



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

August 19, 2020

DEPARTMENT:

Community Development

DIVISION:

Community Planning

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

TITLE:

Intent to Create Municipal Improvement District No. 115: La Estancia Subdivision

SUMMARY RECOMMENDATION:

Approve the creation of Municipal Improvement District No. 115 to serve La Estancia Subdivision. (Community Development/Community Planning) (Randall D. Crist)

REPORT:

Under provisions of the City Code, all developers are responsible to completely landscape their development projects according to the approved plans prior to issuance of the final acceptance of the subdivision. In particular, subdivisions are required to provide landscaping along certain arterial and collector streets, in retention basins, and in other locations as provided in the zoning requirements, approval stipulations, engineering requests or subdivision requirements. In addition, developers may provide paths, trails, and other amenities in the common open space areas adjacent to arterial and collector streets. Neighborhood landscape amenities add value to properties, enhance walkability, and improve community aesthetics.

In the past, once the landscaping was installed by the developer and accepted by the City, the developer would provide a cash deposit to the City for several years of landscaping maintenance and the responsibility of ongoing maintenance for the landscaping in the community was shifted to the City of Yuma Public Works Department. Ideally, the new tax base for that newly developed neighborhood would offset the costs of ongoing maintenance to serve that neighborhood. It is now known that the current revenue streams from property and sales taxes generated from the neighborhoods benefiting from the landscape amenities do not cover the costs of this maintenance and Public Works must utilize other portions of its budget to subsidize the maintenance costs to adequately meet the maintenance needs of these new developments. Further, many of the residents in these developments would like extra services or specialized services that Public Works is unable to provide, leaving the residents feeling as if they have little control over the maintenance and beautification of their neighborhood.

As an alternative to this existing situation, a statutory Municipal Improvement District (MID) can now be created. State law permits the creation of MIDs for cities and towns to provide a dedicated funding stream for improvements and neighborhood decisions on improvements. In the City of Yuma, MIDs are utilized for landscape maintenance and provide local control over landscape maintenance. Residents within the MID pay a special assessment on their property tax bill and they gain a direct decision-making role in the level of maintenance within their community. The City will outsource maintenance to a local landscape maintenance contracting company and the amount of the assessment will directly reflect the cost of maintenance. Resident input on the level of maintenance and proposed improvements will be reviewed and approved on an annual basis.

The body of law for MIDs in cities and towns is found at A.R.S. § 48-501 *et seq.* MIDs are widely used in other Arizona cities and towns. Often, the cities and towns in the metro Phoenix area use MIDs in lieu of homeowners' associations or as backups to existing homeowners' associations so those residents can enjoy the same or similar landscape amenities without the need to be part of a homeowners' association.

Pursuant to the provisions of A.R.S. §48-574, the Mayor and City Council are empowered to form a MID for the following purposes: operations, maintenance, repair and improvements of pedestrian malls, off-street parking facilities, retention basins, parkings, and parkways. Per statute, the Mayor and City Council can initiate the formation of a MID or property owners can petition to form a MID. In this case, a MID was contemplated through a development condition and the developer has submitted an executed Petition, Waiver, and Consent form requesting the formation of the MID. The ability to form MIDs through development conditions instead of entering into formal agreements is especially important to smaller developers or developers improving property within redevelopment areas.

Attached to this Request for City Council Action is the petition to form a MID for the La Estancia Subdivision development. In this situation, in which all the property owners have presented a Petition for Formation, the ordinary publication and posting periods are not required by law. Also attached is the formal Resolution of Intention for Creation of City of Yuma Municipal Improvement District No. 115: La Estancia Subdivision, which is located at S. Avenue 8½E and E. 40th Street.

Following the passage of a Resolution of Intention to Create MID, certain impacted property owners, in accordance with A.R.S. §48-579, are given 15 days to express written protest against the proposed MID. If no protests are submitted, the Mayor and City Council are authorized to adopt a second resolution, the Resolution Ordering the Improvements, which finalizes the formation of the MID process. It is anticipated that the Resolution Ordering the Improvements will be heard at the next regular City Council meeting after the creation of this MID.

Adopting this Resolution authorizes the creation of Municipal Improvement District No. 115 to serve La Estancia Subdivision.

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: \$0.00	
	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 (electronic signature)		8/13/2020	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files (electronic signature)		8/10/2020	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
Alyssa Linville		7/14/2020		
WRITTEN/SUBMITTED BY:		DATE:		
Robert M. Blevins		7/13/2020		