



DATE: June 5, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Property Management Division

SUBJECT: **RESOLUTIONS CONFIRMING THE ASSESSMENTS FOR FY 2013-14, AND ORDERING THE ASSESSMENTS TO BE LEVIED FOR FY 2013-14 FOR THE OCEANSIDE LIGHTING DISTRICT, ASSESSMENT DISTRICT NO. 2-1991; AND APPROVAL OF THE TRANSFER OF \$390,000 IN GAS TAX FUNDS AND \$10,000 IN ENERGY FEES**

SYNOPSIS

The Landscaping and Lighting Act of 1972 requires the annual renewal of the citywide lighting district in order to levy and collect assessments for the following fiscal year. To accomplish the renewal, the City Council must hold a public hearing and adopt resolutions approving the Engineer's Report and confirming the diagram and assessments, and ordering the assessments to be levied for FY 2013-14 for the Oceanside Lighting District, Assessment District No. 2-1991; and approve the transfer of \$390,000 in Gas Tax Funds and \$10,000 in Energy Fees.

BACKGROUND

The Oceanside Lighting District, Assessment District No. 2-1991 ("District") was formed in 1991 pursuant to the authority granted by the Landscaping and Lighting Act of 1972 of the California Streets and Highways Code. The formation of the District eliminated the eight separate lighting districts covering various sections of the City of Oceanside ("City"), and provides the means to finance the operation and maintenance of the street lighting system on the public streets within the City.

Each year the City Council is required to conduct a public hearing regarding the proposed fiscal year assessments to be levied within the District. The public hearing provides all interested persons an opportunity to be heard, either in writing or orally at the public hearing, regarding the renewal and assessments. Since the formation of the District the assessments for the property owners within the District have remained the same.

ANALYSIS

On May 1, 2013 the City Council adopted Resolution 13-R0315-1 approving the Engineer's report for the annual renewal of the District. As part of the public hearing process regarding the proposed FY 2013-14 assessments to be levied within the

District, after consideration of the evidence submitted, the City Council is requested to adopt resolutions confirming the diagram and assessments for FY 2013-14.

The general benefit zone is comprised of the streetlights located on the prime, major and secondary arterials. The general benefit zone costs, which include the City's share of the state freeway and highway lighting costs for these streets, are assessed against each parcel of land within the District. The local benefit zone is comprised of property which fronts or adjoins a collector or local street. Property within this zone is assessed its proportionate share of the costs associated with the lighting system as well as its share of the general benefit zone costs. The benefit units assigned to a parcel are based on similar factors used to calculate the City's thoroughfare fees. The use of the property is the determining factor in the corresponding benefit unit assignment. Single-family residential homes are assigned 10 benefit units whereas shopping centers are assigned 500 benefit units per acre. An itemized outline of District costs, including the calculation of the average annual assessment per benefit unit, is summarized in the Engineer's Report and in Exhibits A, B and D. Exhibit C of the Engineer's Report includes the proposed assessments to be levied against each lot and parcel of real property within the District. Exhibit C is available for review in the City Clerk's office. The City Council is required to conduct a public hearing regarding the proposed FY 2013-14 assessments to be levied within the District. The public hearing provides all interested persons an opportunity to be heard, either in writing or orally at the public hearing, regarding the renewal and assessments.

Alternative Analysis

The current amount of revenue generated from the levy of the annual assessments is not sufficient to cover the cost to effectively operate and maintain the street lighting system within the City. The assessments levied within the District have not been increased since 1991, the year the citywide lighting district was formed. A single-family residence is assessed \$15.80 annually. Although the assessment revenue has not increased since 1991, the District expenditures have increased over the years. Electric consumption is one of the largest components of the overall expenditures that have steadily increased. Currently, the cost to provide electricity to operate the approximately 8,299 streetlights within the City boundaries is approximately \$61,000 a month. Also, as new development occurs, additional streetlights that are installed add to the operational expenses;

Table: 1

Revenue

• Annual Assessments	\$1,142,695
• Energy Fees	\$ 10,000
• Interest	\$ 3,000
• Transfer From Gas Tax	\$ 390,000

• Transfer From Fund Balance	\$	<u>0</u>	
Total			\$1,545,695
Expenses			
• Personnel	\$	49,512	
• Material/Operating	\$	9,000	
• Radio Network	\$	1,600	
• Utilities/Traffic Signals	\$	815,000*	
• Interfund	\$	7,064	
• Debt	\$	253,519	
• Transfer To Street Lighting Maintenance	\$	<u>410,000</u>	
			<u>\$1,545,695</u>
Difference (Surplus/Shortfall)	\$		<u>0</u>

*Total Expenses Without Energy Reserves

FISCAL IMPACT

The annual assessments are entered on the property tax roll, collected by the County of San Diego and deposited into the District Fund 221. The total amount of the assessments levied for FY 2013-14 is anticipated to be \$1,142,695 and the expenditures for FY 2013-14 are estimated at \$1,545,695 without an energy contingency reserve.

In addition to the assessments of \$1,142,695 the budgeted revenues for the District Fund 221 include a transfer of \$390,000 from the Gas Tax Fund 213 and an additional \$10,000 from Energy Fees revenue account number 221.4336.0001, in order to meet the Engineer's estimate of expenditures.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

The Landscaping and Lighting Act of 1972 requires the annual renewal of the citywide lighting district in order to levy and collect assessments for the following fiscal year. To accomplish the renewal, the City Council must hold a public hearing and adopt resolutions approving the Engineer's Report and confirming the diagram and assessments, and ordering the assessments to be levied for FY 2013-14 for the Oceanside Lighting District, Assessment District No. 2-1991; and approve the transfer of \$390,000 in Gas Tax Funds and \$10,000 in Energy Fees.

PREPARED BY:



Rosa A. Jones
Contract/Lease Coordinator

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

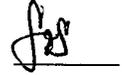
Michelle Skaggs-Lawrence, Deputy City Manager



Douglas E. Eddow, Real Property Manager



Scott O. Smith, City Engineer



Teri Ferro, Financial Services Director



1 RESOLUTION NO.

2 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE, CALIFORNIA, CONFIRMING THE 2013-2014 FISCAL
4 YEAR DIAGRAM AND ASSESSMENT FOR THE OCEANSIDE
5 LIGHTING DISTRICT, ASSESSMENT DISTRICT NO. 2-1991

6 WHEREAS, pursuant to the Landscaping and Lighting Act of 1972, Part 2 of
7 Division 15 of the California Streets and Highways Code of California, Section
8 22500 et seq., hereinafter referred to as the "Act", the City Council of the City of
9 Oceanside adopted Resolution No. 13-R0316-1 declaring its intention to levy and
10 collect assessments for fiscal year 2013-2014 to pay the maintenance, operations
11 and administrative costs for appurtenant improvements within the Oceanside
12 Lighting District, Assessment District No. 2-1991;

13 WHEREAS, said resolution also set a public hearing for June 5, 2013, at 5:00
14 p.m., or as soon thereafter as possible, in the City Council Chambers located at
15 300 North Coast Highway, Oceanside, California, as the time and place to hear
16 protests and objections to the proposed assessment and the renewal of said
17 district.

18 WHEREAS, the City Clerk of the City of Oceanside has given notice of said
19 hearing by publishing the resolution of Intention, as required by Section 22626
20 of the Act;

21 WHEREAS, the Engineer's Report for the Oceanside Lighting District was
22 approved by the Oceanside City Council on May 1, 2013, and no changes have
23 been made to that report.

24 WHEREAS, said Report, on file with the City Clerk of the City of Oceanside,
25 contains a full and detailed description of the boundaries of the assessment district,
26 the proposed assessments to be levied against each assessable lot or parcel of
27 land within the district, and a description of the improvements to be maintained or
28 modified;

1 WHEREAS, the City Council of the City of Oceanside adopted Resolution No.
2 13-R0315-1 which approved the Engineer's Report regarding the district's
3 proposed 2013-2014 costs and assessments;

4 WHEREAS, the City Council of the City of Oceanside has examined and
5 considered the proposed assessment in said Report and proceedings prior thereto,
6 in addition to the evidence presented at said hearing; and

7 WHEREAS, upon completion of said hearing, the City Council of the City of
8 Oceanside determined that a majority protest did not exist.

9 NOW, THEREFORE, the City Council of the City of Oceanside does resolve
10 as follows:

11 SECTION 1. That on June 5, 2013, at 5:00 p.m., said hearing on the
12 proposed 2013-2014 fiscal year assessment and renewal was duly held, and each
13 and every step required under the Act and the California Constitution to levy said
14 assessment and renew said district in the proceedings prior to and including said
15 hearing has been duly taken.

16 SECTION 2. That the City Council does determine that the Engineer's
17 Report, approved by its Resolution No. 13-R0315-1 and the amount of the
18 assessment rates shown in said Report, should be confirmed.

19 SECTION 3. That the City Council does determine that the amounts to
20 be assessed against the individual parcels shown on the assessment diagram
21 contained in said Report are approved and confirmed, and the City Clerk of the
22 City of Oceanside is directed to endorse upon the Engineer's Report for the
23 Oceanside Lighting District its approval and the date thereof.

24 SECTION 4. The City Clerk of the City of Oceanside is directed to file
25 said diagram and assessment as required by Section 22641 of the Act.

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1 PASSED AND ADOPTED by the City Council of the City of Oceanside,
2 California, this _____ day of _____ 2013, by the following vote:

3 AYES:
4 NAYS:
5 ABSENT:
6 ABSTAIN:

7 _____
8 Mayor of the City of Oceanside

9
10 APPROVED AS TO FORM:
11 OFFICE OF THE CITY ATTORNEY

12
13 ATTEST:

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15 _____
16 City Attorney

17 _____
18 City Clerk

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**Resolution confirming the fiscal year 2013-2014 diagram
and assessment for the Oceanside Lighting District,
Assessment District No. 2-1991**