments.

As noted previously, all decisions will be made after the public hearing and adoption of these Resolutions will only confirm that the report has been prepared and that the public hearing will be held on June 23, 2007.

When the District was originally formed in FY 89-90 the assessment amount was set at \$16.84 per dwelling unit. In FY 95-96 the assessment amount was increased to \$54.82 with the exception of senior citizens, for whom the \$16.84 amount (through a rebate program) was maintained. Due to a surplus of funds, the assessment amount was reduced to the present amount of \$41.45 in FY 97-98.

This surplus of District funds was able to cover the increasing costs of services up until FY 03-04. The FY 04-05 budget had a projected deficit of \$141,738 which was funded by a transfer from the General Fund. Only \$52,622 of the transfer was actually used, leaving \$89,116 available from the transfer for use in the District for FY 05-06. The District Fund balance of \$76,790 at 6/30/06 was used for FY 06-07. Staff projected a budget deficit of \$97,512 which was transferred from the General Fund to the District in 06-07. From this amount, \$43,833 will be the District Fund Balance on 6/30/07 and will be appropriated to the District for FY 07-08. An additional amount of \$98,440 will be transferred from the General Fund to maintain the District for FY 07-08.

Fiscal Impact:


The General Fund has contributed \$98,440 to the District Funds to maintain the District for FY 07-08.

Attachments:


1. Engineer's Report
2. Resolution approving the District Report
3. Resolution setting a time and place for the public hearing

Respectfully submitted,

Concur:



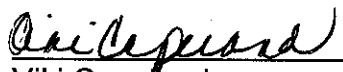
Homayoun Behboodi
Associate Engineer



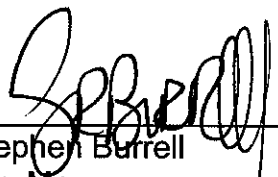
Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted for Fiscal Impact:

Concur:



Viki Copeland
Finance Director



Stephen Burrell
City Manager

ENGINEER'S REPORT

CITY OF HERMOSA BEACH

LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008

Prepared By:

**Richard D. Morgan, P.E.
Director of Public Works/City Engineer**

May 1, 2007

ENGINEER'S REPORT
CITY OF HERMOSA BEACH
LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008

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ENGINEER'S REPORT
CITY OF HERMOSA BEACH
LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: May 1, 2007

BY: _____
Richard D. Morgan, P.E.
Director of Public Works/City Engineer

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Diagram thereto attached, was filed with me on the _____ day of _____, 2007.

City Clerk, City of Hermosa Beach
Los Angeles County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Diagram thereto attached, was approved and confirmed by the City Council of the City of Hermosa Beach, California, on the _____ day of _____, 2007.

City Clerk, City of Hermosa Beach
Los Angeles County, California

By _____

I HEREBY CERTIFY that the enclosed Assessment Roll and Diagram were filed with the County Auditor of the County of Los Angeles, on the _____ day of _____, 2007.

City Clerk, City of Hermosa Beach
Los Angeles County, California

By _____

FISCAL YEAR 2007-2008

CITY OF HERMOSA BEACH

**ENGINEER'S REPORT PREPARED PURSUANT TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972, SECTION 22500 THROUGH
22679, OF THE CALIFORNIA STREETS AND HIGHWAYS CODE**

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, and in accordance with the Resolution of Initiation adopted by the Council of the City of Hermosa Beach, State of California, in connection with the proceedings for:

**HERMOSA BEACH
LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008**

Hereinafter referred to as the "Assessment District" or "District", Richard D. Morgan, P.E., Director of Public Works/City Engineer, the duly appointed ENGINEER OF WORK, submit herewith the "Report" consisting of six (6) parts as follows:

PART A

Plans and specifications for the improvements showing and describing the general nature, location and extent of the improvements.

PART B

Estimate of the cost of the proposed improvements for FY 2007-2008, including incidental costs and expenses in connection therewith.

PART C

An assessment of the estimated cost of the improvements on each benefited lot or parcel of land within the Assessment District.

PART D

The method of apportionment of assessments, indicating the proposed assessment of the total amount of the costs and expenses of the improvements upon the several lots and parcels of land within the Assessment District, in proportion to the estimated benefits to be received by such lots and parcels.

PART E

A list of the names and addresses of the owners of real property within the Assessment District, as shown on the last equalized roll of the Assessor of the County of Los Angeles.

PART F

The Diagram of the Assessment District Boundaries showing the exterior boundaries of the Assessment District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District.

PART A

PLANS AND SPECIFICATIONS

The facilities, which have been constructed within the City of Hermosa Beach, and those which may be subsequently constructed, will be operated, serviced and maintained as generally described as follows:

DESCRIPTION OF IMPROVEMENTS FOR THE HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008

The proposed improvements for FY 2007-2008 may be generally described as the continued maintenance and operation of streets and sidewalks within the District, including the operation, servicing and maintenance of landscaping, lighting and appurtenant facilities that are located in and along such streets and sidewalks, including but not limited to, personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these services described as follows:

Street Landscaping and Appurtenant Facilities

Landscaping, planting, shrubbery, trees and appurtenant facilities, including irrigation systems, hardscapes and fixtures in public street and sidewalk rights-of-way, including parkways and medians, within the boundaries of the Assessment District.

Street Lighting and Appurtenant Facilities

Poles, fixtures, bulbs, conduits, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide street lighting and traffic signals in public street and sidewalk rights-of-way, including parkways and medians, within the boundaries of the Assessment District.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the landscaping, lighting facilities and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping, lighting facilities or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of water for the irrigation of the landscaping and the maintenance of any of the lighting facilities or appurtenant facilities and the furnishing of electric current or energy, gas or other illuminating agent for the lighting facilities, or for the lighting or operation of the landscaping or appurtenant facilities.

The plans and specifications for the improvements, showing and describing the general nature, location, and the extent of the improvements, are on file in the office of the City Clerk and are incorporated herein by reference.

PART B ESTIMATE OF COSTS

LANDSCAPING AND STREET LIGHTING DISTRICT Proposed Budget - Fiscal Year 2007-2008	
The estimated cost of the operation, servicing and maintenance of the street and sidewalk improvements for fiscal year 2007-2008, as described in Part A, are summarized herein and described below.	
Lighting and Landscaping Maintenance and Servicing	
<ul style="list-style-type: none"> • Median & Pkwy Landscaping Maintenance and Servicing • Lighting Maintenance and Servicing • Tree Trimming 	513,217
Administration Costs	10,835
Insurance	34,913
L.A. County Tax Collection Costs	2,600
Equipment Replacement	41,278
Proposed Capital Improvements	0
Expenditures Subtotal	602,843
Appropriation from Fund balance	43,833
Amount Transferred from General Fund	98,440
Miscellaneous Revenues	5,573
Total to Assessment	454,997
Fund Balance 6/30/08	0

Total amount of \$97,512 was transferred from the General Fund to the District Fund FY 06-07. The fund balance of \$43,833 on 6/30/07 will be the unused balance of the General Fund transfer to the District 07-08. An additional amount of \$98,440 will be transferred from the General Fund to maintain the District for FY 07-08.

The 1972 Act requires that a special fund be set up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.

PART C

ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2007-2008 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Los Angeles County Assessor's Office, are contained in the Assessment Roll on file in the office of the City Clerk of the City of Hermosa Beach, which is incorporated herein by reference.

The description of each lot or parcel is part of the Los Angeles County assessment roll and this roll is, by reference, made part of this Report.

PART D

METHOD OF APPORTIONMENT OF ASSESSMENT

GENERAL

Part 2, of Division 15, of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include operation, maintenance and servicing of street lights, traffic signals and landscaping.

The 1972 Act requires that maintenance assessments be levied according to benefit rather than according to assessed value. Section 22573 provides that:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

The Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements" (Sec. 22574) Thus, the 1972 Act requires the levy of a true "benefit assessment" rather than a "special tax."

Exempted from the assessment would be the areas of all publicly owned property in use in the performance of a public function. Railroad and utility rights-of-way are also exempt from assessment.

BENEFIT ANALYSIS

- **Street Lighting and Traffic Signals** - The proper functioning of street lighting and traffic signals is imperative for the welfare and safety of the public and property throughout the City. Proper operation, maintenance and servicing of the street lighting system benefits properties within the District by providing proper illumination for ingress and egress and safe traveling at night. Properties within the District also benefit from the proper functioning of the District's traffic signal system. Proper operation of the streetlight and traffic signal systems is imperative to public convenience, orderly traffic flow, enhanced congestion management and safety. Improved security, fuel conservation, protection of property from crime and vandalism, and reduction of traffic accidents, are special and direct benefits to all properties within the City; lighting benefits are directly related to public safety and property protection and therefore increase property values.
- **Median and Parkway Landscaping and Tree Trimming** - Trees, landscaping, hardscaping and appurtenant facilities, if well maintained, provide beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property value.

The City maintains trees and miscellaneous shrubbery and landscaping throughout the City. The trees, shrubbery and landscaping are located within the public street and sidewalk rights-of-way, including parkways and medians. These trees, shrubbery and landscaping provide an aesthetically pleasing environment, shade, beautification, and, according to some authorities, air purification and sound attenuation. These positive attributes increase the value of all properties throughout the City.

Therefore, all property within the District receive an overall specific and direct benefit from the maintenance and servicing of the street median and parkway landscaping and street tree trimming programs.

Special benefits which are received by all parcels in the City are considered to be City-wide Benefits, and the associated costs of these special benefits are spread equally, based on Equivalent Dwelling Units, to all parcels within the District. All properties in the District benefit from the operation, maintenance and servicing of the street lighting, traffic signals, street median and parkway landscaping and street tree trimming.

The degree of benefit to each parcel of land varies depending on its land use and the size of the parcel. If assessments were spread on an individual parcel basis, not considering land use or parcel size, it would not be an equitable method of spread because a single family parcel would pay the same assessment as a 50-unit apartment parcel or a large commercial parcel. Therefore, the method for spreading the improvement costs, which must be based on special and direct benefit, is on an Equivalent Dwelling Unit (EDU) basis. The EDU method uses the residential dwelling unit as the basic unit and compares other uses to it, as follows:

- **Residential** parcels are assessed based on the number of dwelling units on each parcel, where each residential dwelling unit equals one EDU
- **Non-residential** parcels have been converted into EDU'S, based on engineering judgment taking into consideration the size of the parcel and the amount of frontage along the street. Every parcel is assessed a minimum of one (1) EDU.

There are a total of 10,977 EDU's within the Assessment District.

ASSESSMENT RATE CALCULATION

Based on a budget of \$454,997, as shown in Part B of this report, the preliminary assessment rate for FY 2007-2008 is calculated as follows:

$$\$454,997 / 10,977 \text{ EDU's} = \$41.45 \text{ per EDU}$$

The assessment for FY 2007-2008 was \$41.45 per EDU.

PART E

PROPERTY OWNER LIST

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of Los Angeles, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the office of the City Clerk of the City of Hermosa Beach.

PART F

ASSESSMENT DISTRICT BOUNDARY

The boundaries of the District are coterminous with the boundaries of the City of Hermosa Beach. A diagram showing the exterior boundaries of the District, the boundaries of any zones within the District, and the lines and dimensions of each lot or parcel of land within the District is on file in the office of the City Clerk of the City of Hermosa Beach, and is incorporated herein by reference. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for fiscal year 2007-2008. The Assessor's maps and records are incorporated by reference herein and made part of this report.

RESOLUTION NO. 07-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING THE ENGINEER'S REPORT IN CONNECTION WITH HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008.

WHEREAS, the City Council of the City of Hermosa Beach, California, by its Resolution No. 07-6522, adopted March 27, 2007, ordered the Director of Public Works to prepare and file a report in accordance with Article 4 of Chapter 1 of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 (Section 22500, et seq.) of the Streets and Highways Code of the State of California, in connection with the proposed maintenance and operation of streets and sidewalks within an existing assessment district to be designated as the "Hermosa Beach Landscaping and Street Lighting District 2007-2008", including the operation, maintenance and servicing of landscaping, lighting and appurtenant facilities located in and along such streets and sidewalks for the fiscal year commencing July 1, 2007 and ending June 30, 2008; and

WHEREAS, the Director of Public Works, acting as the Assessment Engineer, prepared and filed in the office of the City Clerk a written report in accordance with Article 4 of Chapter 1 of the Landscaping and Lighting Act of 1972; and

WHEREAS, the City Clerk presented the report of the Director of Public Works to the City Council, and the City Council carefully examined, inspected and considered the report and is satisfied with the report and with each and all of the items set forth therein.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The report of the Director of Public Works entitled "Engineer's Report, Hermosa Beach Landscaping and Street Lighting District 2007-2008," which was prepared and filed pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division

15 (Section 22500, et seq.) of the Streets and Highways Code of the State of California, is hereby approved as filed.

SECTION 2. This Resolution shall take effect immediately. The City Clerk shall certify to the passage and adoption of this Resolution, shall cause the original of the same to be entered among the original resolutions of the City Council, and shall make a minute of the passage and adoption thereof in the minutes of the City Council meeting at which the same is passed and adopted.

PASSED, APPROVED and ADOPTED this 8th day of May 2007.

PRESIDENT, of the City Council and MAYOR
of the City of Hermosa Beach, California

ATTEST:

_____, CITY CLERK

APPROVED AS TO FORM:

_____, CITY ATTORNEY

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RESOLUTION NO. 07-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DECLARING ITS INTENTION TO ORDER CERTAIN IMPROVEMENTS AND TO LEVY AND COLLECT ASSESSMENTS WITHIN THE HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008 FOR THE FISCAL YEAR BEGINNING JULY 1, 2007 AND ENDING JUNE 30, 2008, AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING IN RELATION THERETO.

THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The public interest and convenience require, and it is the intention of the City Council of the City of Hermosa Beach, California, to order certain improvements within an existing citywide assessment district for the fiscal year beginning July 1, 2007 and ending June 30, 2008, and to levy and collect assessments against properties within the assessment district for that fiscal year.

SECTION 2. The proposed improvements are the continued maintenance and operation of the streets and sidewalks within the assessment district including the operation, servicing and maintenance of landscaping, lighting and appurtenant facilities that are located in and along such streets and sidewalks.

SECTION 3. The assessment district is designated as the "Hermosa Beach Landscaping and Street Lighting District 2007-2008." The assessment district is comprised of all of the City of Hermosa Beach, as shown on the "MAP OF LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008" on file in the Office of the City Clerk.

SECTION 4. The assessments to be levied and collected against the assessable lots and parcels of land within the assessment district for fiscal year 2007-2008 are not proposed to increase from those levied and collected in fiscal year 2006-2007.

SECTION 5. Reference is hereby made to the report prepared by the Director of Public Works, entitled "Engineer's Report, for Hermosa Beach Landscaping and Street Lighting District 2007-2008," on file in the Office of the City Clerk, for a full and detailed description of the

improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the assessment district.

SECTION 6. The improvements shall be provided pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 (Section 22500, et seq.) of the Street and Highways Code of the State of California, and in accordance with plans and specifications on file in the office of the City Clerk.

SECTION 7. The assessment shall be levied and collected at the same time and in the same manner and with the same interest and penalties as general taxes of the City, which are collected for the City by the Los Angeles County Tax Collector.

SECTION 8. Public property owned by any public agency and in use in the performance of a public function, which is included within the boundaries of the assessment district shall be omitted and exempt from the assessment to be made to cover the costs and expenses of the improvements.

SECTION 9. To expedite the making of the improvements, the City Council may transfer into the "Hermosa Beach Landscaping and Street Lighting District 2007-2008 Fund," out of any money in the General Fund, any sums as it shall deem necessary, and the sums so transferred shall be deemed a loan to such fund and shall be repaid in accordance with the Landscaping and Lighting Act of 1972.

SECTION 10. NOTICE IS HEREBY GIVEN that Tuesday, June 12, 2007, at the hour of 7:30 PM in Civic Center Council Chambers, 1315 Valley Drive, Hermosa Beach, California, is appointed as the date, time and place for hearing protests to the question of approving and confirming the levy of the proposed assessment.

SECTION 11. The City Clerk is hereby authorized, designated and directed to give notice of the public hearing in the time, form and manner required by law.

SECTION 12. The EASY READER, a weekly newspaper of general circulation circulated within the City, is hereby designated as the newspaper in which said notice shall be published.

SECTION 13. This Resolution shall take effect immediately. The City Clerk shall certify to the passage and adoption of this Resolution, shall cause the original of the same to be

entered among the original resolutions of the City Council and shall make a minute of the passage and adoption thereof in the minutes of the City Council meeting at which the same is passed and adopted.

PASSED, APPROVED and ADOPTED this 8th day of May, 2007.

PRESIDENT, of the City Council and MAYOR
of the City of Hermosa Beach, California

ATTEST:

, CITY CLERK

APPROVED AS TO FORM:

, CITY ATTORNEY

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