



Administrative Report

H.6., File # 25-0506

Meeting Date: 5/13/2025

To: MAYOR AND CITY COUNCIL
From: ANDREW WINJE, PUBLIC WORKS DIRECTOR

TITLE

APPROVE THE CITY ENGINEER'S REPORT FOR THE FISCAL YEAR 2025-26 STREET LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2505-029, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DECLARING ITS INTENTION TO ORDER AN ASSESSMENT FOR THE MAINTENANCE AND IMPROVEMENTS OF CERTAIN STREET LIGHTING FIXTURES, APPURTENANCES, AND LANDSCAPED AREAS FOR THE FISCAL YEAR COMMENCING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND SETTING A TIME AND PLACE FOR THE PUBLIC PROTEST HEARING

SET JUNE 3, 2025, AS THE DATE TO CONDUCT A PUBLIC HEARING TO CONSIDER THE PROPOSED FISCAL YEAR 2025-2026 STREET LANDSCAPING AND LIGHTING DISTRICT ASSESSMENT

EXECUTIVE SUMMARY

The 1972 Landscaping and Lighting Act requires cities to prepare an engineer's report and conduct a public hearing before levying annual landscaping and lighting district assessment fees. On April 1, 2025 the City Council directed the City Engineer to prepare the report of the anticipated expenses and assessment proposal for the City's Street Landscaping and Lighting Assessment District (District) for FY 2025-26. The Engineer's Report includes a summary of the District's boundaries, its proposed revenues and expenditures, as well as the services funded by the assessment. This year's Engineer's Report was created with the assistance of consultant Francisco and Associates, and includes comprehensive language that explains the City's assessment methodology and collection. According to the report a General Fund subsidy of \$1,226,345 will be required in the FY 2025-26 to cover all District costs. This is approximately 9% higher than the expected General Fund subsidy for FY 2024-25 and is due to increasing utility and personnel costs.

BACKGROUND

On April 1, 2025, the City Council adopted Resolution No. CC-2504-019 and ordered the Engineer's Report from the City Engineer for the FY 2025-26 activities of the Street Landscaping and Lighting Assessment District. The Report includes an assessment diagram, system plans and specifications, and cost estimates for furnishing electrical energy, maintenance, and improvements for all public lighting facilities and landscaped public areas included in the District. The Report is attached and a copy of the District map is available for review at the Engineering Services counter at City Hall and

on the City's website at:

[<https://www.redondo.org/departments/public_works/engineering_services/gis_maps_locator.php>](https://www.redondo.org/departments/public_works/engineering_services/gis_maps_locator.php)

The District was formed in 1983 following the requirements of the 1972 Landscaping and Lighting Act. The District operates and maintains the following public improvements: 5,294 Street Lights (3,395 of which are owned and operated by Southern California Edison and 1,899 of which are owned and operated by the City); 100 Signals (57 Traffic, 20 Flashing Yellow Beacon and 23 Flashing Red Beacon); and 21.85 Acres of Landscaping. Whether or not there is a proposed change to the annual fee, the Act requires that a public hearing be held before implementing each year's District assessment.

A typical home in Redondo Beach with a frontage of 40 feet pays approximately \$59.20 per year for street landscaping and lighting under the District's assessment methodology. This has not changed since 1991. The District in the FY 2025-26 is projected to run a \$1,226,345 deficit that must be offset by another funding source. Historically, the City has used a subsidy from the General Fund to close the gap. Estimated costs for FY 2025-26 are based on projected expenses for FY 2025-26. For comparison, FY 2024-25 is estimated to have a \$1,125,701 deficit that will be offset by the General Fund.

To address the deficit in upcoming years, the City Council may consider initiating the process to increase the assessment. In 2006, the City sought voter approval under Proposition 218 to adjust the assessment to pay for all District related costs, but was unsuccessful. During the FY 2017-18 budget adoption discussions, the City Council deliberated on this, but ultimately decided to leave the assessment unchanged.

If the City Council chooses to proceed with a supplemental assessment, the following steps are anticipated. After solicitation, a professional services contract would be awarded by the City Council to an engineering consultant to prepare a detailed engineering report that outlines the total cost of the needed improvements and services, the list of parcels to be assessed, the proportionate special benefits to each parcel, and the amount of the assessment for each parcel. The City Council would be presented with that report and choose if and when to set a public hearing date to levy the assessment. Notice of the public hearing and ballots would then be mailed, no less than 45 days prior to the public hearing, to record property owners for each parcel to be assessed. Ballots must be returned prior to the close of the public hearing and are tabulated only after the public hearing is closed. If the yes votes weighted by the assessment amount are greater than the no votes received (similarly weighted), the City Council may levy the assessment as outlined in the engineer's report for the following fiscal year. For example, if so directed, the consultant contract could be awarded in Summer 2025, the engineer's report prepared in Fall 2025, with ballots mailed in early 2026, followed by a public hearing and determination of the vote in Spring 2026, in time for assessment during FY 2026-27.

Regardless of Council's decision on the status of the supplemental assessment, staff recommends that the City Council approve the Engineer's Report, adopt the attached Resolution declaring the intention to order the FY 2025-26 assessment, and set the public hearing for June 3, 2025 for consideration of final approval.

COORDINATION

The attached Resolution has been reviewed and approved as to form by the City Attorney's Office. Revenue and expense calculations for the Engineer's Report have been prepared by Public Works staff and verified by the Financial Services Department.

FISCAL IMPACT

Expected funding and expenditures for the FY 2025-26 are as follows:

<u>FY 2025-26 Funding</u>		<u>FY 2025-26 Expenditures</u>	
Assessment Fee			1,513,000
Personnel	1,198,496		
Public Services Lighting Fee	600	M & O	1,400,946
Other Revenues	17,000		
General Fund Subsidy	<u>1,226,345</u>	Overhead/Internal Svc Chg	<u>157,503</u>
Total Funding		2,756,945	Total Expenditures 2,756,945

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Report - Street Landscaping and Lighting Assessment District Fiscal Year 2025-26 Engineer's Report
- Reso - No. CC-2505-029 Declaring Intent to Order the Maintenance and Improvements of Certain Street Lighting Fixtures, Appurtenances, and Landscaped Areas for FY 2025-26