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DATE: June 30, 2010

TO: Honorable Mayor and City Council Members

FROM: Economic and Community Development Department

SUBJECT: **PUBLIC HEARING REGARDING THE FORMATION OF CITYWIDE LIGHTING DISTRICT 2010-1**

**SYNOPSIS**

Staff recommends that the City Council conduct a public hearing to hear public testimony regarding the formation of the Citywide Lighting District 2010-1; receive ballots prior to the close of the public hearing; and upon close of the public hearing, continue the public hearing to July 14, 2010.

**BACKGROUND**

On May 5, 2010, the City Council adopted resolutions initiating the proceedings for the formation of the Citywide Lighting District 2010-1, conducting a property owner balloting, and setting a public hearing for June 30, 2010. Ballots were mailed out to affected property owners; information was also mailed out to the affected property owners; and a public meeting was held on June 9, 2010 to provide additional information.

**ANALYSIS**

The City Council is required to conduct a public hearing regarding the formation of Lighting District 2010-1. The public hearing provides all interested person(s) an opportunity to be heard, either in writing or orally at the public hearing, regarding the formation and proposed assessments.

A property owner balloting was conducted to determine whether a majority protest exists for the proposed Lighting District 2010-1. Affected property owners will have until the close of the public hearing to submit ballots in order for the ballots to be counted. As required under the law, the ballots must remain sealed until the public hearing is officially closed.

Due to the estimated amount of time required to open and tabulate the ballots after the close of the public hearing, the ballots will be opened and tabulated on July 1, 2010 and July 2, 2010 in the Civic Center's Community Rooms. The public hearing will be continued to July 14, 2010, at which time the City Council will be requested to adopt a resolution declaring the results of the property owner ballots regarding the formation of the Citywide Lighting District 2010-1.

Staff conducted a public information meeting on June 9, 2010 in the Civic Center's Community Rooms. At that meeting and from telephone calls from property owners, the following were the most frequently asked questions:

(1) How were the 3 different benefit zones determined? Answer: The 3 different zones reflect the proportional special benefits that each property receives from the specific local streetlight improvements, with Zone 1 receiving the most benefit and Zone 3 receiving the least.

(2) How was the assessment amount determined? Answer: The City's consultant, Willdan Financial Services, performed a benefit analysis with respect to each of the streetlights to be included in Lighting District 2010-1; how each property was affected; and what was needed to cover both the Gas Tax Fund contribution of \$390,000, the General Fund contribution of \$410,000 and to build a reserve for future replacement of the streetlights.

(3) What is the annual assessment inflator? Answer: The purpose of establishing an annual assessment inflator is to provide for an annual inflationary adjustment that is associated with providing electricity, materials and maintenance services.

(4) Is this assessment in addition to the current assessment being levied? Answer: The assessment for the proposed Citywide Lighting District 2010-1 (e.g., \$12.94 per year for a typical single-family residence) is in addition to the current assessment of \$15.80 per year for Lighting District 2-1991. The total a typical single-family residence is assessed would be \$28.74 per year.

### **FISCAL IMPACT**

If approved, the assessments for Lighting District 2010-1 will cover the operating shortfall of the existing Citywide Lighting District 2-1991. The new assessments will eliminate the need for the transfer of \$400,000 from the General Fund, the transfer of \$390,000 from the Gas Tax Fund and would establish a reserve to replace the streetlights in the future.

If the property owners disapprove the formation of Citywide Lighting District 2010-1, in order to maintain the same level of service Lighting District 2-1991 will need to either continue to depend on General Fund and Gas Tax Fund contributions or find other sources of revenue. An alternative is a reduction in the level of service such as reducing the hours that the streetlights are kept on and/or reducing the level of streetlight and/or traffic signal maintenance.

### **COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The City Council is required under state law to hold a public hearing on the proposed assessment. The City Council must consider all objections to the proposed assessment. At the conclusion of the public hearing, an impartial person designated by the agency who does not have a vested interest in the outcome of the proposed assessment shall tabulate the assessment ballots submitted, and not withdrawn, in support of or opposition to the proposed assessment.

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 its favor, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

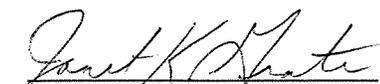
If there is a majority protest against the imposition of a new assessment or an increase in an existing assessment, the agency shall not impose the assessment. The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing.

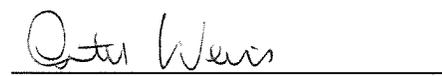
**RECOMMENDATION**

Staff recommends that the City Council conduct a public hearing to hear public testimony regarding the formation of the Citywide Lighting District 2010-1; receive ballots prior to the close of the public hearing; and upon close of the public hearing, continue the public hearing to July 14, 2010.

PREPARED BY:

SUBMITTED BY:

  
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Program Specialist

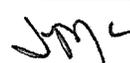
  
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City Manager

REVIEWED BY:

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Jane McVey, Economic & Community Development Director

Douglas E. Eddow, Real Property Manager


Attachment: Zone Map

