



**Approve Annual Engineer's Report and Declare Intent to Levy Assessments Following a Public Hearing for the Landscape and Lighting Maintenance District No. 3 (LLAD No. 3) for Fiscal Year 2025/26**

**Farooq M. Azim, City Engineer**

**HISTORY**

- **1988** – 1<sup>st</sup> City-Wide Landscape & Lighting Assessment District was formed (LLAD No. 1)
- **1996** - California Proposition 218 Passed
- **1997** - City modified operations to comply with Proposition 218 (LLAD No. 2):
  - ✓ Eliminated the use of LLAD funds for park maintenance
  - ✓ Shifted the park maintenance to General Fund

- **2005 - Restructuring of District (LLAD No. 3)**
  - ✓ Included the city-wide 'regional benefit' portion of the park maintenance
  - ✓ No change in assessment rates since 1996
- **2025 – No increase in assessment rates is being proposed as part of the LLAD renewal now.**

A large, dark blue diagonal shape that starts from the top-left corner and extends towards the bottom-right, creating a split background of dark blue and white.

# **SERVICES SUPPORTED BY LLAD**

# Some Major Maintenance Services Provided by LLAD:

- ✓ Streetlights - *by outside contractors*
- ✓ Traffic signals - *by outside contractors*
- ✓ Street landscaping – *tree pruning contract*
- ✓ Parks ('regional benefit' portion)

# **DISTRICT BUDGET**

	Estimated 2025/26 Budget
<b>Direct Costs</b>	
Street Landscape Maintenance	\$1,401,453.76
Street Tree Maintenance	668,328.00
Traffic Signal and Street Lighting	884,087.92
Debt Service (Build America Bonds) Citywide Street Lights Upgrade	299,282.00
Debt Service (Energy Efficiency)	64,154.00
Park Maintenance Costs	1,127,588.85
Special Project/Graffiti Abatement	78,887.00
511 Zone Maintenance	9,000.00
Brookstone Zone Maintenance	100.00
<b>Subtotal Direct Costs</b>	<b>\$4,532,881.53</b>
<b>Administration Costs</b>	
Public Works/Engineering	\$26,630.00
City Streets and Grounds	67,075.00
<b>Subtotal Administration Costs</b>	<b>\$93,705.00</b>
<b>Credits and Adjustments</b>	
City Contribution for Local Park Benefit	(\$595,651.17)
City Contribution for General Park Benefit	(90,459.98)
Other Revenues	(108,018.04)
<b>Subtotal Credits and Adjustments</b>	<b>(\$794,129.18)</b>
<b>Total Costs</b>	<b>\$3,832,457.34</b>
<b>Assessment Charges</b>	
Citywide Charges	\$2,661,658.54
511 Zone Charges <sup>(1)</sup>	9,000.00
Brookstone Charges <sup>(2)</sup>	100.00
Rounding	(137.40)
<b>Total Net Amount to be Assessed</b>	<b>\$2,670,621.14</b>
<b>Surplus/(Shortfall)</b>	<b>(\$1,161,836.20)</b>
<b>Total District EDU Count</b>	<b>29,511.8375</b>
<b>Actual Assessment per EDU – Fiscal Year 2025/26</b>	<b>\$90.19</b>
<b>Maximum Allowable Assessment per EDU – Fiscal Year 2025/26</b>	<b>\$90.19</b>

- 1) For Fiscal Year 2025/26, the 511 Zone budget is \$9,000. Therefore, the Fiscal Year 2025/26 charges spread to the 964 parcels totals \$9.32 per parcel with rounding.
- 2) For Fiscal Year 2025/26, the Brookstone budget is \$100. Therefore, the Fiscal Year 2025/26 charges spread to the 182 parcels totals \$0.54 per parcel with rounding.

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# Budget FY 2025/2026

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# FISCAL IMPACT

# No Change in Assessment Rate - Same Level Since 1996-97 Fiscal Year (29 years):

- Single family residence --- \$90.19 per parcel
- Commercial ----- \$0.0751 per SF
- Industrial ----- \$0.0563 per SF

Copy of Assessment Roll is available for viewing

# Keeping Up with CPI Would Have Resulted in the Following:

- Number of EDUs ----- 29,512
- Assessment Amount (\$200– 3% CPI)-----\$5,902,400
- Assessment Amount (\$154 - 2% CPI)-----\$4,544,848
- Assessment Amount (\$90.19 now)----- \$2,661,687
- Assessment Amount (Not Collected) ----- \$1,883,161
  
- Cost of providing services ----- \$3,832,457
- Assessment Amount (Current)----- \$2,661,687
- Current Shortfall Amount ----- \$1,170,770

*Current LLAD Funds are used for staffing and expenses only*



## Other Funds Cover Shortfall

• Current Shortfall Amount -----	<b>\$1,170,770</b>
• Annual General Fund Coverage-----	<u>\$ 750,000</u>
• Shortfall of LLAD Funds (other funds)-----	\$ 420,770

### Typical LLAD Maintenance Costs

Annual Tree Trimming & Removal Contract	\$ 360,000
Annual Traffic Signal Maintenance Contract	\$ 240,000
Annual Street Light Maintenance Contract	<u>\$ 100,000</u>
	\$ 600,000

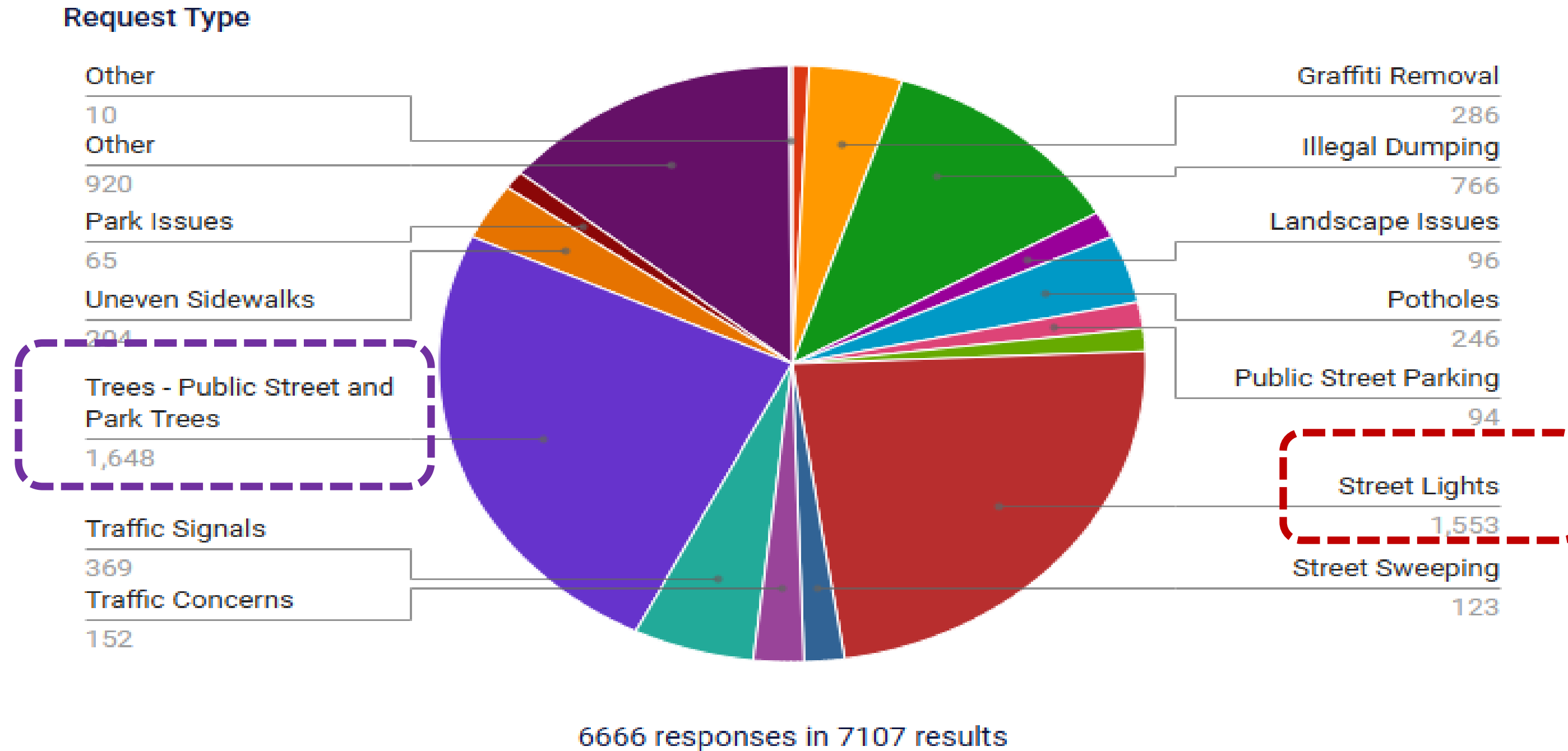
*Approximately \$600,0000 of Transportation Funds used to replace LLAD Funds*

# Increases in Maintenance Demand Since 1996-97:

	Year 1996/1997 Number	Current Number* (2020 Census)	Increases (over 29 years)
Union City Residents	67,000	70,000	3,000
Parks	23	34	11
Traffic Signals	38	68	30
Streetlights	3,166	4,190	1,024
Street Trees	29,000	35,000	6,000
Bio-Retention Areas	0	100	100
Pervious Pavement Areas	0	27,000 sf	27,000 sf
Trash Capture Devices (@ Curb Inlets)	0	655*	562
* Includes 93 TCD to be installed in 2025			

# Top Union City Residents Public Works Requests

## TREES AND STREETLIGHTS



**RECOMMENDATION**

# Staff Recommend that the City Council Adopt Two Resolutions to:

1. Approve the Annual Engineer's Report for LLAD No. 3; and
2. Declare intention to Levy Assessments for FY 2025-26 following a Public Hearing on June 24, 2025