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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2010 APR -1 PM 1:11

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: April 13, 2010

RE: **Resolution Initiating the Fiscal Year 2010-11 Assessment Process for the City of Oakland Landscaping and Lighting Assessment District and Authorizing the City Administrator to Order a Preliminary Engineer's Report Pursuant to the California Streets and Highways Code**

SUMMARY

In compliance with the California Streets and Highways Code, Section 22622, a resolution has been prepared initiating the annual assessment process of the Landscaping and Lighting Assessment District (LLAD) for the FY 2010-11 property tax roll. The resolution describes any proposed new improvements or substantial changes in existing improvements, and authorizes the City Administrator to order the District Engineer to prepare and file a Preliminary Engineer's Report for this district with the City Clerk.

FISCAL IMPACT

This report is for the purpose of initiating the annual assessment process for the LLAD. The service and cost of preparing the Engineer's Report are included in the contractual agreement with Francisco & Associates, Inc., which was approved by the City Council, Resolution No. 81740 C.M.S., on January 6, 2009 and expires on December 31, 2010. No additional funding is requested.

BACKGROUND

The California Landscaping and Lighting Act of 1972 (California Streets and Highways Code Sections 22500-22509) allows local government agencies to form assessment districts for the purpose of financing the costs and expenses of landscaping and lighting public areas. The City of Oakland formed a Landscaping and Lighting Assessment District on June 23, 1989. In 1993, Oakland voters reconfirmed its existence. The LLAD, utilizing a direct benefit assessment, provides a funding source for city parks, grounds and medians, open space, pools, and custodial services at 25 Park and Recreation centers and Field Restrooms. The LLAD also supports activities outside the Public Works Agency such as community gardens, ball field maintenance, and museum landscape maintenance.

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In addition, the LLAD supports the ongoing maintenance of all Park and Recreation facilities including the structures and accessory uses such as the 76 tot lots, water fountains, bleachers, park furniture, and many other outdoor features. The LLAD funds the utility costs for the City's street lights and all park and field-related water use.

The California Streets and Highways Code, Sections 22620-22631, applies to all assessments that are to be levied and collected for a fiscal year. The code describes the requirements for levying assessments as follows:

1. Request a preliminary engineer's report describing any proposed new improvements, or any substantial changes in existing improvements. (This step is the subject of this City Council report and resolution.)
2. Approve the Engineer's Report and adopt a resolution of intention. The resolution of intention declares the City Council's intention to levy and collect assessments within the LLAD for the fiscal year. It also states whether the assessment is proposed to change from the previous year and sets a date, hour, and place for a public hearing.
3. Conduct the public hearing affording all interested parties the opportunity to hear and be heard. The public hearing is scheduled to occur at 6:30 p.m. on June 1, 2010.
4. Adopt a resolution confirming the information in the Engineer's Report and the levy of the assessment within the LLAD for the fiscal year.

The City of Oakland collects the LLAD assessment through the County of Alameda property tax bill. Upon fulfillment of the requirements for the LLAD, the City of Oakland must submit the assessments to the Alameda County Auditor for inclusion in the FY 2010-11 property tax roll by August 10, 2010.

KEY ISSUES AND IMPACTS

The purpose of this report and resolution is to initiate the FY 2010-11 assessment process of the LLAD. For inclusion in the FY 2010-11 property tax roll, detailed assessment data for all affected properties are due to the Alameda County Auditor-Controller Agency by August 10, 2010. The proposed resolution orders the preparation of a preliminary Engineer's Report, which will set forth the findings and engineering analyses for the LLAD.

Fund Balance

The LLAD Fund is projected to have a negative fund balance of \$6.56 million at the end of FY 2009-10. On October 21, 2008, the City Council adopted to address the negative fund balance through one-time revenues from land sales. However, on May 19, 2009, the City Council

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reallocated those revenues in balancing measures to address projected deficits in the General Purpose Fund. Reported as recently as March 23, 2010 to the Finance and Management Committee, the LLAD fund balance is categorized as a "negative fund requiring one-time revenues". No new plan to eliminate the negative fund balance has been proposed at this time.

Operating Costs

As reported in the FY 2009-10 Second Quarter Revenue and Expenditure report to the City Council on March 2, 2010, the LLAD net expenditures are projected to exceed net revenue by \$0.39 million. The overspending is primarily due to personnel expenditures. Staff reductions in November 2008 and July 2009 have resulted in a very low vacancy rate, which has prevented budgeted position vacancy rate savings from being realized.

In addition, a 39% reduction in Tree Services has left personnel in an emergency response mode. All routine tree pruning was eliminated leading to increased after-hours calls, which are responded to through the use of overtime. Service responses are purely reactive to hazardous tree abatement and limb removal which pose emergency health and safety concerns. PWA is in the process of reviewing deployment plans in an effort to reduce the costs of emergency calls.

Fiscal Year 2011-13

A parcel tax was under consideration during the FY 2009-11 budget cycle, but was postponed to November 2010. Staff will bring forward a report for consideration proposing a Park, Tree, and Lighting Parcel Tax or other alternative funding options during the next budget cycle.

SUSTAINABLE OPPORTUNITIES

There are no direct economic, environmental, or social equity opportunities or impacts associated with the City Council action requested in this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no direct impact to people with disabilities or to seniors associated with the City Council action requested in this report.

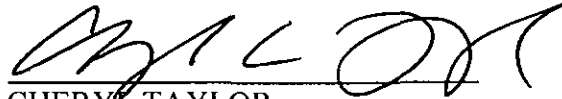
RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approve the proposed resolution.

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ACTION REQUESTED OF THE CITY COUNCIL

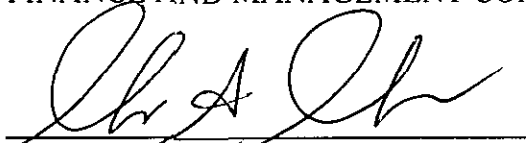
Staff requests that Council authorize the City Administrator to order a preliminary LLAD Engineer's Report pursuant to the California Streets and Highways Code.



CHERYL TAYLOR
Budget Director

Prepared by:
Herman Chen
City Administrator's Budget Office

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



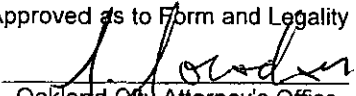
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Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION INITIATING THE FY 2010-11 ASSESSMENT PROCESS FOR THE CITY OF OAKLAND LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT AND AUTHORIZING THE CITY ADMINISTRATOR TO ORDER A PRELIMINARY ENGINEERS'S REPORT PURSUANT TO THE CALIFORNIA STREETS AND HIGHWAYS CODE

WHEREAS, the City of Oakland Landscaping and Lighting Assessment District (LLAD) was established on June 23, 1989 under the authority of the California Streets and Highways Code Section 22500, et seq., known as the Landscaping and Lighting Act of 1972; and

WHEREAS, the City desires to initiate the FY 2010-11 LLAD assessment for properties within the district boundaries; and

WHEREAS, the California Streets and Highways Code Section 22622 requires that the City Council adopt a resolution describing any proposed new improvements, or any substantial changes in existing improvements, and order the District Engineer to prepare and file a report with the City Clerk for further submission to the City Council; now, therefore be it

RESOLVED: That the existing boundaries of the LLAD remain the same as those described in the FY 2009-10 Engineer's Report approved by the City Council, Resolution No. 82086 C.M.S., on June 16, 2009; and be it

FURTHER RESOLVED: That regular capital improvements to existing facilities and amenities within the LLAD are necessary to maintain and enhance these assets and are performed as funding is available to support these improvements; and be it

FURTHER RESOLVED: That the City Council initiates the annual assessment process for the City of Oakland Landscaping and Lighting Assessment District for FY 2010-11; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to order a Preliminary Engineer's Report for FY 2010-11 for the City of Oakland Landscaping and Lighting Assessment District; and be it

FURTHER RESOLVED: That the Preliminary Engineer's Report shall be filed with the City Clerk for submission to the City Council for further action.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California