

City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 19, 2019

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

SUBJECT: INCLUSION OF CITY OWNED PROPERTIES WITH COMMERCIAL CITRUS IN
A PROPOSED RIVERSIDE PEST CONTROL DISTRICT

ISSUE:

Consideration of city-owned parcels with commercial citrus production to be included as a participant of a proposed Riverside Citrus Pest Control District.

RECOMMENDATIONS:

That the City Council:

1. Consider inclusion of city-owned parcels with commercial citrus production as a participant of a proposed Riverside Citrus Pest Control District;
2. Direct staff to work with the Riverside County Agriculture Commissioner's Office to submit a petition either in support of or not in support of a proposed Citrus Pest Control District as a property owner of multiple citrus acreage parcels;
3. Approval to fund a new Riverside Citrus Pest Control District should one be formed; and
4. Authorize the City Manager or his designee to sign a petition and execute any necessary documents to include city-owned parcels with commercial production of citrus in a proposed Riverside Pest Control District.

BACKGROUND:

Citrus greening disease, also known as Huanglongbing (HLB), is considered the world's most destructive disease of citrus trees causing tree mortality as there is no cure. HLB is transmitted by a small insect, the Asian Citrus Psyllid (ACP). While not harmful to humans, HLB causes bitter, misshapen fruit, and ultimately leads to the death of the tree by blocking the normal flow of nutrients. The disease has devastated citrus industries in Florida and Texas. In Florida, HLB prevalence is estimated to have caused more than 6,600 job losses, over \$1.3 billion in lost revenue to the citrus industry, and over a \$3.6 billion loss in total economic activity to the state since its discovery in 2005.

California is the number one citrus producing state in the nation, generating a total impact of over \$2.5 billion in revenue for the citrus industry and providing over 21,600 jobs. Across Riverside County, citrus production was valued at more than \$187 million in 2017. ACP and HLB threatens the livelihood of citrus growers and imperils Riverside's commercial, landscape and residential citrus trees. On July 25, 2017, HLB was confirmed in a backyard grapefruit tree in the City of Riverside near the 215/91 freeway interchange, with two additional citrus trees that tested positive for HLB in the vicinity. The confirmed findings of HLB positive citrus trees in the City indicate a potential threat of the disease spreading from Los Angeles and Orange Counties, where more than 500 and 300 HLB infected trees have been confirmed in each county, respectively. A five-square mile quarantine in the City was established in August 2017 by the California Department of Food and Agriculture to prohibit movement of all citrus nursery stock out of the area, while maintaining provisions to allow movement of only commercially cleaned and packed citrus fruit.

To address ACP and HLB risks, the California citrus industry, Riverside County Agricultural Commissioner's Office, California Department of Food and Agriculture (CDFA), and City of Riverside have conducted outreach and education to the public and commercial citrus growers. Additionally, Riverside County Agricultural Commissioner's office tracks area wide treatments for ACP, addresses abandoned grove abatement, and enforces ACP and HLB quarantine regulations. The United States Department of Agriculture (USDA) and CDFA conduct ongoing trapping programs to track the spread of the ACP and removed citrus trees confirmed positive for HLB. The California citrus industry continues to invest significant funding in research, public relations, and advocacy to find possible solutions including biocontrol and securing HLB-free citrus stock. When psyllid vectors are found at multiple sites in multiple growth stages, this indicates the psyllid is established in a region and the strategy becomes one of keeping ACP populations as low as possible to prevent the possible spread of HLB. Long-term management strategies may include the formation of pest control districts to suppress ACP populations.

ACP was first detected in Riverside County in 2012 and the psyllid is recognized by county and state agriculture officials as established in the region. Today, Riverside County is under quarantine for the ACP insect. The University of California, Division of Agriculture and Natural Resources (UCANR) recommends growers and homeowners implement a "management strategy of treating year-round with ACP-effective insecticides, focusing on overwintering adults and protecting new flush from egg laying.... ACP treatment efforts should focus on treating 1) in the fall to protect the new flush and to kill adult psyllids as they begin overwintering, 2) and then again in early spring as the new flushes are forming, and 3) during the spring and summer as other flushes appear and as other pests require control. Research is showing that the fall is the most difficult time to control the psyllids and two treatments are recommended in the fall in areas where psyllid pressure is high [including]...inland southern California." (Source: University of California, Division of Agriculture and Natural Resources).

DISCUSSION:

Suppression of ACP population is critical to managing the spread of HLB and is also considered to be effective in mitigating the risk of HLB spreading to commercial citrus production areas. Industry experts, UCANR, and Riverside County Agricultural Commissioner's Office state the effectiveness of managing ACP populations is dependent on the level of grower participation in treating with ACP-effective insecticides. Better control of ACP is achieved when all growers coordinate multiple treatments of their crops around the same time, thus preventing ACP in untreated properties from migration back to treated properties. Assuring that at least 90% of the

growers apply their treatments within a specified time frame further increases the effectiveness of ACP population suppression measures.

Formation of a Citrus Pest Control District (District) creates a collaborative pest management tool to manage ACP and HLB risks on properties with citrus acreage, defined as "any parcel, tract, or lot of land with 25 or more citrus trees of any age growing on it, except a parcel, tract, or lot which is used as a nursery." (Source: Riverside County Food and Agriculture Code – FAC Division 4 Plant Quarantine & Pest Control; Part 5 Citrus Pest District Control Law). Creation of a pest control district involves a two-step process. The first step requires petitions from property owners representing at least 51% of citrus acreages within a proposed geographically-defined Citrus Pest Control District to the Riverside County Agricultural Commissioner's Office. The Agriculture Commissioner verifies property owners submitting petitions meets the 51% citrus acreage threshold of properties within the proposed area, and then submits a petition for a public hearing with the Riverside County Board of Supervisors to determine the feasibility of a District. Should the Board of Supervisors declare a District appropriate, then a District would be duly organized and formed. Upon formation of the District, the second step is the appointment of a five-member Board of Directors by the Board of Supervisors. The District then operates independently to eradicate, remove, or prevent the spread of citrus pests, and may levy assessments to fund these functions.

The Riverside County Agriculture Commissioner's Office is in the process of collecting petitions through the month of February to take to the Riverside County Board of Supervisors (RCBOS) in March to consider formation of a District. If the Riverside County Board of Supervisors determines a 51% threshold of total citrus acreages is met, the RCBOS can set a public hearing for District formation in April 2019. If the RCBOS votes to form the District in April, a five-member Board of Directors will be appointed for a new Riverside Citrus Pest Control District. This Board of Directors will hire an engineering firm to conduct a study to determine an assessment fee. Public notice will be provided to the citrus acreage property owners within the newly formed District, and a public hearing and vote for the assessment fee would be held in mid-July 2019. If an assessment fee vote passes, the new District will need to file appropriate documents with the Riverside County Assessor's Office no later than August 10, 2019 for assessments to be applied in the 2019/2020 tax roll, thus allowing the District to collect funds to begin coordinated treatments to mitigate Asian Citrus Psyllid populations.

Should a Riverside Citrus Pest Control District be formed, there are two likely financial impacts to property owners across the City of Riverside with citrus acreages. A District may coordinate at least three ACP treatments annually following UCANR guidelines for both conventional and organic ACP treatment methods, with property owners incurring expenses for these treatments. The District may also levy an assessment fee on a per acre basis for properties with citrus acres; the assessment fees for the District will appear in a property tax bill. The assessment fee may be used to support District administration, provide financial incentives and partial reimbursements for ACP treatments, conduct outreach activities, and other functions to eradicate, remove, or prevent the spread of citrus pests. It is possible that these additional fees and assessments may have a negative impact on citrus production for some property owners.

Since the confirmation of three citrus trees that were found positive for HLB in Riverside in July 2017, there have been efforts among citrus growers across the city in proposing the creation of a Riverside Citrus Pest Control District. The University of California, Riverside and California Citrus State Historic Park are among the citrus acreage property owners who support the formation of a District to combat ACP and HLB risks.

City staff have reviewed and determined that the City of Riverside owns multiple citrus acreage parcels totaling approximately 72.4 acres. These parcels are owned by the following City departments: Parks, Recreation & Community Services (59.6 acres), Public Works (12 acres), and Riverside Public Utilities (0.80 acres). These parcels have a variety of citrus including lemons and oranges.

Staff is seeking City Council direction to authorize staff to work with the Riverside County Agriculture Commissioner's Office to submit a petition either in support of or not in support of a proposed Citrus Pest Control District as a property owner of multiple citrus acreage parcels.

The Parks, Recreation and Community Services Director, the Public Works Director, and the Riverside Public Utilities General Manager concur with the recommendations in the staff report.

FISCAL IMPACT:

Should a proposed Citrus Pest Control District be formed, there are two potential fiscal impacts to the City for city-owned citrus acreages. The first are the expenses of at least three to four annual ACP treatments at a cost of at least \$40-\$100 per acre for conventional treatment methods. At present, the majority of citrus acreages on city-owned properties is managed under contract with a local grower and the costs of ACP treatments are the responsibility of the contract grower. However, funding for ACP-treatment of approximately 800 citrus trees along the Victoria Avenue right-of-way and approximately 100 citrus trees at Arlington Heights Sports Park are budgeted for and paid by the Public Works Department and the Parks, Recreation & Community Services Department, respectively.

The second fiscal impact is potential assessments levied by a proposed Citrus Pest Control District. The yet-to-be-determined assessment fees will be dependent upon a grower-funded substantiated engineer study and report, and will be adjusted on an annual basis for inflation. Assessment funds collected by the District are applied to program administration and overhead, provide partial reimbursement for ACP treatments to property owners, fund other pest treatment efforts, outreach, and other activities. At the time of this staff report a fiscal impact from an assessment fee could not be determined as a substantiated engineer study has not yet been conducted and a District has not been formed to establish an assessment value. Should an assessment fee be established under a District, each of the City's departments owning properties with citrus acreage will need to allocate funds to pay annual assessment fees. Using other established citrus pest control districts as a guide, the recently formed Hemet Citrus Pest Control District and long-standing Indio Citrus Pest Control District have an assessment fee in the range of \$100 to \$200 per acre.

At present, ACP treatment expenditures are cost neutral for the Parks, Recreation & Community Services Department, Public Works Department and Riverside Public Utilities due to contract agreements with contractors managing city-owned citrus acreages. What has not been budgeted are potential future annual assessment fees should a Riverside Citrus Pest Control District be formed, which may be formed with or without a petition from the City. The actual assessment fee will be determined upon the formation of a District, and after the recommendations of a substantiated engineers report, at the direction of the Board of Directors, and vote of property owners within a new Citrus Pest Control District.

To assist in understanding potential fiscal impacts to the City, using an estimated \$200.00 per acre assessment fee, the potential fiscal impact to the City is estimated at \$14,480 annually, and


is expected to be adjusted annually for inflation. The table below shows the allocation by Department.


Department	Citrus Acreages	Estimated Annual Assessment Fees
Parks, Recreation & Community Services	59.6	\$11,920
Public Works	12.0	\$2,400
Riverside Public Utilities	0.80	\$160

The Parks, Recreation & Community Services Department, the Public Works Department and Riverside Public Utilities will absorb these costs in their respective Department Sections of the City's approved Fiscal Year 2018-2020 biennial budget.

Prepared by: David Welch, Community & Economic Development Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer / City Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Concurs with:


Chuck Conder
Councilmember


Chris MacArthur
Councilmember

Attachment: Petition for a Citrus Pest Control District