



# City of La Quinta

**CITY / SA / HA / FA MEETING DATE:** June 3, 2014

**AGENDA CATEGORY:**

**BUSINESS SESSION:**

**CONSENT CALENDAR:**

**STUDY SESSION:**

**PUBLIC HEARING: 1**

**ITEM TITLE:** ADOPT RESOLUTION CONFIRMING THE DIAGRAM AND ASSESSMENT FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT 89-1, FISCAL YEAR 2014/2015

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## **RECOMMENDED ACTION:**

Adopt a resolution confirming the diagram and assessment for Landscape and Lighting Assessment District 89-1, Fiscal Year 2014/2015, pursuant to the Engineer's Report.

## **EXECUTIVE SUMMARY:**

- Annually, the City Council must take certain actions in order to levy the annual assessments for Citywide Landscape and Lighting Assessment District 89-1 ("District").
- Assessments are collected to fund right-of-way landscape, lighting, median, and parkway maintenance. The assessment rate will remain at \$35.60 per Equivalent Dwelling Unit (EDU), which has been the same rate since 1997.
- Approving the attached resolution is necessary in order for the County Assessor to place this assessment on the tax roll for Fiscal Year 2014/2015.

## **FISCAL IMPACTS:**

The assessment levy (\$35.60 per EDU) will generate an estimated \$961,449. This will fund 58 percent of the Fiscal Year 2014/2015 estimated \$1,652,359 cost to maintain retention basins and right-of-ways (landscaping and lighting maintenance for medians and parkways). The City will also receive \$100,000 from County Service Area 152, levied by the County of Riverside, to fund retention basin maintenance. The County levies these assessments on City parcels to fund stormwater facility maintenance as well as other programs to improve stormwater quality within the City. The combined income is projected to be \$1,061,449; the \$590,910 shortfall will be funded by the General Fund.

**BACKGROUND/ANALYSIS:**

The City’s District was formed in 1989 to pay for the maintenance of street and parks landscape and lighting maintenance under the Landscape and Lighting Act of 1972. The District was modified in 1997 to conform to Proposition 218, which required the removal of maintenance costs for facilities that provide general benefit to the public such as parks, fire stations and public buildings. Since 1997, the City’s District has only included maintenance costs for streets, street lights, traffic signals, landscape medians and parkways and retention basins since these costs are considered “exempt” under Proposition 218. Proposition 218 also requires that any assessment rate increase be supported by a benefits analysis and City-wide vote in favor of the increase. These requirements have virtually locked in the assessment rate at \$35.60 since 1997, while the District’s maintenance costs for parks, medians and parkways have nearly tripled. This has resulted in a significant burden to the City’s General Fund in order to balance the District’s budget.

On May 6, 2014, the City Council adopted the following resolutions:

- Resolution No. 2014-016, approving the Preliminary Engineer’s Report for Fiscal Year 2014/2015 in connection with the District.
- Resolution No. 2014-017, declaring intention to levy annual assessment for construction, maintenance, and servicing landscape and lighting improvements within the boundaries of the territory included in the Citywide District, and giving notice thereof.

The engineer’s report must include the following information:

1. A description of the services to be provided throughout the District;
2. Total costs necessary to provide all services described in the engineer’s report;
3. A diagram showing the boundaries of the District, including special benefit zones; and
4. An assessment schedule.

The final engineer’s report, for the Fiscal Year 2014/2015 assessments, has been completed (Attachment 1) and establishes the maintenance budget and number of benefitting parcels. It projects the following for Fiscal Year 2014/2015 in comparison to the Fiscal Year 2013/2014 Engineer’s Report:

|                               | <u>FY 2013/2014</u> | <u>FY 2014/2015</u> |
|-------------------------------|---------------------|---------------------|
| City-wide Benefit Zone        | Yes                 | Yes                 |
| Number of Local Benefit Zones | 6                   | 6                   |
| Number of EDU’s               | 26,986              | 27,007              |
| EDU Rate                      | \$35.60/EDU         | \$35.60/EDU         |
| District Revenue              | \$960,698           | \$961,449           |

In accordance with prior City Council direction, all property owners, including those within six previously identified local benefit zones, will be assessed at a flat rate.

The purpose of this public hearing is to allow affected property owners an opportunity to ask questions of the City Council and staff regarding the District and to provide public testimony regarding any proposed changes. No changes are proposed at this time. Only after the public hearing has been conducted can the City Council adopt assessment fees for Fiscal Year 2014/2015.

Should the City Council receive testimony from the public through the end of the public meeting/hearing that warrants a change to the assessment level, the City Council can lower the assessment by a majority vote of the Council, or increase it but only by vote through a property owner ballot. If lowered, the reduction in assessment level would impact the revenues necessary to fund the District's operational budget for Fiscal Year 2014/2015. If service levels were not adjusted accordingly, the General Fund would be required to make up the difference between the reduced revenue level and the proposed District's operational budget.

**ALTERNATIVES:**

The City Council can direct staff to adjust the engineer's report to reflect any changes resulting from the public hearing. Should the City Council direct amendments to the engineer's report, an amended report and the impacts of the amendments will be submitted to the City Council for approval at the June 17, 2014 City Council meeting.

Report prepared by: Timothy R. Jonasson, P.E.  
Public Works Director/City Engineer

Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Final Engineer's Report



## RESOLUTION NO. 2014 -

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA QUINTA, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2014/2015 LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT 89-1 (PURSUANT TO THE LANDSCAPE AND LIGHTING ACT OF 1972)

**WHEREAS**, maintenance of landscape improvements in roadways and drainage facilities is a very important service in our community. Landscaping, if well maintained, provides beautification and enhancement to the surroundings, along with a positive effect on property values. Adequate street lighting and traffic signals are considered imperative for their contribution to public convenience and safety; and

**WHEREAS**, the annual assessments generated by the existing 1972 Act City of La Quinta Landscaping and Lighting District will fund the cost of providing installation, servicing, maintenance, and operation of landscaping, lighting and appurtenant facilities within the City of La Quinta that are exempt under provisions of Proposition 218 voted in by the California residents during the November 1996 election; and

**WHEREAS**, on May 6, 2014, the City Council adopted the following resolutions:

- Resolution No. 2014-016, approving the Preliminary Engineer's Report for Fiscal Year 2014/2015 in connection with Landscape and Lighting Assessment District 89-1.
- Resolution No. 2014-017, declaring intention to levy annual assessments for construction, maintenance, and servicing landscape and lighting improvements within the boundaries of the territory included in the City-wide Landscape and Lighting Assessment District 89-1, and giving notice thereof; and

**WHEREAS**, a Notice of a Public Hearing to Adopt a Resolution Confirming the Diagram and Assessments for Fiscal Year 2014/2015 Landscape and Lighting Assessment District 89-1 was published in *The Desert Sun* newspaper on May 21, 2014.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of La Quinta, California, as follows:

**SECTION 1.** Pursuant to Chapter 3 of the Landscaping and Lighting Act of 1972, the City Council directed the City Engineer to prepare and file an annual report for Fiscal Year 2014/2015.

**SECTION 2.** The City Engineer filed an annual report on May 6, 2014, and the City Council adopted a Resolution of Intention to Levy and Collect Assessments within Landscape and Lighting Assessment District 89-1 for Fiscal Year 2014/2015 and set a

Public Meeting/Hearing date of June 3, 2014 at the La Quinta City Council Chambers, 78-495 Calle Tampico, La Quinta, California. Notice of the Public Meeting/Hearing was given in the time and manner required by law.

SECTION 3. On June 3, 2014, a Public Meeting/Hearing for which notice was given, was conducted at which every interested person was given an opportunity to object to the proposed assessment in writing or orally, and the City Council has considered each protest.

SECTION 4. On June 3, 2014, the City Council found that written protests against the proposed assessment had not been made by owners representing more than one-half of the area of the land to be assessed.

SECTION 5. The City Council hereby confirms the diagram and assessment as set forth in the annual report of the Engineer of Work and hereby levies the assessment set forth for Fiscal Year 2014/2015.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the La Quinta City Council held on this 3<sup>rd</sup> day of June 2014, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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DON ADOLPH, Mayor  
City of La Quinta, California

**ATTEST:**

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SUSAN MAYSELS, CITY CLERK  
City of La Quinta, California

(CITY SEAL)

**APPROVED AS TO FORM:**

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M. KATHERINE JENSON, City Attorney  
City of La Quinta, California







# City of La Quinta

## Street Lighting and Landscape District No. 89-1

### 2014/2015 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: May 6, 2014  
Public Hearing: June 3, 2014

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**ENGINEER'S REPORT AFFIDAVIT**

**CITY OF LA QUINTA**

Street Lighting and Landscape District No. 89-1  
Riverside County, State of California

This Report and the enclosed diagrams show the exterior boundaries of the District as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Willdan Financial Services  
Assessment Engineer  
On Behalf of the City of La Quinta

By: \_\_\_\_\_

Stacee Reynolds  
Senior Project Manager, District Administration Services

By: \_\_\_\_\_

Richard Kopecky  
R. C. E. # 16742

# ENGINEER'S REPORT

## CITY OF LA QUINTA STREET LIGHTING AND LANDSCAPE DISTRICT NO. 89-1

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll thereto attached was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

BY: Susan Maysels, City Clerk  
City of La Quinta  
Riverside County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll thereto attached, was approved and confirmed by the City Council of the City of La Quinta, California, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

BY: Susan Maysels, City Clerk  
City of La Quinta  
Riverside County, California

I HEREBY CERTIFY that the enclosed Assessment Roll was filed with the County Auditor of the County of Riverside, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

BY: Susan Maysels, City Clerk  
City of La Quinta  
Riverside County, California

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## **I. OVERVIEW**

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### **A. INTRODUCTION**

The City of La Quinta (the “City”) annually levies and collects special assessments in order to provide and maintain the facilities, improvements and services within Street Lighting and Landscape District No. 89-1 (the “District”). The District was formed in 1989 pursuant to the Landscaping and Lighting Act of 1972 (the “1972 Act”), Part 2 of Division 15 of the Streets and Highways Code and authorizes the Agency to annually levy and collect assessments to maintain the services and improvements related thereto.

This Engineer’s Annual Levy Report (the “Report”) describes the District, any changes to the District, and the proposed assessments for Fiscal Year 2014/2015. The proposed assessments are based on the estimated cost to maintain improvements that provide special benefit to properties assessed within the District. The various improvements within the District and the costs of those improvements are identified and budgeted separately, including expenditures, deficits, surpluses, revenues, and reserves. The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor Parcel Number (“APN”) by the Riverside County Assessor’s Office. The Riverside County Auditor/Controller uses Assessor Parcel Numbers and specific fund numbers on the tax roll to identify properties assessed for special district benefit assessments. Each parcel within the District is assessed proportionately for those improvements provided by the District and from which the parcel receives special benefit.

Following consideration of public comments, written protests at a noticed public hearing and review of the Report, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report, and confirmation of the assessments, the Council may order the levy and collection of assessments for Fiscal Year 2014/2015 pursuant to the 1972 Act. In such case, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll for each benefiting parcel for Fiscal Year 2014/2015.

### **B. HISTORICAL BACKGROUND AND LEGISLATION**

The assessments for the District provide a special benefit to the parcels assessed, and the City utilizes General Fund Revenues to fund improvements and services that are considered general benefit.

This District was formed pursuant to the 1972 Act, which permits the establishment of assessment districts by cities for the purpose of providing for the maintenance of certain public improvements, which include the facilities existing within the District, as those improvements provide a special benefit to parcels.

The City Council reviews the current and projected years' costs for the construction, operation, maintenance, and servicing of the District facilities and sets the assessment for the ensuing fiscal year, which runs between July 1 and June 30.

## ***II. DESCRIPTION OF THE DISTRICT***

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### **A. DISTRICT BOUNDARIES AND SPECIFIC AREAS OF IMPROVEMENT**

The boundaries of the District are coterminous with the boundaries of the City. The Diagram of the District showing the exterior boundaries has been submitted to the City Clerk at the City and is included by reference.

### **B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT**

As applicable or may be applicable to this District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

### **C. IMPROVEMENTS WITHIN THE DISTRICT**

The District improvements are the operation, servicing and maintenance of landscaping, lighting and appurtenant facilities, including, but not limited to, personnel, electrical energy, water, materials, contracting services, and other items necessary for the satisfactory operation of these services described as follows:

- **Landscaping and Appurtenant Facilities** include, but are not limited to, landscaping, planting, shrubbery, trees, irrigation systems, hardscapes, fixtures, sidewalk maintenance and appurtenant facilities, located within the public street rights-of-way, medians, trails, and dedicated street, drainage or sidewalk easements within the boundary of the District.
- **Lighting and Appurtenant Facilities** include, but are not limited to, poles, fixtures, bulbs, conduits, equipment including guys, anchors, posts and pedestals, metering devices, controllers and appurtenant facilities as required to provide safety lighting and traffic signals within public street rights-of-way and easements within the boundaries of the District.
- **Maintenance** is defined as the furnishing of services and materials for the operation and usual maintenance, operation and servicing of the landscaping, public lighting facilities and appurtenant facilities, including repair, removal or replacement of landscaping, public lighting facilities, or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; and the removal of trimmings, rubbish, debris and other solid waste.
- **Servicing** is defined as the furnishing of water for the irrigation of the landscaping and the furnishing of electric current or energy, gas or other illuminating agent for the public lighting facilities, or for the lighting or operation of landscaping or appurtenant facilities.

The plans and specifications for the improvements are on file in the office of the City Engineer and are by reference made a part of this report.

### **III. METHOD OF APPORTIONMENT**

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#### **A. GENERAL**

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements that include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated



benefits to be received by each such lot or parcel from the improvements.”

The formula used for calculating assessments in this District therefore reflects the composition of the parcels, and the improvements and services provided, to apportion the costs based on benefit to each parcel.

## **B. BENEFIT ANALYSIS**

Properties within the District boundary are found to derive a special benefit from the improvements provided by the District. These properties include single family residential, non-residential, vacant residential and non-residential, golf courses, agricultural and hillside conservation properties, vacant and remote non-residential and rural and estate residential properties.

### **Special Benefits**

The method of apportionment (method of assessment) is based on the premise that each assessed parcel receives special benefit from the improvements maintained and funded by the assessments, specifically, landscaping and lighting improvements installed in connection with the development of these parcels. The desirability of properties within the District is enhanced by the presence of well-maintained landscaping and lighting improvements in close proximity to those properties.

The annual assessments outlined in this Report are based on the estimated costs to provide necessary services, operation, administration, and maintenance required to ensure the satisfactory condition and quality of each improvement.

The special benefits associated with the landscaping improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties within the District providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, and dust and debris control.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.

- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting are the convenience, safety, and security of property, improvements, and goods, specifically:

- Enhanced deterrence of crime – an aid to police protection.
- Increased nighttime safety on roads and highways.
- Improved visibility of pedestrians and motorists.
- Improved ingress and egress to and from property.
- Reduced vandalism, damage to improvements or property, and other criminal acts.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.
- Increased promotion of business during nighttime hours in the case of commercial properties.

The preceding special benefits contribute to a specific enhancement and desirability of each of the assessed parcels within the District.

### **C. METHODOLOGY**

Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that distributes the net amount to be assessed among the assessable parcels in proportion to the estimated special benefits to be received by each such parcel from the improvements. The special benefit formula used within the District should reflect the composition of the parcels - and the improvements and services provided therein - to apportion the costs based on estimated special benefit to each parcel.

The cost to provide maintenance and service of the improvements within the District shall be equitably distributed among each assessable parcel based on the estimated special benefit received by each parcel.

#### **Equivalent Benefit Units**

To equitably spread special benefit to each parcel, it is necessary to establish a relationship between the various types of properties within the District and the improvements that benefit those properties. Each parcel within the District is

assigned an Equivalent Benefit Unit (“EBU”) factor that reflects its land use, size and development, or development potential. Parcels that receive special benefit from the various District improvements are proportionately assessed for the cost of those improvements based on their calculated EBU. The EBU method assessment for this District uses the Single Family Residential parcel as the basic unit of assessment. A Single Family Residential (“SFR”) parcel equals one EBU. Every other land-use is assigned an EBU factor based on an assessment formula that equates the property’s specific land-use and relative special benefits compared to the Single Family Residential parcel.

The EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefits to each parcel from the improvements are apportioned as a function of land use type, size, and development. The following table provides a listing of land use types, the EBU factors applied to that land use and the multiplying factor used to calculate each parcel’s individual EBU for each improvement provided in the District.

During the formation of the District, a methodology was developed to calculate the EBUs for other residential and non-residential land use parcels, which are outlined below for reference. Every land use is assigned EBUs based on the assessment formula approved for the District. Parcels which have been determined to receive greater benefit than the SFR parcel are assigned more than 1 EBU and parcels that are determined to receive lesser benefit than SFR parcels are assigned less than 1 EBU as reflected in the Assessment Methodology.

| Land Use                           | EBU Factor                             |
|------------------------------------|--|
| Exempt Parcels                     | 0.0                                    |
| Single Family Residential Parcels  | 1.0 per unit                           |
| Non-Residential Parcels            | 5.0 per acre; 1.0 minimum              |
| Vacant Residential Parcels         | 0.33 per unit                          |
| Vacant Non-Residential Parcels     | 1.65 per acre for first 20 acres only  |
| Golf Course Parcels                | 0.50 per acre; 1.0 minimum             |
| Agricultural Parcels               | 0.25 per acre; 1.0 minimum             |
| Hillside Conservative Zone Parcels | 0.10 per acre                          |
| Vacant & Remote Parcels            | 0.825 per acre for first 20 acres only |
| Rural/Estate Residential           | 1.0 + 0.33 per acre in excess 1 acre   |

### Single-Family Residential

The City’s General Plan allows up to one acre of area for subdivided residential lots. The subdivided single family lot equal to or less than one acre in size is the

basic unit for calculation of the benefit assessments. Parcels less than one acre in size zoned for single-family residential use are assessed one (1) EBU.

### **Non-Residential**

The factor used for converting nonresidential is based on the average number of typical single-family residential lots of five per acre. Therefore, non-residential parcels will be assessed five (5) EBUs per acre with a minimum number per parcel of one (1) EBU.

### **Vacant Residential**

Parcels defined as single family residential parcels less than one acre and having no structure will be assessed 33 percent (33%) of a single-family dwelling, or 0.33 EBU per parcel.

### **Vacant Non-Residential**

Parcels not considered single family residential parcels less than one acre, and having no structure will be assessed based on acreage. The typical development in La Quinta occurs in increments of twenty (20) acres or less. The first twenty (20) acres of a Vacant Non-Residential parcel will be assessed at a rate of 33 percent (33%) of developed nonresidential properties, or 1.65 EBU per acre or any portion of an acre. The minimum number of EBUs per parcel is one (1) EBU. Any parcel of land greater than twenty (20) acres is considered open space and exempt from assessment until such time as parcel subdivision or development occurs.

### **Golf Courses**

Properties identified as golf courses will be assessed a rate of 10 percent (10%) of the developed nonresidential properties, or 0.50 EBU per acre or any portion of an acre. The minimum number per parcel is one (1) EBU.

### **Agricultural**

Properties identified as agricultural will be assessed a rate of 5 percent (5%) of developed nonresidential properties, or 0.25 EBU per acre or any portion of an acre. The minimum number per parcel is one (1) EBU.

### **Hillside Conservation**

Parcels located in areas zoned Hillside Conservation per the City's Official Zoning Map will be assessed on the basis of allowable development within the Hillside Conservation Zone. The parcel will be assessed as one dwelling unit per ten (10) acres or 0.10 EBU per acre or any portion of an acre.

### **Vacant and Remote Non-Residential Parcels (Annexation No. 9)**

Parcels not considered single family residential parcels less than one (1) acre and do not contain structures, will be assessed based on acreage. The City defines Vacant and Remote Non-Residential as parcels physically separated from City services and not readily able to develop due to difficult access and

utility limitations. The land values are typically one half the value of other Vacant Non-Residential parcels because of the high cost of constructing appropriate access and utility infrastructures necessary. The Vacant and Remote Non-Residential parcels are assessed a rate of 0.825 EBUs per acre or portion thereof, for the first twenty (20) acres, with a minimum of one (1) EBU per parcel.

### **Rural/Estate Residential**

Parcels of one acre or more in size, but having only one residential unit are identified as Rural/Estate Residential. These parcels will be assessed a rate of one (1) EBU for the first acre and 0.33 EBUs for each additional acre or portion of an acre.

### **Exempt Property**

Publicly owned property and utility rights-of-way are exempt from assessment, as well as parcels of land shown on the County Assessor's records as Vacant Desert Land, Vacant Mountain Land, Agricultural Preserve and Public Utility owned land.

This Report does not propose an increase in the District assessment rates for Fiscal Year 2014/2015 over or above the maximum rate established. The proposed rate per EBU for Fiscal Year 2014/2015 is the same rate assessed for Fiscal Year 2013/2014. The base assessment rate to be approved for Fiscal Year 2014/2015 is \$35.60.

The maximum assessment rate per EBU may not increase without a vote of the property owners in the District. Therefore, the assessment is proposed to remain at the maximum amount of \$35.60 per EBU. This equates to total projected assessment revenue of \$961,449. The City proposes the remaining \$2,120,180 be funded through a General Fund contribution of \$2,020,180 and \$100,000 of revenue from CSA 152.

## ***IV. DISTRICT BUDGETS***

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### **A. DESCRIPTION OF BUDGET ITEMS**

The 1972 Act requires that a special fund be established and maintained for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purposes as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. The following describes the services and costs that are funded through the District, shown in the District Budgets.

#### **District Costs**

**Personnel** – Reflects relevant City Staff salaries, wages and benefits, and also includes Worker's Comp insurance, Stand-By, and Overtime labor.

**Contract Services** – Includes contracted labor, such as the Riverside County Tax Roll Administration Fees, maintenance and repair of traffic signals, tree trimming, and security service.

**Rental Services** – Reflects funds used for the purpose of uniform rental.

**Vehicle Operations** – Includes the maintenance of fleet vehicles.

**Utilities** – Includes the electric, telephone, and water services.

**Travel Training & Meetings** – Reflects the funds used for the purposes of training and meetings.

**Information Technology** – Includes computers, printers, and other related items and services.

**Operating Supplies** – This item includes plant replacement, safety gear, field materials, and the materials used for the purposes of removing graffiti.

**Small Tools/Equipment** – Includes non-capital small tools and equipment.

**District Administration** – The cost for providing the coordination of District services and operations, response to public concerns and education, as well as procedures associated with the levy and collection of assessments. This item also includes the costs of contracting with professionals to provide any additional administrative, legal or engineering services specific to the District including any required notices, mailings or property owner protest ballot proceedings.

## **B. 2014/2015 DISTRICT BUDGET**

For the purpose of estimating costs for the maintenance and servicing, actual costs are used where possible. However, where the improvements are new, or where actual maintenance experience is lacking, cost estimates will be used to determine costs. The Budget of estimated cost of operation, servicing, and maintenance for Fiscal Year 2014/2015 is summarized on the next page in Table 1.

**Table 1  
Fiscal Year 2014/2015 Budget**

| Category   | Description  | Estimated Expenditures | Funding            |                    |
|--|--|------------------------|--------------------|--------------------|
|  |  | Fiscal Year 2014/15    | L & L Assessments  | General Fund-Parks |
| Personnel  | Salaries-Permanent Full Time   | \$134,300              | \$52,900           | \$81,400           |
|  | Other Benefits & Deductions<br>Stand By<br>Stand By Overtime<br>Overtime | 54,400                 | 22,700             | 31,700             |
|  | <b>Total Personnel</b>   | <b>\$188,700</b>       | <b>\$75,600</b>    | <b>\$113,100</b>   |
| Contract Services                                  | Annual Lighting & Landscape Report                                       | \$15,000               | \$15,000           |                    |
|  | Civic Center Campus Lake Maintenance                                     | 4,000                  |                    | 4,000              |
|  | Landscape Lighting Maintenance   | 170,000                | 145,000            | 25,000             |
|  | Financial Services Admin. Fee  | 15,000                 | 15,000             |                    |
|  | Citywide Maintenance Contract  | 1,064,100              | 700,000            | 364,100            |
|  | Undeveloped Parks PM10 Services  |                        |                    |                    |
|  | Maintenance & Repair   | 20,000                 |                    | 20,000             |
|  | CVWD Lease-Pioneer Dog Park  | 1                      |                    | 1                  |
|  | Tree Trimming  | 19,000                 | 15,000             | 4,000              |
|  | Janitorial Services  | 16,000                 |                    | 16,000             |
| Security Service - Corporation Yard                | 1,400  | 1,400                  |                    |                    |
|  | <b>Total Contract Services</b>   | <b>\$1,324,501</b>     | <b>\$891,400</b>   | <b>\$433,101</b>   |
| Rental Services                                    | Uniforms   | \$600                  | \$600              | \$0                |
|  | <b>Total Rental Services</b>   | <b>\$600</b>           | <b>\$600</b>       | <b>\$0</b>         |
| Park Equipment Vehicle Operations                  | Facilities Charges   | \$2,503                |                    | \$2,503            |
|  | Fleet Maintenance  | 6,945                  | 6,945              |                    |
|  | Facility & Equipment Depreciation  | 502,523                |                    | 502,523            |
|  | <b>Total Vehicle Operations</b>  | <b>\$511,971</b>       | <b>\$6,945</b>     | <b>\$505,026</b>   |
| Utilities  | Electric   | \$271,000              | \$149,000          | \$122,000          |
|  | Phone  | 850                    | 400                | 450                |
|  | Water  | 396,100                | 260,000            | 136,100            |
|  | <b>Total Utilities</b>   | <b>\$667,950</b>       | <b>\$409,400</b>   | <b>\$258,550</b>   |
| Travel Training & Meetings                         |  | \$2,500                | \$2,000            | \$500              |
|  | <b>Total Travel Training &amp; Meetings</b>                              | <b>\$2,500</b>         | <b>\$2,000</b>     | <b>\$500</b>       |
| Information Technology                             | Computers Printers and Services  | \$32,161               | \$9,600            | \$22,561           |
|  | <b>Total Information Technology</b>                                      | <b>\$32,161</b>        | <b>\$9,600</b>     | <b>\$22,561</b>    |
| Operating Supplies                                 | Plant Replacement  | \$32,000               | \$30,000           | \$2,000            |
|  | Graffiti Removal   | 32,500                 | 12,500             | 20,000             |
|  | Safety Gear  | 600                    | 600                |                    |
|  | Field Materials  | 114,000                | 64,000             | 50,000             |
|  | <b>Total Operating Supplies</b>  | <b>\$179,100</b>       | <b>\$107,100</b>   | <b>\$72,000</b>    |
| Small Tools / Equipment                            | Non-Capital  | \$300                  | \$300              | \$0                |
|  | <b>Total Small Tools/Equipment</b>                                       | <b>\$300</b>           | <b>\$300</b>       | <b>\$0</b>         |
| <b>Total Landscape &amp; Lighting Budget</b>       |  | <b>\$2,907,783</b>     | <b>\$1,502,945</b> | <b>\$1,404,838</b> |
| District Administration                            | Public Works Administration  | \$67,236               | \$67,236           |                    |
|  | Citywide Administration  | 106,610                | 82,178             | 24,432             |
|  | <b>Total District Administration</b>                                     | <b>\$173,846</b>       | <b>\$149,414</b>   | <b>\$24,432</b>    |
| <b>Total Landscape &amp; Lighting Expenditures</b> |  | <b>\$3,081,629</b>     | <b>\$1,652,359</b> | <b>\$1,429,270</b> |
|  | Less CSA 152 Revenue   | \$100,000              |                    |                    |
|  | Less General Fund Contribution   | \$2,020,180            | \$590,910          | \$1,429,270        |
|  | <b>Balance to Levy</b>   | <b>\$961,449</b>       |                    |                    |
|  | Total EDU  | 27,007                 |                    |                    |
|  | Levy Per EDU   | <b>\$35.60</b>         |                    |                    |



The following information was obtained from the Riverside County Assessor's Secured Roll, Assessor's Parcel Maps, and the City's Planning Department. The land use categories were developed to classify the different land use types in the City.

**Table 2**

| Land Use                  | FY 2014/2015 Parcel Count | County Acres     | Prior Year EBU   | Prior Year Levy     | FY 2014/2015 EBU <sup>(1)</sup> | FY 2014/2015 Levy <sup>(2)</sup> |
|---------------------------|---------------------------|------------------|------------------|---------------------|---------------------------------|----------------------------------|
| Agricultural              | 20                        | 391.80           | 98.31            | \$3,499.80          | 98.31                           | \$3,499.80                       |
| Exempt                    | 2,292                     | 9,530.15         | 0.00             | 0.00                | 0.00                            | 0.00                             |
| Golf Course               | 289                       | 3,540.72         | 1,828.36         | 65,087.88           | 1,828.36                        | 65,087.88                        |
| Hillside Conservation     | 12                        | 319.03           | 31.90            | 1,135.62            | 31.90                           | 1,135.62                         |
| Multi-Family Residential  | 34                        | 92.81            | 635.50           | 22,623.80           | 635.50                          | 22,623.80                        |
| Non-Residential           | 251                       | 545.60           | 2,754.95         | 98,076.22           | 2,755.30                        | 98,088.68                        |
| Rural/ Estate             | 51                        | 106.18           | 87.67            | 3,120.50            | 86.04                           | 3,062.58                         |
| Single Family Residential | 19,914                    | 2,432.31         | 19,874.00        | 707,514.40          | 19,914.00                       | 708,938.40                       |
| Vacant/ Remote            | 15                        | 304.11           | 180.96           | 6,441.90            | 152.20                          | 5,418.10                         |
| Vacant Non-Residential    | 221                       | 669.72           | 689.35           | 24,539.12           | 700.92                          | 24,950.62                        |
| Vacant Residential        | 2,439                     | 1,162.17         | 805.53           | 28,657.34           | 804.87                          | 28,633.86                        |
| <b>Total</b>              | <b>25,538</b>             | <b>19,094.60</b> | <b>26,986.53</b> | <b>\$960,696.58</b> | <b>27,007.40</b>                | <b>\$961,439.34</b>              |

(1) The EBU count in this column reflects the total EBU count for the district. Whereas, for budget purposes, the EBU count in the previous table reflects only those parcels that are assessable (not exempt).

(2) The difference in the "Balance to Levy" figure in the previous table and the land use classification proposed levy in this table is due to the Riverside County even penny requirement for each charged parcel.

At the time of the Report there was an increase in EBU assessed of 20.87 over the prior year estimates stated in the FY 2013/14 Engineer's Report. Actuals will be based on the final County Secured Roll for Fiscal Year 2014/2015. Differences are generally due to changes in County Land Use Classifications or Assessor Parcel Number changes.



## **APPENDIX A – DISTRICT ASSESSMENT DIAGRAM**

The Boundary Diagrams for the original districts have previously been submitted to the Clerk of the City in the format required under the 1972 Act and are made part of this Report by reference.

The parcel identification, lines and dimensions of each parcel within the District are those lines and dimensions shown on the Assessor Maps of Riverside County for the year in which this Report was prepared and is incorporated by reference and made part of this Report.

## APPENDIX B – 2014/2015 COLLECTION ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land, public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas. These parcels will not be assessed.

A listing of parcels within the District, along with the proposed assessment amounts, has been submitted to the City Clerk and, by reference, is made part of this Report.

Upon approval of the Report and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in Fiscal Year 2014/2015. If the parcels or APNs within the District and referenced in this Report, are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or APNs with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or APNs will be based on the method of apportionment and levy amount approved in this Report by the City Council.