



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 2, 2020

FROM: FINANCE DEPARTMENT WARD: 7

SUBJECT: RESOLUTION DECLARING INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FY2020/21 WITHIN RIVERWALK LANDSCAPE MAINTENANCE DISTRICT; APPROVING PRELIMINARY ENGINEER'S REPORT; AND GIVING NOTICE OF PUBLIC HEARING ON PROPOSED ASSESSMENT

ISSUES:

Adopt a resolution declaring the City of Riverside's intent to levy and collect assessments for Fiscal Year 2020/21 within the Riverwalk Landscape Maintenance District, approving the Preliminary Engineer's Report and set a public hearing for final approval of the levy of special assessments within the District for July 21, 2020, at 1:00 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 2020/21 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 assessment within the Riverwalk Landscape Maintenance District for July 21, 2020, at 1:00 p.m.

BACKGROUND:

On February 4, 2020 the City Council adopted Resolution 23545 ordering the preparation of the attached Preliminary Annual Engineer's Report for the Riverwalk Landscape Maintenance District (District). The report attached outlines the cost of maintaining the landscaping and administration of the District for Fiscal Year 2020/21 as well as the method of apportioning those 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 designed 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 annual cost of maintaining the improvements above normal City standards from the property owners that receive the special benefit of the improvements.

DISCUSSION:

The procedures of the Street Lighting and Landscaping Act of 1972 require the adoption of a Resolution giving approval of the Preliminary Engineer's Report and the setting of a required Public Hearing. The attached Resolution sets the public hearing for 1:00 p.m. on July 21, 2020.

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 2018/19, 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).

Starting in Fiscal Year 2019/20, the City began 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 2.3036% as detailed in the Preliminary Engineer's Report, the maximum allowed assessment range in Fiscal Year 2020/21 per EDU is \$226.83 - \$347.78 for Zone A (residential) and \$1,134.07 - \$1,512.08 per acre for Zone B (business park). Based on the projected expenses for Fiscal Year 2020/21, the annual assessment for the 2020/21 fiscal year will be \$273.28 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 cover expenditures in the following year. The estimated landscape budget for Fiscal Year 2020/21 for the District is \$416,449. However, there are currently sufficient remaining funds to offset some expenses for Fiscal Year 2020/21. This will allow the City to set the levy at \$399,449.

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 2020/21 for the District is \$416,449; the assessment per residential parcel will be \$273.28. The assessment for each commercial parcel can vary between \$1,134.07-\$1,512.08 per acre based on proximity to the landscaping benefit.

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 2020/21 Riverwalk Landscape Maintenance District Engineer's Report