



# City of Rialto

## Legislation Text

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For City Council Meeting [April 24, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Robb R. Steel, Interim City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to **1)** Conduct a Public Hearing Regarding the Proposed Annexation of Territory to the Rialto Landscaping and Lighting District No. 2; **2)** Adopt **Resolution No. 7325** 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 District No. 2, Commencing in Fiscal Year 2018/2019; **3)** Adopt **Resolution No. 7326** Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting 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 2018/2019 for Said Annexation.

**(ACTION) POWERPOINT**

### **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.

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 that new development annex into LLMD 2 to fund maintenance of exterior landscaped parkways or medians, or new streetlights. Proposition 218 allows the special assessments levied under LLMD 2 to increase commensurate with the CPI without a vote by the payees.

This annexation was previously before the Council on March 27, 2018. At that time, Council requested that the scope of the maintenance be limited only to the north side of Renaissance Parkway eliminating the southern portion owned by the San Bernardino County Flood Control District. The revised Engineer's Report reflects these changes.

### **ANALYSIS/DISCUSSION:**

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

Staff currently recommends the following development projects for annexation into LLMD2. The annexation includes the projects identified below and in the Engineers Report included in **Attachment 1**:

### ***Non-Residential Annexations***

**PPD 2017-0066:** This development consists of a 10,486 square foot restaurant (Cracker Barrel) and three multi-unit commercial buildings ranging in size from 4,300 square feet to 4,900 square feet (Pads 1, 3, 4 and 5) in the Renaissance East commercial center. The project site is located at the northeast corner of Renaissance Parkway and Ayala Drive within the Freeway Incubator (FI) zone of the Renaissance Specific Plan. The City proposes to annex this development into the District as part of Zone 2 for Fiscal Year 2018/19 to provide funding for street lighting and landscaping associated with the development.

The City proposes to annex this area 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 Willdan Financial Services 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, 2018. 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 City assigns each property to a Zone. The net annual costs to provide services to each zone within LLMD 2 are then allocated to all properties using a weighted method to ensure that each property receives a reasonable assessment for the special benefits received.

The California Constitution requires a protest ballot proceeding prior to the proposed levy of new assessments as described in the Engineer's Report, with a minimum 45-day notice of a public hearing prior to the City Council's consideration of the annexation. In this case, the City of Rialto and the City of Rialto Successor's Agency are the property owners and waived the 45-day notice period. On April 10, 2018, the City Council adopted Resolution No. 7311 setting a Public Hearing to consider annexation to Rialto Landscaping and Lighting District No. 2 for April 24, 2018. Subsequently, the City mailed public notices and official ballots to the property owners of record for the various properties to be annexed into LLD2. 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 the 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 2018/2019, and submit it to the San Bernardino County Auditor/Controller for inclusion on the property tax rolls for

each of the affected parcels. A boundary map showing the Landscape and Lighting District No. 2 LLD2 Parcels and new annexation areas is included as **Attachment 2**.

**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 3A 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 approved the staff report, resolutions and Engineer’s Report.

**FINANCIAL IMPACT:**

**Operating Budget Impact**

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

Proposed Property	Type of Development	Initial (FY 18/19) Maximum Assessment
PPD 2017-0066 (Renaissance East)	Non-Residential	\$7,763.74

If this area is annexed into LLMD2, beginning July 1, 2018, the City will levy and collect increased special assessments up to approximately \$7,763.74 for fiscal year 2018/2019. These revenues will be budgeted toward services accordingly in fiscal year 2018/2019.

The southern portion of Renaissance Parkway adjacent to the San Bernardino County Flood Control District is not included in this annexation. The annual assessment amount necessary to maintain landscape in this location is \$6,698.71.

Excluded Property	Type of Development	Initial (FY 18/19) Maximum Assessment
San Bernardino County Flood Control APN 0264-151-94	Non-Residential	\$6,698.71

Annual fees for the annexation process are included in the current budget for Public Works.

#### Capital Improvement Budget Impact

This action will not affect the Capital Improvement Budget.

#### Licensing

A Business license application and payment of a Business License tax is not required.

#### **RECOMMENDATIONS:**

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; and
- Close the Public Hearing and tabulate the ballots received; and
- 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 District No. 2, Commencing in Fiscal Year 2018/2019; and
- Adopt a Resolution Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting 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 2018/2019 for Said Annexation.