



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 2, 2019

FROM: FINANCE DEPARTMENT WARD: 7

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING FISCAL YEAR 2019-2020
RIVERWALK LANDSCAPE MAINTENANCE DISTRICT DIAGRAM AND
LEVYING OF SPECIAL ASSESSMENTS**

ISSUES:

Conduct a Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2019-2020 Riverwalk Landscape Maintenance District assessments and adopt a resolution confirming the diagram and assessments for the Riverwalk Landscape Maintenance District contained in the Final Engineer's Report and approving the levy of assessments on all assessable lots and parcels of land therein for the Fiscal Year 2019-2020.

RECOMMENDATIONS:

That the City Council:

1. Conduct a Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2019-2020 Riverwalk Landscape Maintenance District assessments; and
2. Adopt a resolution confirming the diagram and assessments for the Riverwalk Landscape Maintenance District contained in the Final Engineer's Report and approving the levy of assessments on all assessable lots and parcels of land therein for the Fiscal Year 2019-2020.

BACKGROUND:

The City of Riverside formed the Riverwalk Landscape Maintenance District under the provisions of the Landscaping and Lighting Act of 1972. In July 2002, per Proposition 218, a property owner election approved the formation of the District. The developer of the Riverwalk neighborhood financed the construction of the improvements within the District, which are at a level that exceeds normal City standards. The City then 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.

On February 5, 2019, the City Council adopted Resolution 23416 ordering the preparation of the attached 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 2019-2020 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.

On June 4, 2019, the City Council adopted Resolution 23448 approving the Preliminary Annual Engineer's Report for the Riverwalk Landscape Maintenance District and setting a public hearing for July 2, 2019 to approve the Final Annual Engineer's Report for the Riverwalk Landscape Maintenance District and authorizing the levy of special assessments within the District.

DISCUSSION:

The procedures of the Landscaping and Lighting Act of 1972 require the City Council hold a Public Hearing prior to the adoption of a resolution confirming the Annual Engineer's Report and establishing the Fiscal Year 2019-2020 annual assessments for the Riverwalk Landscape Maintenance District. The July 2002 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 of Labor Statistics revised its categorization of Los Angeles-Riverside-Orange County to Riverside-San Bernardino-Ontario. 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 Engineer's Report, the maximum allowed assessment range in Fiscal Year 2019-2020 per EDU is \$221.72-\$339.95 for Zone A (residential) and \$1,108.53-\$1,478.03 for Zone B (business park). Based on the projected expenses for 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 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 Fiscal Year 2002-2003 during District formation, adjusted for changes in the CPI as described above. The Fiscal Year 2019-2020 estimated landscape budget 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 and \$1,478.03 per acre based on proximity to the landscaping benefit. Some commercial parcels are larger than others and may be assessed in excess of \$10,000.

The estimated landscape budget for Fiscal Year 2018-2019, which included on -time maintenance expenses, was \$585,284 and the assessment per residential parcel was \$243.14.

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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. 2019/20 Riverwalk Landscape Maintenance District Engineer's Report
3. Resolution 23448 declaring intention to levy and collect assessments for FY2019-2020
4. Presentation