



## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

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**File ID:** 2019-00071

May 14, 2019

**Consent Item 16**

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**Title:** Power Inn Road Maintenance District No. 2003-01 - Initiate Proceedings

**Location:** District 6

**Recommendation:** Adopt a Resolution approving the Engineer's Annual Report and Intention to Order Maintenance of Improvements for Fiscal Year 2019/20 and setting a time and place for a Public Hearing on June 4, 2019.

**Contact:** Arwen Wacht, Program Specialist, (916) 808-7535; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Schedule of Proceedings
- 3-Resolution – Approving Engineer's Annual Report
- 4-Exhibit A – District Map
- 5-Exhibit B – FY2019/20 District Budget & Parcel Assessment

## Description/Analysis

**Issue Detail:** On July 29, 2003, Council approved formation of the Power Inn Road Maintenance District No. 2003-01 (District). This District provides funding for the maintenance of the landscaped corridor located along the frontage of lots adjacent to Power Inn Road between 14<sup>th</sup> Avenue and the Regional Transit overcrossing located just south of Folsom Boulevard (see Attachment 4, Exhibit A). The landscaped corridor is designated as the area between the separated sidewalk and the curb and gutter.

The California Streets and Highways Code requires that an annual report be presented to Council for approval. Approval of the annual report and budget will authorize the City to collect assessments in the amount sufficient to provide partial funding for maintenance of the landscaped areas adjacent to the parcels within the District.

The District funds only a portion of the total cost of providing maintenance services to the District. The Engineer's Report separates the benefits of the District between "special benefits" to property and "general benefits" to society at-large. Only special benefits can be funded District assessments. Analysis of the use of District amenities shows that properties in the District represent 74.25% of those benefitting from the improvements. This percentage is the special benefit provided by the District. The remaining amount must be funded from other sources. The sources and budget are detailed in the Financial Considerations section and on Exhibit B to the Resolution (Attachment 5).

**Policy Considerations:** The recommended action supports funding for landscape maintenance services in the District via property-based assessments.

**Economic Impacts:** None

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under CEQA Guidelines, administration of the District does not constitute a project and is therefore exempt from review (14 Cal. Code Regs. §15378(b)(2) & (5)).

**Sustainability:** Not Applicable.

**Commission/Committee Action:** Not Applicable.

**Rationale for Recommendation:** The action in the recommended Resolution is required by the California Streets and Highways Code, as set forth in Section 22500 of the Landscaping and Lighting Act of 1972, for annual proceedings of an existing district.

**Financial Considerations:** The total estimated expense budget for the District in FY2019/20 is \$18,254 as shown on Exhibit B and detailed in the Engineer's Report on file with the Public Improvement Finance Division of the Department of Finance designated by the City Clerk to be the repository of documents associated with special districts. Pursuant to the Engineer's Report, \$13,554 of assessment revenue can be used to fund special benefits. The remaining portion of the maintenance, utilities, and administrative costs, attributed to general benefit and detailed in Exhibit B, will be provided by the Department of Public Works Streets Division and the Department of Finance Public Improvement Finance Division operating budgets.

The proposed assessment of \$2.634 per linear foot of frontage, is a 3.87% increase from last year's assessment of \$2.536 per linear foot of frontage and is 6% below the maximum allowed assessment of \$2.801 per linear foot of frontage for FY2019/20. The proposed assessment is being increased to address rising maintenance and administrative costs for this District, while maintaining adequate reserves to cover extraordinary maintenance.

**Local Business Enterprise (LBE):** Not applicable.

**Attachment 2**

**SCHEDULE OF PROCEEDINGS  
POWER INN ROAD MAINTENANCE DISTRICT**

**FY2019/20**

March 26, 2019 Council – Direct Filing of Engineer’s Report

<b>May 14, 2019</b>	<b>Council - Resolution of Intention and Set Date for Public Hearing</b>
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May 24, 2019 Publish Notice of Meeting and Public Hearing

June 4, 2019 Council – Public Hearing, Council Orders Annual Levy

August 2019 Assessments to County for Placement on Tax Roll

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROVING ENGINEER'S ANNUAL REPORT AND INTENTION TO ORDER MAINTENANCE OF IMPROVEMENTS FOR THE POWER INN ROAD MAINTENANCE DISTRICT FISCAL YEAR 2019/20 (Pursuant to Landscaping and Lighting Act of 1972)**

#### **BACKGROUND:**

- A.** The Power Inn Road Maintenance District (District), as depicted in Exhibit A, was established by the City Council and approved by the property owners on July 29, 2003.
- B.** The City Council established the District under the Landscaping and Lighting Act of 1972 (part 2 of Division 15 in the Streets and Highways Code, beginning with Section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for landscaping maintenance services and related services to be provided within the District, all in accordance with the 1972 Act.
- C.** On March 26, 2019, City Council directed the Supervising Engineer of the Department of Public Works, designated by Council as the Engineer of Work for the District to file an annual report in accordance with the provisions of the 1972 Act (Resolution No. 2019-0087).
- D.** The annual report includes an analysis that quantifies the amount of special benefit derived from District activities by the parcels paying the assessment. The result of the analysis is that 74.25% of the maintenance, utilities, and administrative services provided in the district are a special benefit to the parcels within the District and 25.75% of the services are a general benefit to people outside of the District. Pursuant to state law, the City can only collect assessments in the amount needed to provide special benefit and must utilize other sources of funding to provide the general benefit portion. A detailed budget is shown on Exhibit B.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1 The City Council finds and determines that the background statements A through D are true and correct.
- Section 2 City Council hereby approves the Engineer's Annual Report for Fiscal Year (FY) 2019/20 on file with the Public Improvement Finance Division,

designated by the City Clerk to be the repository of documents associated with special districts.

Section 3 The City Manager is authorized to make any necessary budgetary adjustments associated with the approval of the Engineer's Annual Report for FY2019/20.

Section 4 The City Council intends to levy and collect assessments within the District during FY2019/20. The area of land to be assessed is in the City of Sacramento, Sacramento County.

Section 5 The maintenance of improvements to be made in this assessment district is generally described as follows:

Furnish all tools, equipment, apparatus, facilities, labor, material, supplies and utilities necessary or desirable to maintain and service the landscape improvements adjacent to Power Inn Road on the East side from 14<sup>th</sup> Avenue to approximately 900 feet north of Cucamonga Avenue and on the west side from 14<sup>th</sup> Avenue to approximately 590 feet north of Cucamonga Avenue, and more particularly described on plans and specifications approved by the City of Sacramento on file at the City of Sacramento, Public Improvement Financing Division of the Finance Department, 915 "I" Street, 5<sup>th</sup> Floor, Sacramento, California 95814.

The improvements generally consist of landscaping and irrigation systems for the landscape area adjacent to Power Inn Road (Exhibit A) between the back of curb and the front of the sidewalk. Maintenance of said improvements will include, but not be limited to, periodic mowing of grass, trimming of trees and shrubs, and fertilizing, together with the regular furnishing of water for irrigation of all plant material, and the repair, maintenance and replacement of the irrigation system, planted materials and amenities.

Section 6 In accordance with Council's resolution directing the filing of an annual report, the Engineer of Work has filed the report required by the 1972 Act with the Public Improvement Finance Division. All interested parties are referred to that report for a full and detailed description of the improvements, the boundaries of the assessment district and the proposed assessments upon assessable lots and parcels of land within the assessment district.

Section 7 At the hour of 5:00 pm on Tuesday, June 4, 2019, the City Council will conduct a public hearing on the questions of the levy of the proposed annual assessment. The hearing will be held at the meeting place of the City Council located in the City Hall, 915 I Street, First Floor, Sacramento, California.

Section 8 The proposed assessment of \$2.634 per linear foot of frontage is an increase of 3.87% from last year's assessment of \$2.536 per linear foot of frontage and is 6% below the maximum allowed assessment of \$2.801 per linear foot of frontage for FY2019/20 as shown on Exhibit B.

Section 9 The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.

Section 10 Exhibits A and B are part of the resolution.

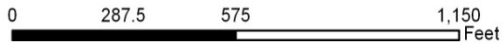
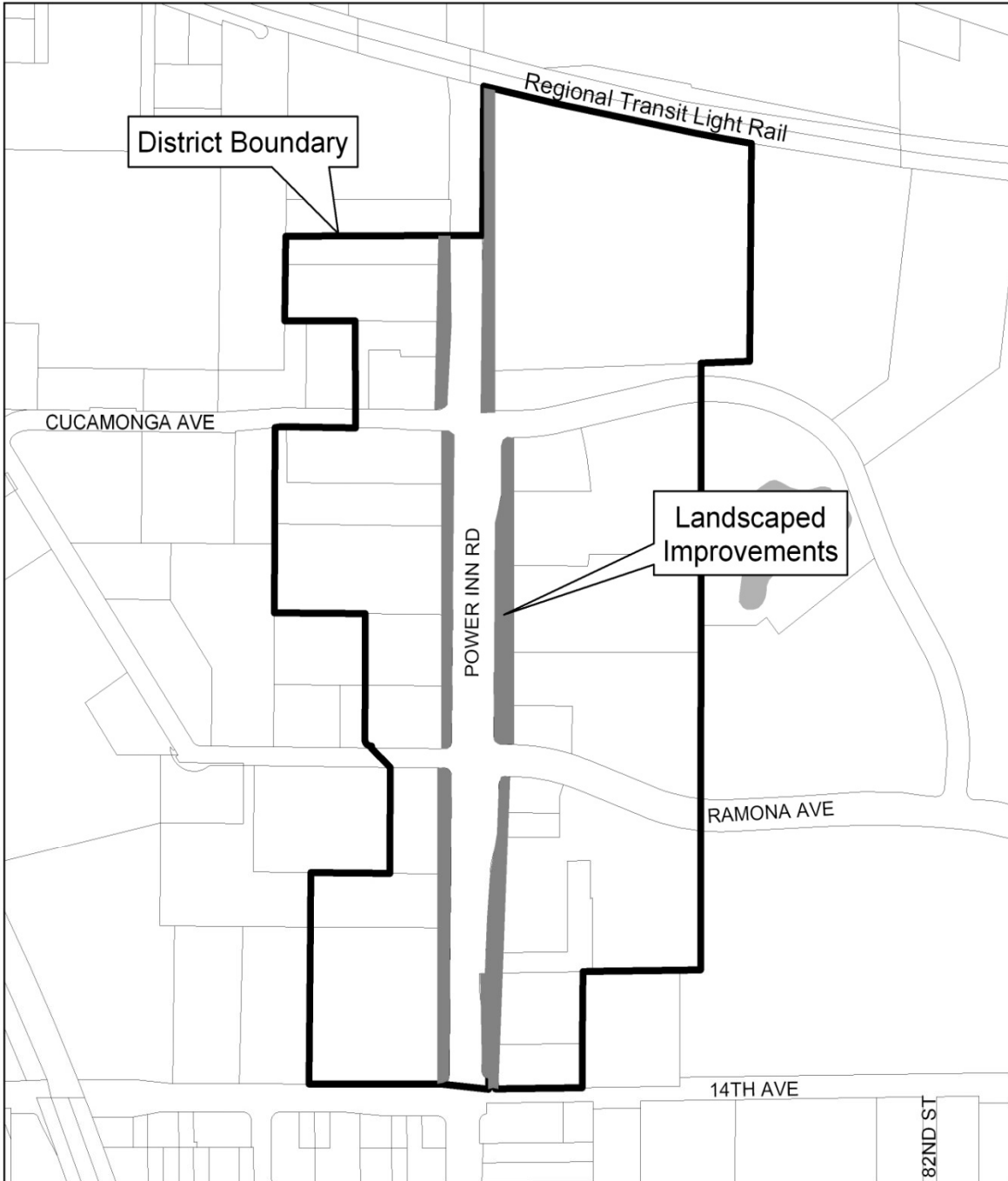
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Exhibit A: District Map

Exhibit B: FY2019/20 District Budget & Parcel Assessment

Exhibit A

Power Inn Road Maintenance District 2003-01





**Exhibit B**

**POWER INN ROAD MAINTENANCE DISTRICT  
FY2019/20  
DISTRICT BUDGET  
FUND 2201**

	Fund 2201	General Benefit Contribution	District Total
Special and General Benefit Split Respectively	74.25%	25.75%	
Estimated Beginning Fund Balance	7,807		
Total Assessed to Property Owners	12,084		
<b>Total Resources</b>	<b>\$19,891</b>	<b>\$4,700</b>	<b>\$24,591</b>
Maintenance & Utilities	10,117	3,508	13,625
Administrative Costs Public Improvement Financing			
Administration	2,599	901	3,500
Accounting			
Administration	789	274	1,063
County Billing	49	17	66
<b>Total Expenditures</b>	<b>\$13,554</b>	<b>\$4,700</b>	<b>\$18,254</b>
Estimated Ending Fund Balance	6,337		
Year-Over-Year Change in Fund Balance	(1,470)		

**PARCEL ASSESSMENT**

The annual maintenance cost for each property owner is based on the linear footage of their property’s street frontage multiplied by the following cost per foot.

Name	Maximum Authorized	FY2018/19	FY2019/20
Power Inn Road Maintenance District	\$2.801	\$2.536	\$2.634

Every fiscal year the maximum assessment may increase by the Consumer Price Index (CPI), San Francisco or by 4% per year, whichever is less.