



# City Council Memorandum

*City of Arts & Innovation*

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 27, 2024

FROM: FINANCE DEPARTMENT WARD: 2

SUBJECT: RESOLUTION INITIATING PROCEEDINGS TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2024/25 IN LANDSCAPE MAINTENANCE DISTRICT 88-1 (SYCAMORE HIGHLANDS, FORMERLY HIGHLANDER); APPOINTING WEBB MUNICIPAL FINANCE, LLC AS ENGINEER OF RECORD; AND ORDERING PREPARATION OF AN ENGINEER'S REPORT

## **ISSUE:**

Adopt a resolution to initiate proceedings to levy and collect assessments for Fiscal Year 2024/25 in Landscape Maintenance District 88-1 (Sycamore Highlands); appoint Webb Municipal Finance, LLC as the Engineer of Record; and order the preparation of an Engineer's Report.

## **RECOMMENDATIONS:**

That the City Council:

1. Adopt a resolution to initiate proceedings to levy and collect assessments for Fiscal Year 2024/25 in Landscape Maintenance District 88-1 (Sycamore Highlands);
2. Appoint Webb Municipal Finance, LLC as the Engineer of Record; and
3. Order the preparation of an Engineer's Report.

## **BACKGROUND:**

In September 1988, Landscape Maintenance District 88-1 (District) was formed under provisions of the Landscaping and Lighting Act of 1972. The District was originally formed in conjunction with a Development Agreement for the Lusk-Highlander project. Pursuant to the requirements established by Proposition 218, Landscape Maintenance District 88-1 was then confirmed by property owner ballot in July 1997. The original construction of the improvements was funded by the Highlander Community Facilities District 90-1. Landscape Maintenance District 88-1 was formed to assess property owners for the ongoing maintenance costs associated with those improvements within the district area.

## **DISCUSSION:**

Apportionment of annual maintenance costs within the District requires the preparation of an Engineer's Report. The report outlines the total annual landscaping expense for the District and apportions the proposed assessment of the cost of maintenance per parcel for the next fiscal year. The assessment formula adopted in 1997 for the District provides that the assessment amount can be increased as of July 1<sup>st</sup> of each year based on year-over-year percentage increases in the Consumer Price Index for All Urban Consumers (CPI-U) for Riverside–San Bernardino–Ontario, California Standard Metropolitan Statistical Area.

To proceed with the Landscape Maintenance Assessment District process, the City Council must adopt a Resolution ordering the preparation of the Annual Engineer's Report. When the report is complete, Finance staff will schedule a public hearing and will present the report to City Council.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The preparation of an annual engineer's report and levy process complies with the Landscaping and Lighting Act of 1972, under which Landscape Maintenance District No. 88-1 was formed. This process provides transparency for community members to whom the assessments are levied each year.
2. **Equity** – In order to maintain the improvements within Landscape Maintenance District No. 88-1, the annual maintenance cost is funded through an annual levy calculated based on the special benefit shared by each parcel within the District.
3. **Fiscal Responsibility** – Assessments are levied annually to pay the costs associated with maintaining enhanced improvements within the District. This ensures that the additional cost of maintaining enhanced landscape improvements is borne primarily by the property owners that benefit from them.
4. **Innovation** – Utilizing Landscape Maintenance Districts is an innovative way to offset the cost of maintaining certain improvements within a specified area of the City and which benefit a select group of property owners.
5. **Sustainability & Resiliency** – The formation of a Landscape Maintenance District provides a transparent and equitable way to fund and report on maintenance improvements that provide a special benefit to a select group of property owners. The annual engineer's report and levy process helps to ensure transparent reporting to members of the community, and within the district.

**FISCAL IMPACT:**

There is no fiscal impact to the City related to this report. The cost of preparing the Engineering Report is factored into the total anticipated expenses for the District and reimbursed through the levy.

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Approved by:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer)
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment:	Resolution
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