



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 4, 2019**

**FROM: FINANCE DEPARTMENT** **WARD: 7**

**SUBJECT: RESOLUTION TO DECLARE INTENT TO LEVY AND COLLECT ASSESSMENTS FOR FY2019/20 RIVERWALK LANDSCAPE MAINTENANCE DISTRICT; APPROVE PRELIMINARY ENGINEER'S REPORT; AND SET PUBLIC HEARING FOR FINAL APPROVAL OF LEVY OF SPECIAL ASSESSMENTS**

## **ISSUES:**

Adopt a resolution declaring the City of Riverside's intent to levy and collect assessments for Fiscal Year 2019/20 within the Riverwalk Landscape Maintenance District, approving the Preliminary Engineer's Report and setting a public hearing for final approval of the levy of special assessments within the District for July 2, 2019, at 3:00 p.m.

## **RECOMMENDATIONS:**

That the City Council:

1. Adopt a Resolution declaring the City of Riverside's intent to levy and collect assessments for Fiscal Year 2019/20 within the Riverwalk Landscape Maintenance District and approving the Preliminary Engineer's Report; and
2. Set a Public Hearing for final approval of the levy of special assessments within the District for July 2, 2019, at 3:00 p.m. at the City Council Chambers in the City of Riverside.

## **BACKGROUND:**

On February 5, 2019, the City Council adopted Resolution 23416 ordering the preparation of the attached Preliminary Annual Engineer's Report for the Riverwalk Landscape Maintenance District. The report outlines the cost of maintaining the landscaping and administration of the District for Fiscal Year 2019-20, as well as the method of apportioning these costs to the property owners within the District. The City assesses all parcels within the District annually, regardless of development status.

The City of Riverside formed the Riverwalk Landscape Maintenance District under the provisions of the 1972 Street Lighting and Landscaping Act. In July 2002, per Proposition 218, a property owner election approved the formation of the District. The developer of the Riverwalk neighborhood

funded the landscape improvements for the project area at a level that is in excess of normal City standards. The City formed the Riverwalk Landscape Maintenance District to recover the cost of maintaining the improvements above normal City standards from the property owners that receive the specific benefit of the improvements.

## **DISCUSSION:**

The procedures of the Lighting and Landscaping Act of 1972 require the adoption of a Resolution approving the Preliminary Engineer's Report and setting a required Public Hearing. The attached Resolution sets the public hearing for 3:00 p.m. on July 2, 2019 at the City Council Chambers of the City of Riverside.

The District formation process set an annual assessment increase by the change in the Consumer Price Index (CPI) as measured on each July 1. Prior to Fiscal Year 2018-2019, the annual escalation was determined by multiplying the prior year rates, both Minimum and Maximum, by the percentage increase, if any, in the CPI for Los Angeles-Riverside-Orange County (1982-84=100). In December 2017, the Bureau discontinued the original index, and replaced it with two (2) new indexes (Riverside-San Bernardino-Ontario and Los Angeles-Long Beach-Anaheim). Staff recommends using the Riverside-San Bernardino-Ontario index, as it most closely mirrors local assessed valuation changes. Thus the annual escalation will be determined by the percentage increase, if any, in the Riverside-San Bernardino-Ontario Index (December 2017=100) from the preceding year.

Based on the CPI increase of 2.7989% as detailed in the Preliminary Engineer's Report, the maximum allowed assessment range in Fiscal Year 2019/20 per EDU is \$221.72-\$339.95 for Zone A (residential) and \$1,108.53-\$1,478.03 per acre for Zone B (business park). Based on the projected expenses for Fiscal Year 2019/20, the annual assessment for the 2019/20 fiscal year will be \$255.94 per residential parcel.

At the end of each fiscal year staff review actual expenditures against collected assessments and any unspent balance remains with the District to reduce assessments in subsequent years. There is currently a fund balance that will be used to pay for much needed additional planting and irrigation repairs.

## **FISCAL IMPACT:**

The property owners within the District are assessed the cost of maintaining the landscape improvements within the District at a level that exceeds City standards. The assessments are based on projected expenditures and do not exceed the amount established in 2002/03 during District formation, adjusted for changes in the CPI as described above. The estimated landscape budget for Fiscal Year 2019/20 for the Riverwalk Landscape Maintenance District is \$567,221; the assessment per residential parcel will be \$255.94. The Assessment for each commercial parcel can vary between \$1,108.53-\$1,478.03 per acre based on proximity to the landscaping benefit. Some commercial parcels have more than an acre of property and may pay an assessment in excess of \$10,000. The estimated landscape budget for Fiscal Year 2018/19 for the District, which included one-time maintenance expenses, was \$585,284 and the assessment per residential parcel was \$243.14.

Prepared by: Heidi Schrader, Debt Manager  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
Approved by: Carlie Myers, Deputy City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution
2. Preliminary 2019/20 Riverwalk Landscape Maintenance District Engineer's Report