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DEPARTMENT OF
PUBLIC WORKS

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October 6, 1987

Transportation and Community Development Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Proposed Street Lighting Assessment Districts

SUMMARY

Staff was requested by several Council members to assist in the formation of assessment districts to construct street lighting using the Public Convenience and Necessity provisions of the State Constitution. Because of the potential for controversy, staff has been requested to advise the Committee of these assessment district requests. These projects are not on the Capital Improvement Project list.

BACKGROUND

In 1973, the City Council adopted a program, as part of an overall policy on street lighting, to provide street lights for all unlit streets in the City. As part of this policy it was suggested the City initiate the formation of street lighting districts based on public convenience and necessity as allowed by the California State Constitution. The construction of residential street lighting has historically been the responsibility of the property owner. In new subdivisions, the developer constructs the street lights and passes the cost on to the home owner. In existing residential areas, street lights are usually constructed through assessment districts.

Occasionally in a few areas, such as the two blocks in the Dreher Tract Assessment District (1986) and the seven blocks in the Brentwood and Freeport Village Assessment District (1979), property owners wanting street lighting circulated petitions to obtain signatures from owners representing 60 percent of the land area. This is a time consuming process, one which is made even more difficult when the owners do not occupy the properties. These small assessment

districts also are not cost effective since both the amount bonded and the construction contracts are often less than \$20,000. This makes the City administrative costs and district formation costs relatively high.

In other areas of the City, when outside money was available to help subsidize the property owner's portion of the lighting improvements, the Council approved assessment districts under the "Public Convenience and Necessity" provisions of the State Constitution. This requires a 4/5 vote of the Council. These districts have generally been larger and more cost effective. Unfortunately, outside funding is shrinking, and will have a smaller role in future street light construction.

Occasionally, there are redevelopment funds available to install street lighting in qualified selected areas. However, the proposed areas do not qualify for this type of funding.

PROPOSED ASSESSMENT DISTRICTS

In an effort to improve street lighting in areas of the City with substandard or non-existent street lighting, several Council members have recently requested staff to assist in the formation of assessment districts for street light construction.

The assessment districts proposed for street lighting are:

- 1) Freeport Village A/D #3 - (Estimated Cost \$150,000) - An eleven block area bounded by Norman Way to the Union Pacific Railroad tracks and Fruitridge Road south to the drainage canal.
- 2) Willow Rancho A/D #3 - (Estimated Cost \$42,000) - A five block area bounded by Amherst to 15th Street and Tiverton to 65th Avenue.
- 3) Central City A/D #1 - (Estimated Cost \$490,000) - A sixty block area bounded by 12th Street to 22nd Street and B Street to J Street. This could be constructed in several increments.

These proposed districts are large and more cost effective to construct. Because of the difficulty in successfully circulating petitions and acquiring 60 percent of the property owners' signatures, it is proposed that the "Public Convenience and Necessity" provision be used to form the districts. This would require a 4/5 vote of the Council.

Staff not only believes this is the most realistic approach to improving the quality of street lighting in these areas, but also recognizes there is a potential for public controversy at the assessment district formation hearings. We anticipate support for the street lighting, but a reluctance to pay the amount of the proposed assessment. This potential for controversy is the reason for requesting Committee guidance.

Typically, a property owner with a 40 foot frontage would be charged about \$520 for street light construction. This will vary by project according to the size of the district and individual lot sizes. Spread over a five year period the annual cost of \$520 would vary from \$140 for the first year to \$111 for the fifth year at the current bond interest rate of 7 1/2 percent.

To date, several neighborhood meetings have been held with the property owners to discuss the formation of street light assessment districts in the areas mentioned above. A majority of the property owners who attended these meetings were in favor of the formation of an assessment district and concurred that street lighting would enhance property values as well as neighborhood security. The property owners were informed at these meetings and by mail of the proposed street lighting cost and how the costs were tentatively planned to be allocated.

Staff recommends that both the street lighting design and the assessment district formation procedures continue. Staff also recommends that the assessment districts proceed to public hearing only after significant neighborhood support is developed by the assessment district proponents.

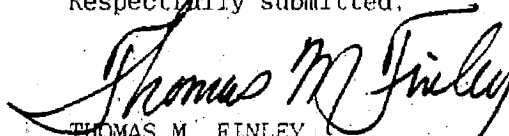
FINANCIAL

City costs will be recovered if the assessment districts are formed. If the districts are not formed, the City would incur a General Fund expense for the labor incurred in plan preparation.

RECOMMENDATION

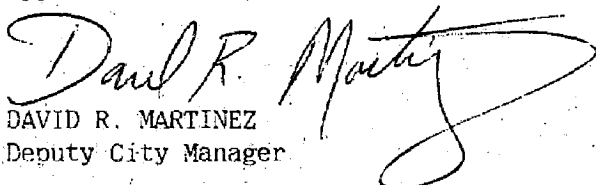
This report is being present to Committee for information only at this time. Requests to create the assessment districts will be presented to City Council at a future date.

Respectfully submitted,



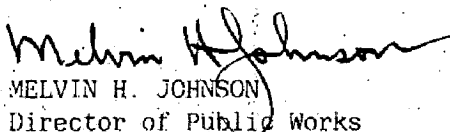
THOMAS M. FINLEY
Engineering Division Manager

Approved for Committee Information:



DAVID R. MARTINEZ
Deputy City Manager

Approved:



MELVIN H. JOHNSON
Director of Public Works

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October 6, 1987
District Nos. 1, 7 and 8