

REPORT TO THE CITY COUNCIL



DATE: June 4, 2019

TITLE: (Continued from May 7, 2019) Creating Special Tax Area 41 (Lenwood Hospitality Center, LLC) for APN 665-030-051 Located North of San Gorgonio Lane and East of Little Morongo Road Within the Desert Hot Springs Special Public Safety Tax Area

Prepared by: Webb Municipal Finance, LLC, Tax Administration Consultant

Reviewed by: Geoffrey Buchheim, Acting Finance Director

RECOMMENDATION

- 1) Staff report;
- 2) Entertain questions of Staff from the City Council;
- 3) Open the Public Hearing;
- 4) Take public testimony;
- 5) Close the Public Hearing;
- 6) City Council discussion and questions of Staff;
- 7) Hold the election;
- 8) Canvass the election; and
- 9) Adopt an Ordinance establishing Special Public Safety Tax Area Zone 41 (Lenwood Hospitality Center, LLC).

BACKGROUND:

On May 7, 2019, the City Council continued the Public Hearing because the ballot was not received from the landowner.

On March 19, 2019, the City Council adopted a Resolution 2019-009 Creating Special Tax Area Zone 41 (Lenwood Hospitality Center, LLC) within the Desert Hot Springs Special Public Safety Tax Area.

The Public Safety Tax Area Zone 41 (Lenwood Hospitality Center, LLC) is currently comprised of one non-residential lot, commonly referred to as Lenwood Hospitality Center, LLC; Assessor's Parcel Number 665-030-051. This property is located North of San Gorgonio Lane and East of Little Morongo Road.

It is anticipated that the Special Taxes levied by the District will provide funding for services and incidental expenses in connection with said services.

DISCUSSION:

It is of critical importance to the City Council of the City of Desert Hot Springs that residents of the City receive high quality police and fire protection services. In carefully reviewing the City's budget and revenue projections with the Police and Fire Departments, it has become clear to City staff that the City budget does not contain adequate funding to ensure the continued delivery of adequate high-quality public safety services unless additional revenues are obtained.

It is the purpose and intent of this Ordinance to generate additional funds to pay for police and fire protection services by authorizing the levy of a tax on improved parcels of real property on the secured property tax roll of Riverside County that are within Zone 41 of the Desert Hot Springs Special Public Safety Tax Area (the "Zone"). The voters of Zone 41 recognize the

importance of adequate public safety services to the entire Desert Hot Springs community and approve this tax to ensure that those services will be maintained and improved citywide.

The revenues raised by this tax are to be used solely for the purposes of obtaining, furnishing, operating, and maintaining police and fire protection equipment or apparatus, for paying the salaries and benefits of police and fire protection personnel, and for such other police and fire protection service expenses as are deemed necessary for the benefit of the residents of Zone 41.

FISCAL IMPACT:

The applicant has paid a deposit of \$5,000, which covers the costs of establishing the zone. The property owner is responsible for all costs and payment of associated levy amounts applied to the annual tax roll for police and fire maintenance services.

EXHIBIT(S):

- 1) Ordinance Establishing a Special Public Safety Tax
- 2) Boundary Map Site Map
- 3) Certificate of Election Results
- 4) Council Property Map