

**STAFF REPORT**  
**City of Lancaster, California**

CPH 1
11/13/07
RSL

Date: November 13, 2007

To: Mayor Hearn and City Council Members

From: James R. Williams, Public Works Director

Subject: **Continued Public Hearing for the Levy and Collection of Assessments within Lancaster Lighting Maintenance District (LLMD) No. 2**

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**Recommendation:**

Open the continued Public Hearing; direct the Public Works Director to present the report and announce the results of the Street Lighting Ballots. No further action is necessary as the vote was against the proposed district.

**Fiscal Impact:**

The vote against the formation of Lancaster Lighting Maintenance District No. 2 will result in a revenue shortfall of approximately \$1,250,000 beginning in fiscal year 2008-2009. This shortfall will require that the City Council either transfer this amount from the general fund as general taxpayer support (and forego other uses of these funds) or reduce existing street lighting services.

**Background:**

On August 28, 2007, the City Council approved a resolution initiating the process for the formation of Lancaster Lighting Maintenance District (LLMD) No. 2 and the approval of assessments to be levied within the District for fiscal year 2007-2008. In addition, the City Council adopted a resolution declaring the City's intention to levy the assessments, setting October 23, 2007 as the date for the public hearing, and authorizing staff to mail out assessment ballots and notices.

On September 7, 2007, notices of the required public hearing, and assessment ballots regarding the assessments were mailed to all property owners within the District. These notices made reference to a public hearing to be held October 23, 2007.

The existing Lancaster Lighting Maintenance District (LLMD) No. 1 covers only a portion of the developed land within the City; of 43,382 parcels, only 30,853 currently are annexed into and pay their share of assessments. In addition, there are areas within this District, which on July 8, 2003, voted against an increase in assessments resulting in interior streetlights being turned off within six zones. The formation of a new district, LLMD No. 2, would have balanced the rate structure, brought in areas of the City not previously in the LLMD, and restored interior street lighting to all areas previously extinguished.

The City's streetlight, traffic signal, highway safety, and other public lighting program, as allowed by the Act, is funded through the collection of assessments levied on property within LLMD No. 1. These funds provide for the annual maintenance of streetlights, traffic signals,

highway safety lights, and public parking lot lights, including the energy required for their illumination. However, the level of funds available through the current assessments collected from those properties annexed into the LLMD is unable to meet the current expenses.

Additional revenue is required to provide for the continued costs of maintenance and operation of the improvements within LLMD No. 1 at the existing levels of service. The proposed LLMD No. 2 was to be a new assessment that would have replaced the existing LLMD No. 1 assessment and would have adequately funded streetlight maintenance throughout the City. For all new assessments, State Law requires that the property owners within the area to be assessed shall be notified 45 days in advance of the public hearing regarding the new assessments.

At the opening of the public hearing, the City Council called for any additional ballots not previously submitted and also allowed for public testimony regarding the proposed assessments. Following public testimony, the City Council closed the public testimony portion of the public hearing and directed the City Clerk to open all ballots received prior to the October 23, 2007 public hearing. The public hearing was continued to November 13, 2007 for the purpose of completing the tabulation of the ballots. All ballots were opened in a venue where the public could be present to observe the opening and tallying of results. Ballots were opened in the office of the City Clerk beginning the morning of October 24, 2007.

LLMD No. 2 would have passed, as recommended, if the dollar value of the valid ballots received for the proposed assessments is either equal to or greater than the dollar value of the ballots received against the proposed assessments. Had the property owners approved LLMD No. 2, it would have replaced existing LLMD No. 1 and all properties within the new district would have been assessed according to the new rates. Since a majority of the property owners voted against the formation of the district, see Attachment A, LLMD No. 1 will remain in place along with the existing assessments. Since LLMD No. 1 remains in place as a result of this proposed citywide vote, it will be necessary to address the funding shortfall by separate future action.