



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MAY 22, 2018**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: RESOLUTION FOR APPROVAL OF THE ENGINEER'S REPORT ON FISCAL YEAR 2018/19 STREET LIGHT ASSESSMENT DISTRICT NO. 1 – SET PUBLIC HEARING

ISSUE:

Adopt a Resolution giving preliminary approval required for the annual levy of special assessments within the Street Light Assessment District No. 1 Engineer's Report; and set a public hearing for the final approval of the levy of special assessments.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution declaring the City's intention to levy and collect assessments for Fiscal Year 2018/19 within Street Light Assessment District No. 1 and approving the Engineer's Report; and
2. Set the required public hearing for final approval of the levy of special assessments on June 26, 2018, at 3:00 p.m.

BACKGROUND:

On March 6, 2018, the City Council adopted a Resolution ordering the preparation of the annual Engineer's Report, which outlines the annual Street Light Assessment District's proposed assessments.

The Street Light Assessment District uses a unit of benefit formula to determine street light assessments for individual properties. The first unit of benefit is the first 199 feet of street frontage, with one additional unit of benefit for each 100 feet of street frontage, thereafter. Residential properties on corner parcels are assessed based on only one street frontage. Non-residential properties on corner parcels are assessed based on all street frontages. Attached is the completed Engineer's Report for the 2018/19 assessments.

DISCUSSION:

The following are the proposed 2018/19 Street Light Assessment District No. 1 assessments, which will continue to be levied at the assessment amounts established in 1997 by Measure EE. The proposed level of assessments will recover approximately 77% of the estimated street light expenditures.

| Benefit Zone | Assessment per Unit of Benefit |
|---|---------------------------------------|
| Residential | \$31.44 |
| Residential – Rural | \$23.76 |
| Condominium, Apartment, & Mobile Homes | \$27.60 |
| Non-Residential (Commercial & Industrial) | \$67.04 |
| Rural | \$2.44 |

The estimated cost for the upcoming assessment period is approximately \$4.6 million. The estimated revenues of \$3.5 million only covers approximately 76% of the cost with the General Fund subsidizing the district in the amount of \$1.1 million annually.

| Budgeted Expenditure | SLAD 2018-19 |
|--|-----------------------|
| Utility Services: Riverside Public Utilities Charges | \$ 4,539,383 |
| Professional Services: Engineer's Report | 20,400 |
| Expenditure Budget Total | \$ 4,559,783 |
| Assessment Revenue Budget | 3,450,000 |
| Under Recovery/General Fund Subsidy | \$ (1,109,783) |

Street Light Assessment District No. 1 procedures require the adoption of a Resolution giving preliminary approval to the 2018/19 Engineer's Report and the proposed assessments. (Due to the size of the proposed assessment roll referred to in the Engineer's Report, it is listed under a separate cover and is on file with the City Clerk.) The Resolution also sets the required public hearing for June 26, 2018, at 3:00 p.m.

FISCAL IMPACT:

The Fiscal Year 2018/19 budget anticipates revenue of approximately \$3,450,000 from the Street Light Assessment District. A subsidy of approximately \$1.1 million is required from the General Fund to cover all current costs of the District, which has been included in the Proposed FY 2018-2020 Two-Year Budget

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| Prepared by: | Edward Enriquez, Assistant CFO/ DeputyTreasurer |
| Certified as to availability of funds: | Adam Raymond, Chief Financial Officer/City Treasurer |
| Approved by: | Marianna Marysheva, Assistant City Manager |

Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution
2. Preliminary 2018/19 Street Light Assessment District No. 1 Engineer's Report
3. Preliminary 2018/19 Street Light Assessment District No. 1 Assessment Roll
4. Preliminary 2018/19 Street Light Assessment District No. 1 Diagrams