



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

March 18, 2020

DEPARTMENT:

Engineering

DIVISION:

- ☐ Motion
- ☒ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

TITLE:

Intent to Create Improvement District No. 114: 2nd Avenue between 10th Street and 12th Street

SUMMARY RECOMMENDATION:

Approve the creation of Improvement District No. 114 to serve 2nd Avenue between 10th and 12th streets. (Engineering) (Jeff Kramer)

REPORT:

When constructing neighborhoods, developers build to the codes in place at the time of construction. Developers pass the costs of the amenities along to the purchasers of the real properties in the development, and the value of each property in the development should reflect the approximate level of investment in infrastructure and the amenities offered within a particular development. Property owners should recuperate the investment in infrastructure when the real property is sold.

Properties developed in another jurisdiction, such as Yuma County, or in an earlier era (such as pre-annexation), are constructed to different construction standards. In those cases, the developer may not have constructed certain infrastructure or amenities because those amenities were not required by the jurisdiction's codes. As a result, the property owner usually acquires the property at a lower purchase price than a similar property with more amenities.

Because the infrastructure amenities are more than a local benefit to a single property, but are not a city-wide benefit, Title 48, Chapter 4 of the Arizona Revised Statutes (A.R.S.) allow residents whose properties will benefit from certain infrastructure amenities to petition City Council for the formation of an improvement district to construct the amenities. The construction costs of those amenities may then be assessed to the real properties in the district which benefits from those amenities. After the improvement district is created and implemented, under A.R.S. § 48-572 (B)(3) any grants or aid the City seeks and obtains for the construction of the amenities may be applied as an offset to the assessment. Neighborhoods constructed to County standards and then later annexed into the City can utilize this state law to petition for the formation of an improvement district to construct certain

infrastructure amenities for their neighborhoods. Improvement Districts are also widely used in the County jurisdiction for amenities such as flood-control.

The real property owners on 2nd Avenue between 10th Street and 12th Street have approached City staff and City Council seeking amenities for their neighborhood. Specifically, the real property owners seek curb, gutter and sidewalks to be constructed along both the east side and the west side of 2nd Avenue between 10th Street and 12th Street as well as the installation of streetlights in accordance with modern construction standards. The area seeking improvements is a portion of the Speese Addition. According to Yuma County records, this portion of the Speese Addition was subdivided under Yuma County standards in 1925. After construction, the west side of 2nd Avenue was annexed into the City of Yuma in 1946 but the east side of 2nd Avenue was not annexed until 2007. Due to the timing of subdivision and construction under Yuma County standards, the local neighborhood was built as a County neighborhood and constructed without streetlights or curb, gutter and sidewalks. The neighborhood was "grandfathered" thereafter, removing requirements from sizeable renovations or new construction to install these amenities.

A.R.S. § 48-571 *et seq.* authorizes the creation of an improvement district to, among other things, construct or reconstruct sidewalks, curbs and gutters and install poles and lighting which are specifically authorized in A.R.S. § 48-572(A)(3) and (7). Real property owners within the improvement district pay a special assessment on their property tax bill for the construction of the amenities and the residents gain a direct decision-making role in the timing of the construction. Residents wishing to create an improvement district for these purposes must file signed petitions with the City Council. Because the formation of an improvement district can become unwound when more than 50% of the real property owners protest under A.R.S. § 48-579, the petition to form an improvement district should contain at least 50% of the real property owners within the proposed district.

Once the petition to form an improvement district is filed with the City, creation and ordering of improvements is a two-step process by the legislative body. First, the City Council creates the improvement district through this Resolution to Create. Unless the petition for the formation of the improvement district is presented to the City Council purporting to be 100% of the real property owners in the district (exclusive of mortgagees and lienholders), the proposed resolution for the intention to create the improvement district must be published as set forth in A.R.S. § 48-578 before City Council may order improvements through a second resolution. Following the passage of a Resolution of Intention to Create the improvement district, certain impacted property owners, in accordance with A.R.S. § 48-579, are given fifteen days to express written protest against the proposed improvement district. If no protests are submitted, the City Council is authorized to adopt a second resolution, the Resolution Ordering the Improvements to the improvement district as set forth in A.R.S. § 48-576.

Attached to this Request for City Council Action is the petition to form Improvement District No. 114 serving the residents of 2nd Avenue between 10th Street and 12th Street. Also attached is the formal resolution to create Improvement District No. 114 to serve the residents of 2nd Avenue between 10th Street and 12th Street. The Petition for Formation is presented by approximately 52% of the real property owners in the proposed District. The resolution to create will be published pursuant to A.R.S. § 48-578. It is the intent of the Petitioners and the City that the terms apply to all successors and assigns and shall run with the land as a covenant until the improvements are installed and fully paid.

Adopting this resolution authorizes the creation of Improvement District No. 114 to serve the residents of 2nd Avenue between 10th Street and 12th Street for the construction and installation of curbing, gutters, sidewalks, and streetlighting and the costs of those improvements be assessed on the real property located in the District. This resolution to create the District is the

first of two resolutions necessary to formulate the District and order improvements.

Reconstruction of the 2nd Avenue pavement, including the pavement of 2nd Avenue between 10th and 12th streets is in the Capital Improvement Program (CIP) forecast beginning next fiscal year. The CIP does not include the curb, gutters, sidewalks, or streetlighting desired by the residents of this area. When this District is created by this resolution and the improvements are ordered on a future resolution, the costs of the desired infrastructure improvements will be added to the project in the CIP and the costs of the desired infrastructure improvements will be backed out for assessment over time to the District.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	1. 2. 3. 4. 5. IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL? <input type="radio"/> Department <input checked="" type="radio"/> City Clerk's Office <input checked="" type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Philip A. Rodriguez		3/10/2020	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		3/9/2020	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
Jeffrey A. Kramer		3/2/2020		
WRITTEN/SUBMITTED BY:		DATE:		
Jerry Anaya		3/2/2020		