



# City of Rialto

## Legislation Text

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For City Council Meeting [September 27, 2022]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Tim Sullivan, Director of Maintenance and Facilities

Request City Council to: (1) Conduct a Public Hearing Regarding the Proposed Annexation of Territory to the Rialto Landscaping and Lighting Maintenance District No. 2; (2) Request City Council to Adopt **Resolution No. 7979** 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 2022/2023; and (3) Request City Council to Adopt **Resolution No. 7980** 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 2022/2023 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 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 No. 2) to fund costs for the operation of new streetlights 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 No. 2 to annex the public landscaping and lighting related to all new developments within the City. In contrast with LLMD No. 1, the City may adjust the special inflation assessments using the Consumer Price Index (CPI) annually. The City conditions new development to annex into LLMD No. 2 to fund maintenance of exterior landscaped parkways, medians, and/or new streetlights. Proposition 218 allows for the maximum special assessment rate, levied under LLMD No. 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 No. 2 as a condition

of the City's acceptance of any publicly maintained landscaping and/or street lighting.

Staff recommends annexation of the following development projects into LLMD No. 2. The annexation includes the projects identified below and in the Engineer's Report included in **Attachment 1**.

**Non-Residential Annexations:**

PPD 2018-0105: This development consists of one (1) parcel proposed for the development of a shopping center on 1.61 acres of land.

PPD 2020-0026: This development consists of three (3) parcels proposed for an industrial development on 11.81 acres of land.

PPD 2021-0013: This development consists of one (1) parcel proposed for a commercial development on 13.22 acres of land.

**Residential Annexations:**

PPD 2021-0011: This development consists of four (4) parcels proposed for the development of 32 single-family residential units on 4.75 acres of land.

The City proposes to annex this area into LLMD No. 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 No. 2 and levying the special assessments against those properties beginning July 1, 2022. 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 No. 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 No. 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 September 13, 2022, the City Council adopted Resolution No. 7965 setting a Public Hearing to consider the annexation to Rialto Landscaping and Lighting Maintenance District No. 2 for September 27, 2022. 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 No. 2. At the close of the Public Hearing, the City Clerk will open and tabulate the ballots received to determine if the annexation of each PPD 0has passed.

Since each of these developments must annex into LLMD No. 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 the City Council approves, the

City will include the assessments in the annual LLMD No. 2 Engineer's Report for Fiscal Year 2023/2024 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 LLMD 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 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 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:

Annexation PPD No.	Owner	FY 22/23 Maximum Assessment Landscape	FY 22/23 Maximum Assessment Lighting	Type of Development
PPD 2018-010	PROPERTY PLUS MOBIL, LLC	\$524.04	\$104.57	Commercial
PPD 2020-002	OP LILAC LLC	\$7,646.33	\$209.15	Industrial
PPD 2021-001	RICHMOND AMERICAN HOMES OF MARYLAND INC	\$9,036.30	\$52.29	Residential
PPD 2021-001	TRAVEL CENTER REALTY, LLC	\$34,673.36	\$257.46	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 2023/2024.

**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 Maintenance 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 Maintenance District No. 2, Commencing in Fiscal Year 2022/2023; 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.