

CITY COUNCIL REPORT



Meeting Date: 06/11/2019
 Charter Provision: *Provide for the orderly government and administration of the affairs of the City*
 Objective: *Adopt Budgets*

ACTION

Public Hearing on Proposed Fiscal Year 2019/20 Municipal Streetlight Improvement District Expenses and Property Tax Levy (by District).

- 1) SOLICIT public testimony on the proposed fiscal year 2019/20 Streetlight Improvement District proposed expenses and tax levy, and
- 2) APPROVE a motion to adopt the annual statements and estimates of expenses and levy the proposed fiscal year 2019/20 Streetlight Improvement District taxes, by district, taxes to be assessed by ordinance on June 25, 2019.

BACKGROUND

The City's streetlight improvement districts were established beginning in 1971 to allow taxpayers residing in the benefiting area to pay for the operation of the streetlights. The City currently has 355 streetlight improvement districts formed by petition of the property owners for the sole purpose of purchasing electricity for the lighting of public streets. Arizona Revised Statutes (A.R.S.) § 48-616 requires that the City Council make annual statements and estimates of expenses of the streetlight improvement districts and annually adopt an ordinance levying a Special Taxing District property tax in an amount sufficient to pay the expense of operating each of the streetlight improvement districts located throughout the City. The ordinance is then transmitted to the Maricopa County Board of Supervisors and the Maricopa County Assessor who will add the required amounts to the property taxes to each district. The levy amounts, when collected by Maricopa County, are remitted separately to the City and are used to pay utility bills for the streetlight improvement districts.

For fiscal year 2019/20, the streetlight levy is calculated based solely on estimated energy costs. The proposed streetlight property tax levy for fiscal year 2019/20 is \$621,953.

As required by Arizona Revised Statutes § 42-17103 *et seq.*, a public hearing must be held before levying the streetlight improvement district taxes. In accordance with A.R.S. § 42-17103, the City published a Public Hearing Notice regarding the streetlight improvement district tax levy, along with annual statements and estimates of FY 2019/20 expenses, in the local newspaper once a week for two consecutive weeks on Friday, May 24, 2019 and Friday, May 31, 2019.

Adoption by City Council of Ordinance No. 4397 on June 25, 2019 will assess the streetlight improvement district property tax levy of \$621,953 supporting the Adopted Fiscal Year 2019/20 Budget.

ANALYSIS & ASSESSMENT

The cost of operating each district varies based on the cost of electricity, usage and number of streetlights. Electrical services are provided by either Salt River Project or Arizona Public Service, each assessing varying rates. As a result, the property taxes levied may differ for each district. Therefore, 355 separate property tax calculations are required representing approximately 33,750 properties.

RESOURCE IMPACTS

Streetlight district utility bills are paid by the property tax levy. The levy request for fiscal year 2019/20 is \$621,953.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach:

Arizona Revised Statutes § 48-616 requires that the City Council make annual statements and estimates of expenses of the streetlight improvement districts and that an ordinance be adopted annually in order to levy the tax to recoup the streetlight operating costs.

Staff recommends Council discuss the fiscal year 2019/20 proposed Streetlight Improvement District statements and estimates of expenses and tax levy (by district) and then approve a motion to adopt the annual statements and estimates of expenses and levy the proposed taxes, which will be assessed by ordinance on June 25, 2019.

In the alternative, Council may choose to approve a motion that considers adopting a lesser tax levy.

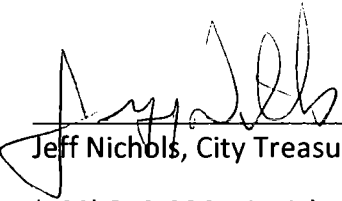
RESPONSIBLE DEPARTMENT(S)

City Treasurer's Office

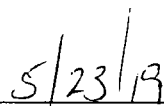
STAFF CONTACT(S)

Judy Doyle, Budget Director, (480) 312-2603, jdoyle@scottsdaleaz.gov

APPROVED BY



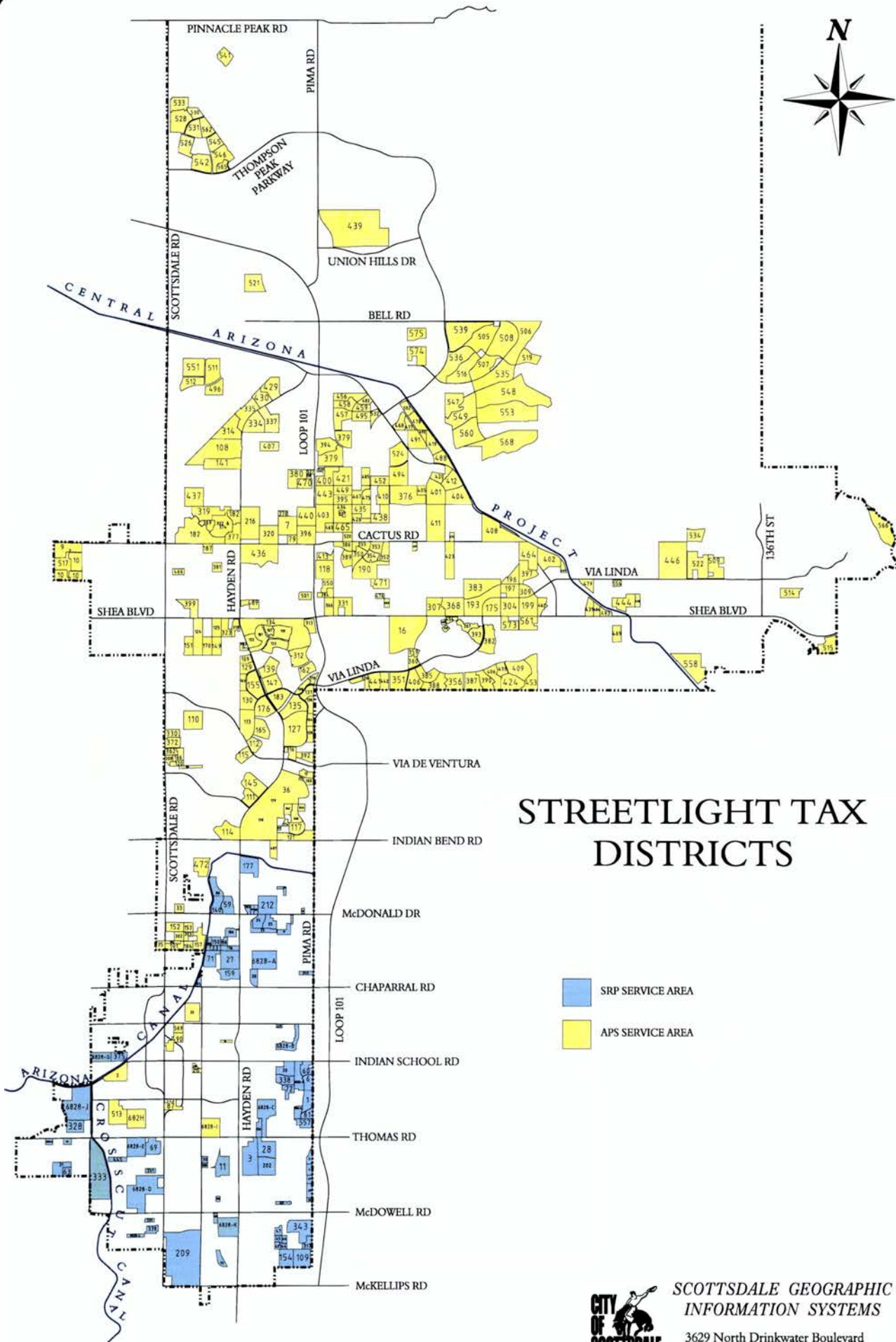
Jeff Nichols, City Treasurer
(480) 312-2364, jenichols@scottsdaleaz.gov



Date

ATTACHMENTS

1. Map of Streetlight Districts
2. Proposed Levy by District



STREETLIGHT TAX DISTRICTS

-  SRP SERVICE AREA
-  APS SERVICE AREA



SCOTTSDALE GEOGRAPHIC
INFORMATION SYSTEMS

3629 North Drinkwater Boulevard
Scottsdale, Arizona 85251

FOR EACH STREETLIGHT IMPROVEMENT DISTRICT LISTED HEREUNDER, the proposed levy on each \$100 of the assessed value of all property, both real and personal, within the boundaries of said district, except such property as may be law be exempt from taxation, shall be a tax rate sufficient to raise the amount listed opposite the District Number. The purpose of the tax rate shall be to provide a fund for the annual expenses of each Streetlight Improvement District listed hereunder, for the fiscal year ending the 30th day of June 2020 with an aggregate total of \$621,953:

STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)	STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)
SL-7104-1	1,260	SL-7104-47	373
SL-7104-2	3,753	SL-7104-59	1,099
SL-7104-3	2,749	SL-7104-60	1,587
SL-7104-4	423	SL-7104-61	1,000
SL-7104-5	591	SL-7104-63	261
SL-7104-6	761	SL-7104-69	1,271
SL-7104-7	1,255	SL-7104-70	828
SL-7104-9	402	SL-7104-71	675
SL-7104-11	1,260	SL-7104-72	590
SL-7104-13	802	SL-7104-79	495
SL-7104-14	140	SL-7104-84	556
SL-7104-16	4,497	SL-7104-86	335
SL-7104-17	419	SL-7104-92	1,724
SL-7104-19	168	SL-7104-96	140
SL-7104-20	1,119	SL-7104-105	0
SL-7104-22	5,875	SL-7104-108	2,609
SL-7104-23	777	SL-7104-109	2,228
SL-7104-24	341	SL-7104-110	4,702
SL-7104-25	496	SL-7104-111	2,715
SL-7104-26	169	SL-7104-112	1,053
SL-7104-27	523	SL-7104-113	3,056
SL-7104-28	1,616	SL-7104-114	3,321
SL-7104-30	171	SL-7104-115	1,330
SL-7104-31	498	SL-7104-116	856
SL-7104-33	1,466	SL-7104-117	2,374
SL-7104-34	166	SL-7104-118	2,437
SL-7104-35	493	SL-7104-119	2,638
SL-7104-36	25,199	SL-7104-120	518
SL-7104-38	84	SL-7104-121	2,523
SL-7104-40	763	SL-7104-122	1,734
SL-7104-41	523	SL-7104-123	281
SL-7104-42	411	SL-7104-124	3,594
SL-7104-44	493	SL-7104-125	2,656
SL-7104-45	426	SL-7104-127	7,576
SL-7104-46	338	SL-7104-128	560

STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)	STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)
SL-7104-129	1,976	SL-7104-179	668
SL-7104-130	2,941	SL-7104-180	1,097
SL-7104-131	2,394	SL-7104-181	1,292
SL-7104-133	724	SL-7104-182	3,313
SL-7104-134	6,042	SL-7104-183	3,600
SL-7104-135	2,709	SL-7104-184	576
SL-7104-136	424	SL-7104-185	591
SL-7104-137	507	SL-7104-186	247
SL-7104-138	1,200	SL-7104-187	2,264
SL-7104-139	3,419	SL-7104-188	277
SL-7104-140	1,103	SL-7104-190	5,136
SL-7104-141	1,066	SL-7104-191	748
SL-7104-143	402	SL-7104-193	3,260
SL-7104-145	3,638	SL-7104-194	140
SL-7104-147	3,362	SL-7104-196	2,838
SL-7104-149	1,634	SL-7104-197	2,766
SL-7104-150	780	SL-7104-198	845
SL-7104-151	1,825	SL-7104-199	2,007
SL-7104-152	576	SL-7104-201	253
SL-7104-153	1,289	SL-7104-202	1,342
SL-7104-154	1,357	SL-7104-209	14,772
SL-7104-155	3,314	SL-7104-212	3,929
SL-7104-156	727	SL-7104-215	533
SL-7104-157	1,033	SL-7104-216	3,347
SL-7104-158	108	SL-7104-218	281
SL-7104-159	2,261	SL-7104-301	2,753
SL-7104-160	138	SL-7104-302	1,100
SL-7104-162	1,348	SL-7104-303	565
SL-7104-163	582	SL-7104-304	3,123
SL-7104-164	426	SL-7104-307	2,102
SL-7104-165	1,674	SL-7104-308	672
SL-7104-166	1,253	SL-7104-309	1,667
SL-7104-167	685	SL-7104-310	182
SL-7104-169	2,998	SL-7104-312	2,868
SL-7104-170	1,367	SL-7104-313	1,512
SL-7104-171	82	SL-7104-314	1,690
SL-7104-173	1,836	SL-7104-316	420
SL-7104-174	280	SL-7104-317	1,274
SL-7104-175	3,051	SL-7104-318	736
SL-7104-176	3,440	SL-7104-319	2,895
SL-7104-177	2,533	SL-7104-320	1,278
SL-7104-178	281	SL-7907-323	1,668

STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)	STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)
SL-8001-328	1,872	SL-8501-387	2,537
SL-8005-330	1,570	SL-8501-388	2,178
SL-8005-331	826	SL-8502-389	1,689
SL-8006-333	6,369	SL-8502-390	2,224
SL-8008-334	986	SL-8504-391	0
SL-8008-335	1,121	SL-8504-392	340
SL-8009-336	1,601	SL-8504-393	1,770
SL-8207-337	1,547	SL-8506-394	2,869
SL-8207-338	997	SL-8508-395	0
SL-8207-339	493	SL-8509-396	2,636
SL-8010-343	2,271	SL-8509-397	3,089
SL-8012-345	422	SL-8510-399	2,373
SL-8110-350	2,353	SL-8510-400	2,372
SL-8110-351	2,528	SL-8510-401	3,765
SL-8110-352	1,153	SL-8511-402	4,062
SL-8206-353	701	SL-8512-403	3,930
SL-8206-354	1,544	SL-8512-404	3,253
SL-8209-355	1,884	SL-8512-405	983
SL-8206-356	3,770	SL-8602-406	7,121
SL-8210-359	1,263	SL-8602-407	1,419
SL-8210-360	1,196	SL-8604-408	402
SL-8301-362	536	SL-8604-409	3,091
SL-8301-364	3,354	SL-8605-410	417
SL-8301-366	703	SL-8605-411	4,790
SL-8301-367	2,078	SL-8606-412	1,796
SL-8301-368	1,672	SL-8607-413	2,252
SL-8301-369	832	SL-8609-419	1,121
SL-8303-370	123	SL-8609-420	2,403
SL-8307-372	1,558	SL-8609-421	2,627
SL-8308-374	2,165	SL-8609-423	0
SL-8308-375	910	SL-8611-424	3,721
SL-8309-376	6,953	SL-8611-426	4,826
SL-8312-377	4,045	SL-8703-429	697
SL-8401-378	701	SL-8704-430	702
SL-8312-379	7,066	SL-8705-431	700
SL-8402-380	1,226	SL-8707-433	1,263
SL-8402-381	843	SL-8707-434	3,918
SL-8404-382	2,822	SL-8707-435	2,072
SL-8405-383	1,935	SL-8707-436	897
SL-8406-384	1,097	SL-8804-437	4,360
SL-8407-385	2,519	SL-8804-438	2,435
SL-8408-386	6,116	SL-8810-439	414

STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)	STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)
SL-8810-440	2,926	SL-9309-494	2,396
SL-8907-443	3,270	SL-9309-495	978
SL-8907-444	982	SL-9310-496	1,687
SL-8911-445	72	SL-9311-497	420
SL-8912-446	677	SL-9311-498	0
SL-9001-447	927	SL-9311-499	0
SL-9003-448	0	SL-9311-500	1,494
SL-9003-449	1,755	SL-9311-501	701
SL-9007-452	1,544	SL-9402-502	655
SL-9012-453	3,425	SL-9403-505	2,354
SL-9012-454	314	SL-9403-506	2,263
SL-9012-456	1,611	SL-9403-507	2,244
SL-9012-457	2,258	SL-9404-508	3,235
SL-9012-458	1,815	SL-9406-509	423
SL-9012-459	549	SL-9408-511	2,166
SL-8810-462	1,264	SL-9409-512	1,263
SL-9101-463	561	SL-9408-513	6,944
SL-9112-464	1,828	SL-9409-514	168
SL-9201-465	1,456	SL-9410-515	0
SL-9201-466	420	SL-9409-516	2,394
SL-9203-467	606	SL-9411-517	140
SL-9204-468	2,934	SL-9412-521	2,555
SL-9205-469	0	SL-9412-522	137
SL-9205-470	421	SL-9501-523	495
SL-9206-471	420	SL-9502-524	4,751
SL-9207-472	362	SL-9504-526	1,707
SL-9207-474	200	SL-9504-527	140
SL-9207-475	693	SL-9504-528	2,082
SL-9207-476	140	SL-9505-529	140
SL-9209-477	2,504	SL-9506-530	1,356
SL-9204-478	1,977	SL-9507-531	1,332
SL-9209-480	140	SL-9507-532	576
SL-9210-481	0	SL-9508-533	1,232
SL-9301-482	1,237	SL-9510-535	367
SL-9212-484	430	SL-9510-536	2,358
SL-9301-485	1,420	SL-9510-537	283
SL-9308-488	2,105	SL-9601-538	158
SL-9308-489	49	SL-9604-539	2,083
SL-9308-490	6,494	SL-9607-542	1,740
SL-9308-491	3,255	SL-9609-545	1,388
SL-9308-492	718	SL-9609-546	1,647
SL-9309-493	487	SL-9611-549	1,550

STREETLIGHT DISTRICT	AMOUNT REQUIRED TO BE RAISED (in \$)
SL-9610-550	540
SL-9611-551	1,132
SL-9611-552	85
SL-9612-553	558
SL-9705-557	681
SL-9706-560	983
SL-9710-565	829
SL-9808-568	1,087
SL-9810-569	724
SL-0011-573	153
SL-0101-574	312
SL-6828	3,119
SL-6828-A	2,146
SL-6828-B	1,265
SL-6828-C	2,028
SL-6828-D	4,525
SL-6828-E	1,676
SL-6828-G	674
SL-6828-H	3,748
SL-6828-I	10,918
SL-6828-J	3,572
SL-6828-K	2,293
SL-6828-L	506
SL-6828-O	84
SL-6828-Q	1,518
SL-6828-R	1,704
SL-7104-12	421
SL-8010-441	2,485
SL-8010-442	1,719
SL-7104-54A	545
SL-7104-54B	2,898
SL-7104-54C	1,585
SL-7104-87	423

FY 2019/20
Municipal Streetlight
Improvement District
Property Tax Levy

Public Hearing

June 11, 2019 City Council Meeting

Background

- Established 1970 to allow taxpayers residing in the benefiting area to pay for the operation of streetlights
- 355 Streetlight Improvement Districts (SLID) formed by petition of the property owners

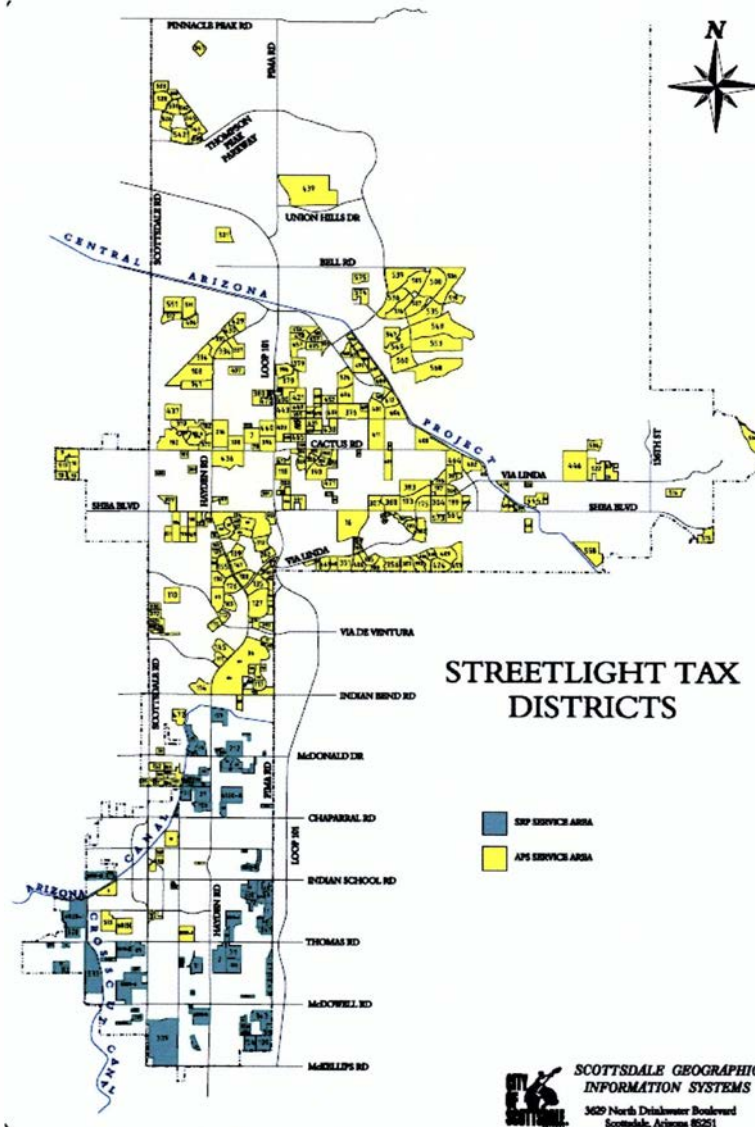
Background

- Sole purpose to purchase electricity for lighting public streets
- Special Taxing District property tax
- Levy is calculated based on estimated energy costs

Background

- Operating costs vary by district –
Usage / # streetlights
SRP vs APS rates
- 355 separate property tax calculations representing
33,750 properties

FY 2019/20 Proposed Expense and Tax Levy \$621,953



Action

1. Solicit public testimony on the FY 2019/20 SLID proposed expense and tax levy.
2. Approve a motion to levy the proposed FY 2019/20 SLID taxes, by district, taxes to be assessed by ordinance on June 25, 2019.

FY 2019/20 Municipal Streetlight Improvement District Property Tax Levy

Public Hearing

June 11, 2019 City Council Meeting

1

Background

- Established 1971 to allow taxpayers residing in the benefiting area to pay for the operation of streetlights
- 355 Streetlight Improvement Districts (SLID) formed by petition of the property owners

2

2

Background

- Sole purpose to purchase electricity for lighting public streets
- Special Taxing District property tax
- Levy is calculated based on estimated energy costs

3

3

Background

- Operating costs vary by district –
Usage / # streetlights
SRP vs APS rates
- 355 separate property tax calculations representing 33,750 properties

4

4

STREETLIGHT TAX DISTRICTS

Legend:

- SDP SERVICE AREA (Blue)
- APS SERVICE AREA (Yellow)

Map Labels (from top to bottom):

- Pinnacle Peak Rd
- Central Expressway
- Camelback Rd
- Scottsdale Rd
- Valley View Blvd
- Indian Bend Rd
- McKee Blvd
- Chandler Rd
- Locust Rd
- Greenway School Rd
- Tremont Rd
- McDowell Rd
- Madeline Rd

Map Scale: 1 inch = 1 mile

Map Source: Scottsdale Geographic Information Systems

Map Date: 10/1/2011

Map Author: Scottsdale Geographic Information Systems

Map Contact: Scottsdale Geographic Information Systems

Map Phone: 480.342.1234

Map Email: info@scottsdalegis.com

Map Website: www.scottsdalegis.com

5

Action

1. Solicit public testimony on the FY 2019/20 SLID proposed expense and tax levy.
2. Approve a motion to levy the proposed FY 2019/20 SLID taxes, by district, taxes to be assessed by ordinance on June 25, 2019.

6

3