



# City of Rialto

## Legislation Text

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File #: CC-18-1076, Version: 1

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For City Council Meeting [November 27, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Ahmad R. Ansari, Interim City Administrator

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

Request City Council to Conduct a Public Hearing Regarding the Proposed Annexation of Territory to the Rialto Landscaping and Lighting District No. 2; Request City Council to Adopt **Resolution No. 7429** 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 2019/2020; and Request City Council to Adopt **Resolution No. 7430** 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 2019/2020 for said Annexation. **(POWERPOINT)**  
**(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 Special Districts 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 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 sixty-two (62) 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 23.13 acres of landscaped areas.

The City established LLMD 2 to annex the public lighting and landscaping improvements related to new development within the City. In contrast with the older Landscape Maintenance District No. 1 (LMD1), the City may annually adjust the special assessments of LLMD 2 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 street lights.

### **ANALYSIS/DISCUSSION:**

The City conditioned several development projects to construct parkway and/or median landscaping, and to install City street lights. Annexation into LLMD 2 is a condition of the City's acceptance of any publicly maintained landscaping or street lighting.

Staff currently recommends the following development projects to be annexed into LLMD 2. The annexation includes the projects identified below and in the Engineer's Report included in **Attachment 1**:

### ***Residential Annexations***

**PPD 2018-0019 (Margarita Homes):** This residential development consists of twenty-nine (29) single-family residences and associated paving, lighting, fencing, landscaping, and amenities on 4.59 net acres of land located on the east side of Cactus Avenue approximately 280 feet north of Baseline Road within the Multi-Family Residential (R-3) zone. This tract is being annexed into Zone 1 for Fiscal Year 2019/2020 to provide funding for maintenance and operation of street lighting and landscaping improvements associated with the proposed development.

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

**PPD 2434 (Tamarind Warehouse):** This development consists of a 384,893 square foot warehouse on 16.93 acres of land located on the east side of Tamarind Avenue, approximately 250 feet south of Walnut Avenue within the Planned Industrial Development (I-PID) Zone of the Rialto Airport Specific Plan. The City will annex this development to the District as part of Zone 2 for Fiscal Year 2019/2020 to provide funding maintenance and operation of street lighting and landscaping improvements associated with the proposed development.

**PPD 2435 (Persimmon Warehouse):** This development consists of a 473,455 square foot warehouse on 21.61 acres of land located on the west side of Locust Avenue, approximately 520 feet south of Persimmon Street within the General Manufacturing (I-GM) Zone of the Rialto Airport Specific Plan. The City will annex this development to the District as part of Zone 2 for Fiscal Year 2019/2020 to provide funding for maintenance and operation of street lighting and landscaping improvements associated with the proposed development.

**PPD 2017-0077 (Wheeler Trucking):** This development consists of a 13,400 square foot industrial building, a 19,200 square foot canopy, and associated paving, lighting, fencing, and landscaping at an existing truck and trailer storage yard. The City will annex this development to the District as part of Zone 2 for Fiscal Year 2019/2020 to provide funding for maintenance and operation of street lighting and landscaping improvements associated with the proposed 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 has previously engaged Willdan Financial Services as the City's Assessment Engineer to prepare an Engineer's Report identifying the properties to be annexed into LLMD 2, and the special assessments to be levied against those properties beginning July 1, 2019.

In order to establish an appropriate special benefit connection between the improvements and 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, each property has been assigned to a Zone. The Engineer's Report allocates the net annual costs to provide services to each Zone within LLMD 2 using a weighted method to ensure a fair apportionment of special benefits to each property.

The California Constitution requires a protest ballot proceeding for the proposed levy of new assessments as described in the Engineer's Report, and a minimum 45-day notice of a public hearing prior to the City Council's consideration of the annexation. On September 25, 2018, the City Council adopted Resolution No. 7419 setting a Public Hearing to consider annexation to Rialto Landscaping and Lighting District No. 2 for November 27, 2018. Subsequently, the City mailed public notices and official ballots to the property owners on record for the various properties to be 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 2019/2020, and submit 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 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:**

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

<b>Proposed Property</b>	<b>Type of Development</b>	<b>Initial Maximum Assessment</b>
PPD 2434 (Tamarind Warehouse)	Non-Residential	\$4,364.25
PPD 2435 (Persimmon Warehouse)	Non-Residential	\$1,776.96
PPD 2017-0077 (Wheeler Trucking)	Non-Residential	\$1,511.12
PPD 2018-0019 (Margarita Homes)	Residential	\$11,323.63
<b>Total</b>		<b>\$18,975.96</b>

If these areas are annexed into LLMD 2, beginning July 1, 2019, the City will levy and collect increased special assessments of approximately \$18,975.96 for fiscal year 2019/2020. These revenues will be budgeted accordingly in fiscal year 2019/2020.

#### **Operating Budget**

There is no operating budget impact related to the annexation of developments into the LLMD2.

#### **Capital Improvement Budget**

There is no impact to the Capital Improvement Budget related to the annexation of developments into the LLMD2.

#### **Licensing**

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

#### **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 2019/2020; 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 2019/2020 for Said Annexation.