

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 7, 2023

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **RESOLUTION CONFIRMING THE ASSESSMENTS FOR FISCAL YEAR 2023-24 AND ORDERING THE ASSESSMENTS TO BE LEVIED FOR FISCAL YEAR 2023-24 FOR THE OCEANSIDE LIGHTING DISTRICT, ASSESSMENT DISTRICT NO. 2-1991**

SYNOPSIS

Staff recommends that the City Council adopt a resolution approving the Engineer's Report confirming the diagram and assessments and ordering the assessments to be levied for FY 2023-24 for the Oceanside Lighting District, Assessment District No. 2-1991.

BACKGROUND

The Oceanside Lighting District ("District") was formed in 1991 pursuant to the authority granted by the Landscaping and Lighting Act of 1972 of the California Streets and Highways Code. The formation of the District eliminated the eight separate lighting districts covering various sections of the City of Oceanside ("City"), and provides the means to finance the operation and maintenance of the street lighting system on the public streets within the City.

Each year the City Council is required to conduct a public hearing regarding the proposed fiscal year assessments to be levied within the District. The public hearing provides all interested persons an opportunity to be heard, either in writing or orally at the public hearing, regarding the renewal and assessments. Since the formation of the District the assessments for the property owners within the District have remained the same.

ANALYSIS

On May 3, 2023, the City Council adopted Resolution 23-R0277-1 approving the Engineer's Report for the annual renewal of the District. The Engineer's Report has not been modified and is attached hereto. As part of the public hearing process regarding the proposed FY 2023-24 assessments to be levied within the District, after consideration of the evidence submitted, the City Council is requested to adopt resolutions confirming the diagram and assessments for FY 2023-24. The assessments are based on a formula containing costs associated with both general and local benefit

zones as shown in Exhibit B of the Engineer's Report. The public hearing provides all interested persons an opportunity to be heard, either in writing or orally at the public hearing, regarding the renewal and assessments.

The general benefit zone is comprised of the streetlights located on the prime, major and secondary arterials. The general benefit zone costs, which include the City's share of the state freeway and highway lighting costs for these streets, are assessed against each parcel of land within the District. The local benefit zone is comprised of property which fronts or adjoins a collector or local street. Property within this zone is assessed its proportionate share of the costs associated with the lighting system as well as its share of the general benefit zone costs. The benefit units assigned to a parcel are based on similar factors used to calculate the City's thoroughfare fees. The use of the property is the determining factor in the corresponding benefit unit assignment. Single-family residential homes are assigned 10 benefit units whereas shopping centers are assigned 500 benefit units per acre.

An itemized outline of District costs, including the calculation of the average annual assessment per benefit unit, is summarized in the Engineer's Report. Exhibit C of the Engineer's Report includes the proposed assessments to be levied against each lot and parcel of real property within the District. Exhibit C is available for review in the City Clerk's office. The City Council is required to conduct a public hearing regarding the proposed FY 2023-24 assessments to be levied within the District.

At this time, the current amount of revenue generated from the levy of the annual assessments is sufficient to cover the cost to effectively operate and maintain the street lighting system within the District. The assessments levied within the District have not been increased since 1991, the year the District was formed. A single-family residence is assessed \$15.80 annually. Although the assessment rates have not increased since 1991, the District expenditures have increased over the years. Electric consumption is one of the largest components of the overall expenditures that have steadily increased. Currently, the cost to provide electricity to operate the approximately 8,461 streetlights within the District is approximately \$49,141 per month. Also, as new development occurs, additional streetlights that are installed add to the operational expenses.

The annual assessments are entered on the property tax roll, collected by the County of San Diego and deposited into the District Fund. The total amount of the anticipated revenue and expenditures for FY 2023-24 are equivalent and anticipated to be \$1,661,500 pursuant to the Engineer's Report.

A citywide street light retrofit project to convert all street lights from high-pressure sodium to LED was completed in December of 2014. The retrofit project produces an annual energy and tariff savings of approximately \$476,219, which is used to offset the cost of debt service on the loan.

FISCAL IMPACT

The revenue and expense appropriations noted above is included in the proposed FY 2023-24 budget. In order to cover the cost to operate and maintain the street light system, in addition to the estimated annual assessments of \$1,656,500, additional funds may be needed. If so, approval of the additional appropriations would be requested from Council at that time.

COMMISSION OR COMMITTEE REPORT

Does not apply.

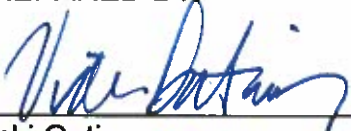
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving the Engineer's Report confirming the diagram and assessments and ordering the assessments to be levied for FY 2023-24 for the Oceanside Lighting District, Assessment District No. 2-1991.

PREPARED BY:



Vicki Gutierrez
Real Estate Manager

SUBMITTED BY:



Jonathan Borrego
City Manager

REVIEWED BY:

Rob O'Brien, Deputy City Manager

Hamid Bahadori, Public Works Director

Jill Moya, Financial Services Director

Brian Thomas, City Engineer









Attachments:

1. Engineer's Report (including Exhibits A, B & D)
2. Exhibit C is on file with the City Clerk
3. Resolution

**ENGINEER'S REPORT
OCEANSIDE LIGHTING DISTRICT
ASSESSMENT DISTRICT NO. 2-1991
FISCAL YEAR 2023-2024**

As directed by the City Council of the City of Oceanside, I, Brian Thomas, City Engineer, respectfully submit the following Report regarding the 2023-2024 fiscal year renewal of the Oceanside Lighting District. This Report is made pursuant to Article 4 of Chapter 1 of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the Streets and Highways Code of the State of California. This Report consists of four parts (Exhibits "A" through "D") defined as follows:

- Exhibit "A" - Specifications for the improvements to be administered, operated, maintained and modified or upgraded. The plans for these improvements are part of this report and on file in the Public Works Department.
- Exhibit "B" - Cost estimate for the administration, operation, maintenance and modification or upgrade of the improvements outlined in Exhibit "A".
- Exhibit "C" - An assessment roll showing the proposed amount to be specifically assessed against each lot or parcel of real property within the assessment district. San Diego County Assessor's Parcel Number describes each parcel and each parcel has been assigned said number for the purposes of this proceeding. The amount assessed is based on Exhibit "B".
- Exhibit "D" - Diagram showing the boundaries of the assessment district, parcels of real property within the district, and the location of the improvements. County Assessor's Number keys the diagram to Exhibit "C". The assessment roll and maps of the San Diego County Assessor shall govern for all details concerning the description, lines and dimensions of any lot or parcel shown.



Brian Thomas
City Engineer

OCEANSIDE LIGHTING DISTRICT
ASSESSMENT DISTRICT 2-1991
FISCAL YEAR 2023-2024

SPECIFICATIONS FOR THE STREET LIGHTING ELECTRICAL SERVICE

SECTION I. CLASSIFICATION

All streetlights in the Oceanside Lighting District shall be categorized into two classifications, as follows:

- A. Class A street lights shall include all street lamps installed on overhead serviced wooden standards.
- B. Class B street lights shall include all street lamps which are now installed, or are to be installed, on underground serviced non-wooden standards.

SECTION II. SCOPE OF WORK

1. **Work To Be Done:**

A. The work to be done consists of the furnishing of all current necessary for the illumination of the existing Class A and Class B streetlights.

B. The Contractor shall furnish all transformers, lines, switching equipment and such other materials and devices to provide current of the proper requirements to Class A and Class B street lighting circuits.

2. **Electrical Current:**

The current supplied shall not vary more than 5% plus or minus from that for which the system was designed. The service locations for all Class A and Class B street lighting circuits are shown on plans on file in the Office of the City Engineer.

3. **Lamps to Be Lighted:**

The Contractors shall furnish current, as hereinbefore specified, to all lamps that are shown on the plans for the lighting district and to provide switching service for lighting said lamps from 15 minutes after sunset to 30 minutes before sunrise every day of the year.

SECTION III. SUPERVISION

The work to be done and the service to be rendered herein provided for shall be done under the general supervision of the Public Works Director. Additionally, the Public Works Director will provide notification in writing of any imperfect work or insufficient service that needs correction.

OCEANSIDE LIGHTING DISTRICT
ASSESSMENT DISTRICT NO. 2-1991
FISCAL YEAR 2023-2024

EXHIBIT "B"

MAINTENANCE AND ADMINISTRATIVE
EXPENSES SUMMARY

	Approved Expenses FY 22-23	Projected Expenses FY 23-24	
<u>EXPENSES</u>	<u>Combined per Year</u>	<u>Combined per Year</u>	
1. Personnel	\$72,408	\$73,468	
2. Operating Expenses			
a. Materials	\$0	\$29,295	
b. Professional Services	\$9,800	\$60,000	
c. Advertising	\$500	\$400	
Sub-Total Operating Expenses	\$10,300	\$89,695	
3. Utilities			
a. Street Lights	\$351,519	\$351,519	
b. Traffic Signals	\$145,000	\$148,481	
c. Energy Contingency	~~\$87,752~~	\$0	
d. Infrastructure Improvements	\$0	\$0	
Sub-Total Utilities	\$584,271	\$500,000	
4. Non-Capital Improvements	\$0	\$0	
5. Interfund	\$10,636	\$11,546	
6. Radio Network	\$0	\$0	
7. Energy Loan	\$572	\$572	
8. Retrofit Purchase Payment Cost	\$476,219	\$476,219	(1)
9. Lighting reserve	\$0	\$0	
10. Transfer to Street Lighting Maintenance	~~\$510,000~~	~~\$510,000~~	(2)
TOTAL EXPENSES	\$1,664,406	\$1,661,500	
TOTAL EXPENSES (W/O ENERGY RES.)			

REVENUE SUMMARY

	Approved Revenue 22-23	Projected Revenue FY 23-24	
<u>REVENUE</u>	<u>Combined per Year</u>	<u>Combined per Year</u>	
Total Annual Assessments	\$1,659,406	\$1,656,500	
Transfer from Gas Tax	\$0	\$0	
18-Month Energy Fees	\$5,000	\$5,000	
Transfer from Fund Balance	\$0	\$0	
Fund Balance Interest	\$0	\$0	
TOTAL REVENUE	\$1,664,406	\$1,661,500	

ASSESSMENT UNIT SUMMARY

	Approved FY 22-23	Projected FY 23-24	
No. of Assessment Units			
Local	1,017,389	1,016,250	
Non-Local	1,172,825	1,175,726	
Weighted Average per Assessment Unit			
Local	1.2628	1.2628	
Non-Local	0.3175	0.3175	
Annual Assessment			
Per Single Family Residence	\$15.80	\$15.80	
Per Condominium Unit	\$12.64	\$12.64	

Footnotes

(1) Purchase/Lease Cost for Lighting retrofit project

(2) A total of \$510,000 will be transferred to the Transportation Division to offset Street Light Maintenance costs



EXHIBIT D

**EXHIBIT "C" CONTAINS THE
PROPOSED AMOUNT TO BE
ASSESSED ON EACH LOT AND
PARCEL WITHIN THE DISTRICT.**

**Oceanside Lighting District,
Assessment District No. 2-1991**

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE, CALIFORNIA, CONFIRMING THE 2023-2024 FISCAL
YEAR DIAGRAM AND ASSESSMENT FOR THE OCEANSIDE
LIGHTING DISTRICT, ASSESSMENT DISTRICT NO. 2-1991

WHEREAS, pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code of California, Section 22500 et seq., hereinafter referred to as the "Act", the City Council of the City of Oceanside adopted Resolution No. 23-R0278-1 declaring its intention to levy and collect assessments for fiscal year 2023-2024 to pay the maintenance, operations and administrative costs for appurtenant improvements within the Oceanside Lighting District, Assessment District No. 2-1991;

WHEREAS, said resolution also set a public hearing for June 7, 2023, at 6:00 p.m., or as soon thereafter as possible, in the City Council Chambers located at 300 North Coast Highway, Oceanside, California, as the time and place to hear protests and objections to the proposed assessment and the renewal of said district.

WHEREAS, the City Clerk of the City of Oceanside has given notice of said hearing by publishing the resolution of Intention, as required by Section 22626 of the Act;

WHEREAS, the Engineer's Report for the Oceanside Lighting District was approved by the Oceanside City Council on May 3, 2023, and exhibit "B" to that report has not been modified.

WHEREAS, said Report, on file with the City Clerk of the City of Oceanside, contains a full and detailed description of the boundaries of the assessment district, the proposed assessments to be levied against each assessable lot or parcel of land within the district, and a description of the improvements to be maintained or modified;

1 WHEREAS, the City Council of the City of Oceanside adopted Resolution No.
2 23-R0277-1 which approved the Engineer's Report regarding the district's
3 proposed 2023-2024 costs and assessments;

4 WHEREAS, the City Council of the City of Oceanside has examined and
5 considered the proposed assessment in said Report and proceedings prior thereto,
6 in addition to the evidence presented at said hearing; and

7 WHEREAS, upon completion of said hearing, the City Council of the City of
8 Oceanside determined that a majority protest did not exist.

9 NOW, THEREFORE, the City Council of the City of Oceanside does resolve
10 as follows:

11 SECTION 1. That on June 7, 2023, at 6:00 p.m., said hearing on the proposed
12 2023-2024 fiscal year assessment and renewal was duly held, and each and every
13 step required under the Act and the California Constitution to levy said
14 assessment and renew said district in the proceedings prior to and including said
15 hearing has been duly taken.

16 SECTION 2. That the City Council does determine that the Engineer's
17 Report, approved by its Resolution No. 23-R0277-1 and the amount of the
18 assessment rates shown in said Report, should be confirmed.

19 SECTION 3. That the City Council does determine that the amounts to
20 be assessed against the individual parcels shown on the assessment diagram
21 contained in said Report are approved and confirmed, and the City Clerk of the
22 City of Oceanside is directed to endorse upon the Engineer's Report for the
23 Oceanside Lighting District its approval and the date thereof.

24 SECTION 4. The City Clerk of the City of Oceanside is directed to file
25 said diagram and assessment as required by Section 22641 of the Act.

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1 PASSED AND ADOPTED by the City Council of the City of Oceanside,
2 California, this _____ day of _____ 2023, by the following vote:

3 AYES:
4 NAYS:
5 ABSENT:
6 ABSTAIN:

7 _____
8 Mayor of the City of Oceanside

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10 APPROVED AS TO FORM:
11 OFFICE OF THE CITY ATTORNEY

12
13 ATTEST:

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15 _____
16 City Attorney

17 _____
18 City Clerk

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Resolution confirming the fiscal year 2023-2024 diagram
and assessment for the Oceanside Lighting District,
Assessment District No. 2-1991