



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

October 21, 2020

DEPARTMENT:

Community Development

DIVISION:

Community Planning

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

TITLE:

Re-Order Improvements: Municipal Improvement District No. 108

SUMMARY RECOMMENDATION:

Re-Order Improvements for Municipal Improvement District No. 108 to serve Driftwood Ranch Units 1 & 2, to operate, maintain and repair landscaping improvements within, near and adjacent to the retention and detention basins and parkings and parkways and related facilities together with appurtenant structures (Landscape Improvements); declaring the Landscape Improvements to be of more than local or ordinary benefit, and that the costs of the Landscape Improvements for MID No. 108 shall be assessed upon the properties in MID No. 108; providing that the proposed Landscape Improvements shall be performed under Arizona Revised Statutes (A.R.S.) Title 48, Chapter 4, Article 2. (Community Development/Community Planning) (Randall Crist)

REPORT:

The statutory process implementing a Municipal Improvement District (MID) to serve a specific area/district requires two separate legislative acts, an initial resolution to create the district; and then a subsequent resolution to order improvements on the district. Through Resolution number R2019-015, the City Council approved the ordering of improvements for Municipal Improvement District (MID) No. 108 to serve Driftwood Ranch Units 1 & 2. However, in late 2019, the Yuma County Assessor's Office notified City staff of an unintended error in the legal description of a small number of MIDs in the initial Resolution to Create each of the MIDs. The Yuma County Assessor believed the legal description of the improved area instead of the MID boundary would cause confusion at the Arizona Department of Revenue (ADOR) during the ADOR approval process.

The clearest solution was to rescind the existing creation of each MID and start over. On September 16, 2020, through Resolution R2020-031, City Council rescinded and restated the Resolution to Create MID No. 108 to serve Driftwood Ranch Units 1 & 2. City staff is now bringing the second action for City Council approval: (re)ordering of improvements and correcting of a scrivener's error in Resolution R2020-031.

While phase two of the Driftwood Ranch development has not yet begun, phase one has begun to develop. The statutes governing MIDs call for a majority of ownership to form and operate MIDs. Here, the developer remains the majority owner of properties within the MIDs.

Assessments for this MID have yet to commence, as the necessary improvements are not planned to be completed until prior to the recording of the phase two final plat.

BACKGROUND ON MIDs

A.R.S. § 48-501 *et seq.* authorizes the formation of a MID for the following purposes: operations, maintenance, repair and improvements of pedestrian malls, off-street parking facilities, retention basins, and parkings and parkways. A MID provides a dedicated funding stream for the Landscape Improvements serving the neighborhood and provides neighborhood input for the implementation and privatization of those Landscape Improvements.

The formation of a MID is a two-step process, both accomplished via resolution from the legislative body. First, the legislative body adopts a resolution creating the MID. By statute, the legislative body can initiate the formation or, alternatively, property owners are empowered to petition to form a MID for their neighborhood. Then, no sooner than 15 days after the creation (it can be longer, depending on the developers' schedule), the legislative body orders improvements for the MID by a second resolution.

The developer submitted the petition to recreate MID No. 108 and represented a majority of the real property owners within the MID. On September 16, 2020, City Council adopted Resolution No. R2020-031 recreating MID No. 108 for Landscape Improvements serving Driftwood Ranch Units No. 1 and 2.

Following the adoption of R2020-031, property owners within the designated MID, in accordance with A.R.S. § 48-579, were given 15 days to express written protest against the proposed MID. No protests were submitted, and as such, the Mayor and City Council are authorized to adopt this second resolution, the Resolution Ordering the Improvements, which finalizes the formation of the MID process. Because the developer's petition represented all of the real property owners within the proposed MID, A.R.S. § 48-574(C) authorizes the City to adopt the resolution ordering the improvements without the necessity of publication and posting as required in other statutes.

Upon adoption of R2020-031 by City Council, City staff submitted the (re)creation of MID No. 108 to the County Assessor. The County Assessor filed the documents with the state and the MID is created. The next step is this Resolution Ordering Improvements, which will again be sent to the County Assessor to file with the state and the MID will be finalized.

Once the developer installs the landscaping in accordance with the approved landscaping plans and those landscaping improvements are accepted, the costs to maintain those Landscape Improvements will be assessed on the respective owner's property tax bill within the Boundary Map and the Legal Description. In accordance with the provisions of A.R.S. § 48-574, City Council will hold public hearings on MID No. 108's Landscape Improvements on or before the third Monday in August of each year, and shall fix, levy and assess the costs of MID 108's Landscape Improvements on all of the property in the MID.

It is anticipated that the developer may be ready to install the landscaping for this MID in the next calendar year. Adopting the Resolution Ordering Improvements ensures that there are no delays with finalizing the MID when the developer is ready.

Adopting this resolution finalizes the formation of MID No. 108 and orders improvements for MID No. 108's Landscape Improvements serving Driftwood Ranch Units No. 1 and 2.

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		10/14/2020	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		10/13/2020	
SIGNATURES	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
	Alyssa Linville		09/15/2020	
SIGNATURES	WRITTEN/SUBMITTED BY:		DATE:	