



City of Rialto

Legislation Details (With Text)

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Title: Request City Council to Conduct a Public Hearing Regarding the Proposed Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2; Request City Council to Adopt Resolution No.7608 Declaring the Results of the Property Owner Protest Ballot Proceedings Conducted for the Proposed Levy of Assessments Related to the Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2, Commencing in Fiscal Year 2020/2021; and Request City Council to Adopt Resolution No.7609 Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2, the Levy of Annual Assessments Described Therein, and the Assessment Diagram Connected Therewith, and Ordering the Levy and Collection of Assessments Commencing in Fiscal Year 2020/2021 for said Annexation.
(ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment 1 - FY 20-21 LLMD No. 2 Annexation Report_E-Signature.pdf, 2. Attachment 2A - LLMD2 Annex Boundary North_Foothill.pdf, 3. Attachment 2B - LLMD2 Annex Boundary South_Foothill.pdf, 4. PH Reso 1.pdf, 5. PH Reso 2.pdf, 6. PH - Power Point Presentation.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|--------|--------|
| 4/28/2020 | 1 | City Council | | |

For City Council Meeting [April 28, 2020]

TO: Honorable City Council

APPROVAL: Rod Foster, City Manager

FROM: Stephen Erlandson, Deputy City Manager
Savat Khamphou, Public Works Director/City Engineer
Matt Schneider, Community Development Director

Request City Council to Conduct a Public Hearing Regarding the Proposed Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2; Request City Council to Adopt **Resolution No.7608** Declaring the Results of the Property Owner Protest Ballot Proceedings Conducted for the Proposed Levy of Assessments Related to the Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2, Commencing in Fiscal Year 2020/2021; and Request City Council to Adopt **Resolution No.7609** Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2, the Levy of Annual Assessments Described Therein, and the Assessment Diagram Connected Therewith, and Ordering the Levy and Collection of Assessments Commencing in Fiscal Year 2020/2021 for said Annexation.
(ACTION)

BACKGROUND:

The Landscaping and Lighting Act of 1972, (the “Act”), beginning with Section 22500 of the California Streets and Highways Code, authorizes the City Council to establish a special district to pay for the costs to operate and maintain public improvements that benefit private properties. In January 2005, the City Council established Rialto Landscaping and Lighting Maintenance District No. 2 (LLMD 2) to fund costs for the operation of new street lights added to the City’s street light system, and to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development. LLMD 2 is currently comprised of seventy-three (73) separate areas throughout the City, the annexation of which occurred along with various developments approved after 2005. Within LLMD 2, the City currently maintains a total of over 24.53 acres of landscaped areas.

The City established LLMD 2 to annex the public landscaping and lighting related to all new developments within the City. In contrast with LLMD 1, the City may annually adjust the special assessments for inflation, using the Consumer Price Index (CPI). The City conditions new development to annex into LLMD 2 to fund maintenance of exterior landscaped parkways or medians, and/or new streetlights. Proposition 218 allows for the maximum special assessment rate, levied under LLMD 2, to increase annually by the percentage increase of the Local CPI for the Riverside-San Bernardino-Ontario Area for All Urban Consumers from January to January, as originally approved by the voters.

ANALYSIS/DISCUSSION:

The City approves land development projects with conditions to construct parkway and/or median landscaping, and to install City streetlights. Developers must annex into LLMD 2 as a condition of the City’s acceptance of any publicly maintained landscaping and/or street lighting.

Staff currently recommends annexation of the following development projects into LLMD2. The annexation includes the projects identified below and, in the Engineer’s, Report included in **Attachment 1**. Additionally, a vicinity map showing past annexations and proposed annexations has been included as **Attachments 2A and 2B**:

Residential Annexations:

PPD 2019-0041 (Tract 18827 - MV AMCV, LLC): This private residential neighborhood is comprised of thirty (30) detached single-family residences, ranging in size from 1,737 square feet to 2,234 square feet, and associated paving, open space, landscaping, lighting, fencing, and storm water retention. The project site is located on the east side of Spruce Avenue approximately 300 feet south of San Bernardino avenue within the Planned Residential Development-Detached (PRD-D) zone. This development is being annexed to the District as part of Zone 7 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

Non-Residential Annexations:

PPD 2017-0040 (Steens Holdings, LLC): This development consists of a truck depot on 1.11 gross acres of land located at the southeast corner of Cameron Way and Date Avenue within the Heavy Industrial (H-IND) zone of the Agua Mansa Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2017-0089 (Panattoni Development Company Inc.): This development is a 404,837 square foot tilt-up industrial building located on the south side of Valley Boulevard between Spruce Avenue within

the Industrial Park (I-P) zone of the Gateway Specific Plan. This development is being annexed to the District as part Zone L for Fiscal Year 2020-2021 to provide funding for the lighting associated with the development.

PPD 2017-0102 (DPIF2 CA 7 Rialto, LLC): This development is a 411,330 square foot tilt-up industrial warehouse building with 10,000 square feet of office located within Planning Area 108 (Business Center) of the Amended Renaissance Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscape and lighting associated with the development.

PPD 2018-0002 (Darvish Investment Group, LLC): This development consists a 48,532 square foot retail shopping center with future Pad 'E' on 5.35 gross acres of land located at the southeast corner of Foothill boulevard and Cedar Avenue within the Commercial Pedestrian (C-P) zone of the Foothill Boulevard Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2018-0005 (CH Realty VIII/I Rialto Alder North): This development consists of 188,712 square foot industrial warehouse distribution facility on 8.84 net acres of land located on the southwest corner of Alder Avenue and Walnut. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2018-0025 (CH Realty VIII/I Rialto Alder South): This development is a 255,173 square foot industrial warehouse facility on 10.48 acres of land located at the northwest corner Alder Avenue and Baseline Road, within the Employment (EMP) zone of the Renaissance. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2018-0029, 0030, 0031 (DPIF2 CA 16 Rialto2, LLC): This development is for three (3) industrial buildings 7, 8, & 9. The project site is located within the Renaissance Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2018-0047 (CDRE Holdings 12, LLC): This development is a 74,446 square foot industrial warehouse building and associated paving, drainage, lighting, fencing, and landscaping on 3.72 gross acres of land located on the south side of Valley Boulevard approximately 330 feet east of Lilac Avenue within the Industrial Park (I-P) zone of the Gateway Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2018-0066 (CDRE Holdings 13, LLC): This development is a 78,680 square foot industrial warehouse building and associated paving, drainage, lighting, fencing, and landscaping on 4.44 gross acres of land located on the west side of Alder Avenue approximately 170 feet south of Miro Way within the Employment (EMP) zone of the Renaissance Specific Plan. This development is being annexed to the District as part of Zone 2 for Fiscal Year 2020-2021 to provide funding for the landscaping associated with the development.

PPD 2018-0100 (Synergistic Properties, LLC): This development is an 8,798 square foot animal

hospital building on an existing 44,014 square foot parcel of vacant land located on the west side of Ayala Drive between Fitzgerald Avenue and Lieske Drive. The project is within the Employment (EMP) zone of the Renaissance Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

PPD 2019-0063 (Sirwin Enterprises, LLC): This development, Phase-1, includes a 4,500 square foot convenience store and Quick Service Restaurant building, an overhead fuel canopy with 6 fuel islands/12 fuel dispensers, and an automated car wash. Future Phase - 2 will include, a 3,000 square foot drive thru restaurant, and an 8,500 square foot multi-tenant. The project site is 2.98 gross acres of vacant land located on the southwest corner of the Ayala Drive and Casmalia Street intersection within the Freeway Incubator (FI) zone of the Renaissance Specific Plan. This development is being annexed to the District as part of Zone 2 and Zone L for Fiscal Year 2020-2021 to provide funding for the landscaping and lighting associated with the development.

The City proposes to annex these areas into LLMD 2 to fund, in whole or in part, the expenses required to service and maintain the improvements that provide special benefits to those parcels.

The City previously engaged Webb Municipal Finance as the City's Assessment Engineer to prepare an Engineer's Report identifying the properties for annexation into LLMD 2 and levying the special assessments against those properties beginning July 1, 2020. In order to establish an appropriate special benefit connection between the improvements, services provided and the benefits to specific properties, the City has established Zones of benefit within LLMD 2. Based on the various improvements, services and the type of property, the Engineer's Report assigns each property to a Zone. The Engineer's Report then allocates to all properties the net annual costs to provide services to each Zone within LLMD 2 using a weighted method to ensure that each property receives a reasonable assessment for the special benefits it receives.

The California Constitution requires a protest ballot proceeding prior to the proposed levy of new assessments as described in the Engineer's Report. On April 14, 2020, the City Council adopted Resolution No. 7602 setting a Public Hearing to consider annexation to Rialto Landscaping and Lighting District No. 2 for April 28, 2020. Subsequently, Webb Municipal Finance (on behalf of the City Clerk) mailed public notices and official ballots to the property owner of record for the property annexed into LLMD 2. At the close of the Public Hearing, the City Clerk will open and tabulate the ballots received to determine if the annexation has passed.

Since each of these developments must annex into LLMD 2 as a condition of approval, the City must tabulate the ballots separately rather than collectively as a single annexation. If the property owners of a project do not vote in favor of the annexation, the City will remove that development from the annexation. If the annexation passes, the City Council may approve the Engineer's Report, approve the related assessment diagrams, order the annexation of the various properties and confirm the assessments as described in the Engineer's Report. If approved by the City Council, the City will include the assessments in the annual LLMD 2 Engineer's Report for fiscal year 2020/2021 and submit to the San Bernardino County Auditor/Controller for inclusion on the property tax rolls for each of the affected parcels.

ENVIRONMENTAL IMPACT:

The administrative process to annex properties into a Special District is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means

the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3 in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

This action is also consistent with the following goals and policies:

Goal 2-11: Design streetscapes in Rialto to support and enhance the City's image as a desirable place to live, work, shop, and dine.

Policy 2-11.1: Require the screening of commercial or industrial parking areas, storage yards, stockpiles, and other collections of equipment from the public right-of-way.

Policy 2-11.2: Provide and maintain street trees and parkway landscaping within the public right-of-way for developed properties within Rialto. Require private development to do the same as per City design regulations.

Policy 2-11.4: Incorporate street trees and other landscape treatments along corridors to provide sufficient shade canopy and promote pedestrian comfort.

Policy 2-11.5: Require that projects with perimeter walls (including gated residential communities) provide an interesting streetscape, with pedestrian access to major travel ways.

LEGAL REVIEW:

The City Attorney has reviewed and supports the staff report, resolutions and Engineer's Report.

FINANCIAL IMPACT:

The initial Maximum Assessment Rate proposed for the proposed annexation will be as follows:

| Annexation PPD No. | Owner | FY 20/21 Maximum Assessment Landscape | FY 20/21 Maximum Assessment Lighting | Type of Development |
|-------------------------|-------------------------------------|--|---|------------------------|
| PPD 2017-0040 | STEENS HOLDINGS LLC | \$1,341.13 | \$130.57 | Industrial |
| PPD 2017-0089 | PANATTONI DEVELOPMENT COMPANY, INC | \$0.00 | \$1,298.89 | Industrial |
| PPD 2017-0102 | DPIF2 CA 7 RIALTO LLC | \$705.83 | \$964.44 | Industrial |
| PPD 2018-0002 | DARVISH INVESTMENT GROUP LLC | \$668.98 | \$556.67 | Commercial |
| PPD 2018-0005 | CH REALTY VIII/I RIALTO ALDER NORTH | \$478.79 | \$463.89 | Industrial |
| PPD 2018-0025 | CH REALTY VIII/I RIALTO ALDER SOUTH | \$1,217.92 | \$835.00 | Industrial |
| PPD 2018-0029, 030, 031 | DPIF2 CA 16 RIALTO2 LLC | \$1,414.15 | \$1,634.75 | Industrial |
| PPD 2018-0047 | CDRE HOLDINGS 12 LLC | \$417.54 | \$92.78 | Industrial |
| PPD 2018-0066 | CDRE HOLDINGS 13 LLC | \$84.60 | \$0.00 | Industrial |

| | | | | |
|---------------|----------------------------|-------------|----------|-------------|
| PPD 2018-0100 | SYNERGISTIC PROPERTIES LLC | \$634.76 | \$214.32 | Commercial |
| PPD 2019-0041 | MV AMCV LLC | \$17,148.60 | \$151.01 | Residential |
| PPD 2019-0063 | SIRWIN ENTERPRISES LLC | \$1,327.12 | \$463.89 | Commercial |

The Maximum Assessment Rate will increase by an annual inflationary adjustment based on the annual percentage change in the local Consumer Price Index as reported by the United States Department of Labor, Bureau of Labor Statistics, for the Riverside-San Bernardino-Ontario Area for All Urban Consumers annually beginning Fiscal Year 2021/2022. If the City annexes these areas into LLMD2, beginning July 1, 2020, the City will levy and collect increased special assessments of at least \$32,245.63 for fiscal year 2020/2021. These revenues will be budgeted accordingly in fiscal year 2020/2021.

Capital Improvement Budget Impact:

There is no impact to the Capital Improvement Budget related to the annexation of developments into the LLMD 2.

Licensing:

A Business License application and payment of a Business License tax is not required for this action.

RECOMMENDATION:

Staff recommends that the City Council:

- Conduct a Public Hearing and take public testimony regarding the proposed annexation of territory to the Rialto Landscaping and Lighting District No. 2;
- Close the Public Hearing and tabulate the ballots received;
- Adopt a Resolution Declaring the Results of the Property Owner Protest Ballot Proceedings Conducted for the Proposed Levy of Assessments Related to the Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2, Commencing in Fiscal Year 2020/2021; and
- Adopt a Resolution Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2, the Levy of Annual Assessments Described Therein, and the Assessment Diagram Connected Therewith, and Ordering the Levy and Collection of Assessments Commencing in Fiscal Year 2020/2021 for Said Annexation.