

**RESOLUTION NO. 26-\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES FOR PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT AND DECLARING THE CITY COUNCIL'S INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR (FY) 2026-27 FOR THE CITY OF HERCULES LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 83-2 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972**

**WHEREAS**, in accordance with the City Council's direction, the Engineer of Work for the Landscaping and Lighting Assessment District No. 83-2 ("Assessment District No. 83-2") has filed with the City Clerk the Engineer's Report required by the Landscaping and Lighting Act of 1972; and

**WHEREAS**, Assessment District No. 83-2 was formed on January 5, 1984 by Resolution No. 84-7 of the City Council pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et. Seq. and State Law); and

**WHEREAS**, in 1997 a special assessment ballot proceeding was conducted pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution which reconfirmed Assessment District No. 83-2, authorized revisions to the assessment methodology, and extended the use of an annual inflation factor based on the annual change in the Consumer Price Index (CPI) and the collection of the assessments through FY 2002-03; and

**WHEREAS**, in 2003 a special assessment ballot proceeding was conducted pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution which authorized the City Council to extend the levy and collect assessments within Assessment District No. 83-2 through FY 2012-13; and

**WHEREAS**, in 2010 a special assessment ballot proceeding was conducted pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution which authorized revisions to the assessment methodology, extended the use of an annual inflation factor based on the annual change in the CPI and the collection of the assessments in perpetuity; and

**WHEREAS**, in 2017 a special assessment ballot proceeding was conducted in Zones 1, 3&4, 5C, 6, and 7 (excluding Bay Pointe, Bravo, and Caprice parcels) pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution to increase assessments above the authorized CPI. The assessment increase was approved by property owners in Zone 5C commencing with FY 2017-18; and

**WHEREAS**, in 2018 a special assessment ballot proceeding was conducted in Zones 1, 3&4, 6, 7 (excluding Bay Pointe, Bravo, and Caprice parcels), and 9 pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution to increase assessments above the authorized CPI. The assessment

increase was approved by property owners in Zone 9 commencing with FY 2018-19; and

**WHEREAS**, in 2019 a special assessment ballot proceeding was conducted in Zones 1 and 7 (excluding Bay Pointe, Bravo, and Caprice parcels) pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution to increase assessments above the authorized CPI. The assessment increase was approved by property owners in Zones 1 and 7 for a 10-year period commencing with FY 2019-20; and

**WHEREAS**, in 2021 a special assessment ballot proceeding was conducted in Zone 3&4 pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution to increase assessments above the authorized CPI. The assessment increase was approved by property owners in Zone 3&4 for a 10-year period commencing with FY 2021-22; and

**WHEREAS**, in 2021 a special assessment ballot proceedings was conducted in Zone 6 pursuant to the requirements of Article XIID (enacted by Proposition 218) of the State Constitution to approve two assessment increases above the authorized CPI. One increase was to the maximum assessment to fund Operating & Maintenance Expenses, which will be adjusted each subsequent fiscal year by the prior years change in the annual Consumer Price Index to keep up with inflationary increases for goods and services. The second increase was to fund the replacement of failing wooden streetlight poles with new energy-efficient LED lights on metal poles and eliminate the Zone 6 fund deficit that has accumulated over the years due to insufficient assessment revenues. The second assessment increase is a 10-year assessment that is fixed with no inflationary increases. Both assessment increases were approved by property owners in Zone 6 commencing with FY 2021-22; and

**WHEREAS**, on April 27, 2021, the City Council approved the use of a Promissory Note which authorizes inter-fund loans from the City's General Fund Reserves to Assessment District No. 83-2. The inter-fund loans provides up-front funding for the cost to replace the failing wooden streetlight poles benefitting property within Zones 3&4 and 6 with new energy-efficient LED lights on metal poles. The loan has a zero-interest rate with no pre-payment penalty and will be repaid in a maximum of ten annual installments from Zones 3&4 and 6 assessment revenue generated in FY 2021-22 through FY 2030-31; and

**WHEREAS**, Assessment District No. 83-2 provides for the maintenance and servicing of landscaping, lighting, open space areas, park and recreation facilities that benefit property within Assessment District No. 83-2; and

**WHEREAS**, the law requires that the City Council afford the public an opportunity to comment on the proposed assessments at a public hearing.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Hercules as follows:

1. That the above recitals are true and correct and material to the adoption of this Resolution.
2. That the City Council hereby declares that it intends to levy and collect assessments within Assessment District No. 83-2 for FY 2026-27 in accordance with the Landscaping and Lighting Act of 1972. The proposed assessments and rates for all Zones are outlined in the Engineer's Report, which is attached hereto and incorporated by this reference; and
3. That the City Council has reviewed the Engineer's Report and is preliminarily satisfied that the assessments have been spread in compliance with the provisions of California Constitution Article XIII D. The Engineer's Report is hereby accepted and preliminarily approved; and
4. That all interested persons are referred to the Engineer's Report on file with the City Clerk for a full and detailed description of the improvements, boundaries and proposed assessments upon assessable lots and parcels of land within Assessment District No. 83-2; and
5. That on Tuesday, the **23rd day of June 2026 at 7:00 P.M.**, or as soon thereafter as may be heard, the City Council will conduct a public hearing held at the meeting place of the City Council located in the Council Chambers of City Hall at 111 Civic Drive, Hercules, California; and
6. That the City Clerk is directed to give notice of the public hearing by publishing this Resolution once at least ten (10) days prior to the date set for the public hearing in a newspaper of general circulation.

The foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Hercules held on the 28th day of April 2026, by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chris Kelley, Mayor

ATTEST:

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Eibleis Melendez  
City Clerk