



Preliminary Engineer's Report

Fiscal Year 2020-21

City of Desert Hot Springs

Landscape and Lighting Maintenance District No. 1

Prepared For



June 2020



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i. Engineer's Statement

AGENCY: CITY OF DESERT HOT SPRINGS
PROJECT: LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1
TO: CITY COUNCIL
CITY OF DESERT HOT SPRINGS
STATE OF CALIFORNIA

Report Pursuant to "Landscaping and Lighting Act of 1972"

Pursuant to direction from the City Council (the "City Council") of the City of Desert Hot Springs (the "City"), State of California, submitted herewith is the Engineer's Report for Landscape and Lighting Maintenance District No. 1 (the "Report"), consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscape and Lighting Act of 1972" (the "Act"), as amended, commencing with Section 22500, and which is in accordance with Resolution No. 2020-____ adopted by the City of Desert Hot Springs City Council, Riverside County, California ordering the preparation of the Report for Landscape and Lighting Maintenance District No. 1 (the "District" or "LMD No. 1"). This Report is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2020 to June 30, 2021.

- SECTION 1** **PLANS AND SPECIFICATIONS** of the improvements to be maintained and/or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements, and are sufficient in showing and describing the general nature, location and extent of the improvements.
- SECTION 2** A **COST ESTIMATE** of the improvements to be maintained and-or improved for the mentioned Fiscal Year.
- SECTION 3** An **ASSESSMENT** showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries as shown in Appendix B.

i. Engineer's Statement

I, _____, a Professional Civil Engineer (employed at Albert A. Webb Associates and retained through an agreement between Webb Municipal Finance, LLC and my employer), acting on behalf of the City of Desert Hot Springs, pursuant to the Act do hereby assess and apportion the total amount of the costs and expenses upon the parcels of land within Landscape and Lighting Maintenance District No. 1 liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance, works of improvement, and appurtenances.

Executed this _____ day of _____ 2020.



ALBERT A. WEBB ASSOCIATES

MATTHEW E. WEBB
PROFESSIONAL CIVIL ENGINEER NO. 37385
ENGINEER OF WORK
ON BEHALF OF THE CITY OF DESERT HOT SPRINGS
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's Report were made on the _____ day of _____ 2020, by adoption of Resolution No. _____ by City Council.

CITY CLERK
CITY OF DESERT HOT SPRINGS
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's Report were filed in the City Clerk's Office on the _____ day of _____, 2020.

CITY CLERK
CITY OF DESERT HOT SPRINGS
STATE OF CALIFORNIA

i. Engineer's Statement

WHEREAS, on _____, the City Council, under the Act, adopted its Resolution Initiating Proceedings for the Levy and Collection of Assessments and the Preparation of an Engineer's Report for LMD No. 1;

Whereas, the Resolution of Intention directed Webb Municipal Finance, LLC, to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operation and servicing of the improvements for LMD No. 1 for the referenced Fiscal Year, a diagram for LMD No. 1 showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operation and servicing of the improvements, assessing the net amount upon all assessable lots and/or parcels within LMD No. 1 in proportion to the special benefit received;

NOW THEREFORE, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within LMD No. 1 in proportion to the special benefit received:

Table i-1
Summary of Assessments

Description	Fiscal Year 2019-20 Estimated Through June 30, 2020	Fiscal Year 2020-21 Estimated Through June 30, 2021
Costs		
Costs	\$801,438.70	\$1,219,331.00
Operating Reserve Collection	\$0.00	\$0.00
Total Costs	\$801,438.70	\$1,219,331.00
Zone A Assessment		
Zone A Parcels Subject to Zone A Assessment	13,919	13,838
Zone B Parcels Subject to Zone A & B Assessment	265	262
Total Number of Parcels Subject to Zone A Assessment	13,919	13,838
Assessment Amount per Parcel	\$40.56	\$40.56
Total Zone A Assessment	\$564,554.64	\$561,269.28
Zone B Assessment		
Total Linear Footage in Zone B	20,341.80	20,048.25
Assessment Amount per Linear Foot	\$0.52	\$0.52
Total Zone B Assessment	\$10,577.74	\$10,425.09
Adjustments		
Rounding	(\$2.08)	(\$2.03)
Total Assessment	\$575,130.30	\$571,692.34
Surplus / (Deficit)	(\$226,308.40)	(\$647,638.66)

1. Plans and Specifications

LMD No. 1 provides and ensures the continued maintenance, servicing, administration, and operation of various landscaping, park facilities, parkways, trees and street lighting improvements, and associated appurtenances located within the boundaries of LMD No. 1.

Description of the Boundaries of LMD No. 1

The boundary of LMD No. 1 includes all of the territory within the City of Desert Hot Springs. Within the District there are two benefit Zones, Zone A and Zone B. Zone A includes all of the territory within the City. The assessments associated within Zone A include the maintenance costs for the street lighting system and parks. Zone B includes the territory known as the Palm Tree Lighting and Parkway Maintenance boundary. The boundaries within Zone B include 8th street on the north, West Avenue on the west, Verbena Drive on the east, and Hacienda Drive on the south.

Description of Improvements and Services

The improvements include the construction, operation, maintenance, and servicing of landscaping, sidewalks, trees, street lighting, park facilities, parkways, street tree lighting, and appurtenant facilities. Service and maintenance include, but are not limited to, personnel, electrical energy and lease costs from Edison, utilities such as water and gas, equipment, maintenance vehicles, materials, contracting services, and other items necessary for the satisfactory operation of the facilities.

Reference is made to the plans and specifications for the improvements, which are on file with the office of the City Clerk.

Description of Capital Improvement Projects

Within the past fifteen years the City has performed the following park and street capital improvement projects:

Tedesco Park:

- New Park - Construction of new BMX/Skate Park, two basketball courts, playground equipment with shade, walkways, law area, small amphitheater, and new parking lot and retention basin. Projects were completed in 2008 and 2010.
- Playground Improvements - Construction of 3 new playground equipment (shades in 2020), and ADA walkway. Project was completed in Fiscal Year 2019-20.
- LED Upgrades - Lighting upgrades and improvements. Project was completed in Fiscal Year 2019-20.
- Playground Shade Improvements - Construction of 3 new playground equipment shade structures. Project is currently in construction.

Mission Spring Park:

- Lighting and Parking Improvements - New large sport park, new soccer field lawn, Musco sports lighting, playground equipment, parking lot, and new entryways. Projects were completed in 2010 and 2012.
- Playground Improvements - Construction of 3 new playground equipment, and ADA walkway. Project was completed in Fiscal Year 2019-20.
- LED Upgrades - Lighting upgrades and improvements. Project was completed in Fiscal Year 2019-20.
- Playground Shade Improvements - Construction of 3 new playground equipment shade structures. Project is currently in construction.

Wardman Park:

- Pickleball Courts, Swings, Little League Bleachers, Picnic Tables, BBQs, ADA walkways - Rehabilitation of tennis courts into pickleball courts, new swings added to playground, new little league field bleachers were installed, and ADA walkways. Project was completed in Fiscal Year 2018-19.
- LED Upgrades - Lighting upgrades and improvements. Project was completed in Fiscal Year 2019-20.
- Dog Park - Completion of new dog park, with fencing and entry, landscaping, decomposed granite, shade structure. Project was completed in Fiscal Year 2018-19.

Rotary Park:

- Dog Park - Completion of new dog park, with fencing and entry, landscaping, new signage. Project was completed in Fiscal Year 2018-19.

1. Plans and Specifications

Veterans Park:

- Landscape Improvements - Removal and re-landscaping of park, and new LED upgrades. Projects were completed in 2017 and 2020.

Health and Wellness Center:

- Outdoor Gym and Playground Improvements - New outdoor gym and playground equipment with shades. Project was completed in Fiscal Year 2012-13.

Street Improvement Projects:

- Palm Drive Median Improvements - Construction of extension of medians with new landscaping, ground cover, palm trees, shrubs, and rocks and boulders. Project Limits – Palm Drive at Two Bunch Palm Trails Intersection, Palm Drive at Hacienda Ave Intersection, Palm Drive at Acoma Intersection, Palm Drive at Camino Aventura (state of the art lighting at this location). Project was completed in Fiscal Year 2019-20.
- Entryway Improvements - Construction of extension of median and two sides of street, including sidewalks, curb and gutter, garden block wall, with new landscaping, ground cover, palm trees, shrubs, rocks and boulders, and state of the art lighting. Project Limits – Palm Drive at Paul Road. Project was completed in Fiscal Year 2019-20.
- ATP Cycle 3 Palm Drive Improvements - Completion of missing sidewalks, asphalt surface rehab, new bike lanes, flashing safety signs, 34 new street lights. Project Limits – Camino Aventura to Two Bunch Palms Trail. Project was completed in Fiscal Year 2019-20.
- Palm Drive Street Lighting and Safety Improvements - Completion of missing sidewalks, asphalt surface rehab, new bike lanes, flashing safety signs, 24 new street lights. Project Limits –Two Bunch Palms Trail to Pierson Blvd. Project was completed in Fiscal Year 2019-20.
- Hacienda Ave Improvement Project - Completion of missing sidewalks, asphalt surface rehab, new bike lanes, flashing safety signs, new landscaping on parkway including 92 trees estimated, and installation of 46 new street lights. Project Limits –West Drive to Foxdale Ave. Project is currently in design with an estimated construction completion in 2023.

Boundary Map

An Assessment Diagram for LMD No. 1 has been submitted to the City Clerk in the format required under the provision of the Act. The lines and dimensions shown on maps of the County Assessor of the County of Riverside for the current year are incorporated by reference in a Boundary Map in Appendix B herein and made part of this Report.

2. Cost Estimate

The cost of servicing, maintaining, repairing, and replacing the actual improvements as described in the Plans and Specifications are summarized as follows:

Table 2-1
Zone A and Zone B Budget

Description	Fiscal Year 2019-20 Estimated Through June 30, 2020	Fiscal Year 2020-21 Estimated Through June 30, 2021
Street Lighting		
Utilities- Street Lighting	\$34,000.00	\$45,000.00
Supplies and Maintenance	\$0.00	\$65,000.00
Contract Services	\$35,834.00	\$169,000.00
Subtotal Street Lighting Direct Costs	\$69,834.00	\$279,000.00
Park Maintenance		
Personnel Services	\$208,148.60	\$232,501.00
Benefits	\$91,686.10	\$115,667.00
Utilities	\$196,000.00	\$249,000.00
Repairs/Maintenance	\$40,000.00	\$0.00
Vehicle Fuel Expense	\$9,000.00	\$11,000.00
Vehicle Repair and Maintenance	\$500.00	\$3,300.00
Uniform Allowance	\$750.00	\$963.00
Supplies and Maintenance	\$0.00	\$119,900.00
Contract Services	\$185,520.00	\$183,000.00
Subtotal Park Maintenance Costs	\$731,604.70	\$915,331.00
Tree Trimming		
Contract Services	\$0.00	\$25,000.00
Subtotal Tree Trimming Costs	\$0.00	\$25,000.00
Total Costs	\$801,438.70	\$1,219,331.00

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218, entitled “Right to Vote on Taxes Act,” which added Article XIII D to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exception, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

1. Any assessments imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
2. Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment formula (e.g., CPI increase).

Proposition 218 does not define the term “streets,” however, based on the opinions of the public agency officials, attorneys, assessment engineers and Senate Bill 919, it has been determined that streets include all public improvements located within the street rights-of-way. This would include median and parkway landscaping, traffic signals, safety lighting, and street lighting.

Proposition 218 defines “assessment” as “any levy or charge upon real property by an agency for a special benefit conferred upon the real property.” Cal. Const., art. XIII D, §2(b). A special assessment, sometimes called a “benefit assessment,” is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. Special assessments are levied according to statutory authority granted by the Legislature or, in some instances, local charters. Distinguishing among taxes, fees, and assessments can be difficult and often depends on the context in which the distinction is made. For example, taxes, assessments and property-related fees all may be imposed on property. The key feature that distinguishes an assessment from a tax, fee, or charge is the existence of a special benefit to real property. Without identifying a special benefit, there can be no assessment.

Distinguishing General and Special Benefit

Proposition 218 added a set of procedures and requirements, which a local government must follow to levy an assessment. In addition to notice, hearing, and assessment ballot proceedings, Proposition 218 provides that “only special benefits are assessable” and requires a local government to “separate the general benefits from the special benefits conferred on a parcel.”

By its nature, most public improvements financed through an assessment district contain an element of public benefit. The test is: does there exist, with relation to the improvement, a special benefit to the property assessed? The law requires that portion of the cost of the improvement which benefits the public generally to be separated from that portion of the cost of the improvement which specially benefits assessed properties. Proposition 218 provides the following definition of “special benefit”:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit”.

Below is the description of the Method of Apportionment and Special Benefit and the Assessment Roll summary for the Assessment District.

Method of Apportionment

Pursuant to the Landscaping and Lighting Act of 1972 and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

3. Assessment

The primary benefits of street lighting are for the convenience, safety and protection of property, property improvements, and goods. The intensity and degree of illumination provided can have a bearing on both.

The benefits to property owners include:

1. Reduction in night accidents and attendant human misery and decrease in personal property loss.
2. Less vulnerability to criminal assault at night.
3. Promotion of business during nighttime hours.

Security and Property protection benefits include:

1. Increase evening driving safety.
2. Reduction in vandalism and other criminal acts and damage to improvements.
3. Reduction in burglaries.

All street lighting inventory is currently owned by Southern California Edison Company.

The park and parkway benefits to property owners include:

1. Increased leisure time and recreational opportunities.
2. Improved aesthetic enjoyment.
3. Availability and convenient access to five neighborhood parks.
4. Green space contributes to a stress reducing environment.

There are 13,919 assessable parcels within Zones A and B. Each of these parcels is deemed to receive the same proportional special benefit from the maintenance and operation of the improvements within Zone A, whether improved or unimproved.

Cost Versus Assessments

Since the District was formed there have been some major capital improvement projects that have increased the number of parks and lights being maintained by the District. This, along with an assessment rate that has not increased since the District was formed, has resulted in a deficit between what the District can assess and the cost of maintaining the improvements. This deficit is increasing year over year and is estimated at over \$640,000 for Fiscal Year 2020-21. The City is proposing to ask the property owners within the boundaries of the District for an increase in the assessment, via a Proposition 218 Ballot Proceeding, in order to fully cover the cost of maintaining all of the current and future improvements within the District.

3. Assessment

The Zone A assessment is spread to each of the assessable parcels within Zones A. The Zone A assessment is equal to the assessment previously approved by LMD No. 1. If the actual assessment increases, the property owners must be provided an assessment ballot to vote on the matter of the increase. The parcels within Zone B are deemed to receive the special benefit from the maintenance and operation of the improvements within Zone B. The special benefit for the improvement within Zone B is spread on the basis of linear foot of street frontage of the parcel facing either Pierson Boulevard or Palm Drive.

The percentage change in the allowable Fiscal Year 2020-21 assessment from the allowable Fiscal Year 2019-20 assessment is as follows:

Table 3-1
Zone A and Zone B Assessment Rates

Zone	FY 2020-21 Total Assessment	Assessable Parcels	FY 2019-20 Assessment	FY 2020-21 Assessment	% Change
Zone A	\$561,269.28	13,838	\$40.56 / Parcel	\$40.56 / Parcel	0.0%
Zone B	\$10,425.09	262	\$0.52 / Linear Foot	\$0.52 / Linear Foot	0.0%
Rounding	(\$2.03)				
Total	\$571,692.34	13,838			

Table 3-2
Zone B Assessment History

If the actual assessment in Zone B increases, the property owners must be provided an assessment ballot to vote on the matter of the increase.

Fiscal Year	Assessment	% Change
2003-04	\$0.52	NA
2004-05	\$0.52	0.0%
2005-06	\$0.52	0.0%
2006-07	\$0.52	0.0%
2007-08	\$0.52	0.0%
2008-09	\$0.52	0.0%
2009-10	\$0.52	0.0%
2010-11	\$0.52	0.0%
2011-12	\$0.52	0.0%
2012-13	\$0.52	0.0%
2013-14	\$0.52	0.0%
2014-15	\$0.52	0.0%
2015-16	\$0.52	0.0%
2016-17	\$0.52	0.0%
2017-18	\$0.52	0.0%
2018-19	\$0.52	0.0%
2019-20	\$0.52	0.0%
2020-21	\$0.52	0.0%

Parcel identification, for each lot or parcel within LMD No. 1, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land, public utility owned property, land principally encumbered with public rights-of-way or easements, and dedicated common areas. These parcels will not be assessed.

3. Assessment

Upon approval of this Report, and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in Fiscal Year 2020-2021. If the parcels or assessment numbers within LMD No. 1 and referenced in this Report, are renumbered, reapportioned, or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger, or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and levy amount approved in this Report by the City Council.

Table 3-3
Assessment by Zone

Zone	Parcels	Linear Feet	FY 2020-21 Total Assessment
Zone A	13,838	NA	\$561,269.28
Zone B	262	20,048.25	\$10,425.09
Rounding			(\$2.03)
Total	13,838	20,048.25	\$571,692.34

APPENDIX A

Assessment Roll (Under Separate Cover)

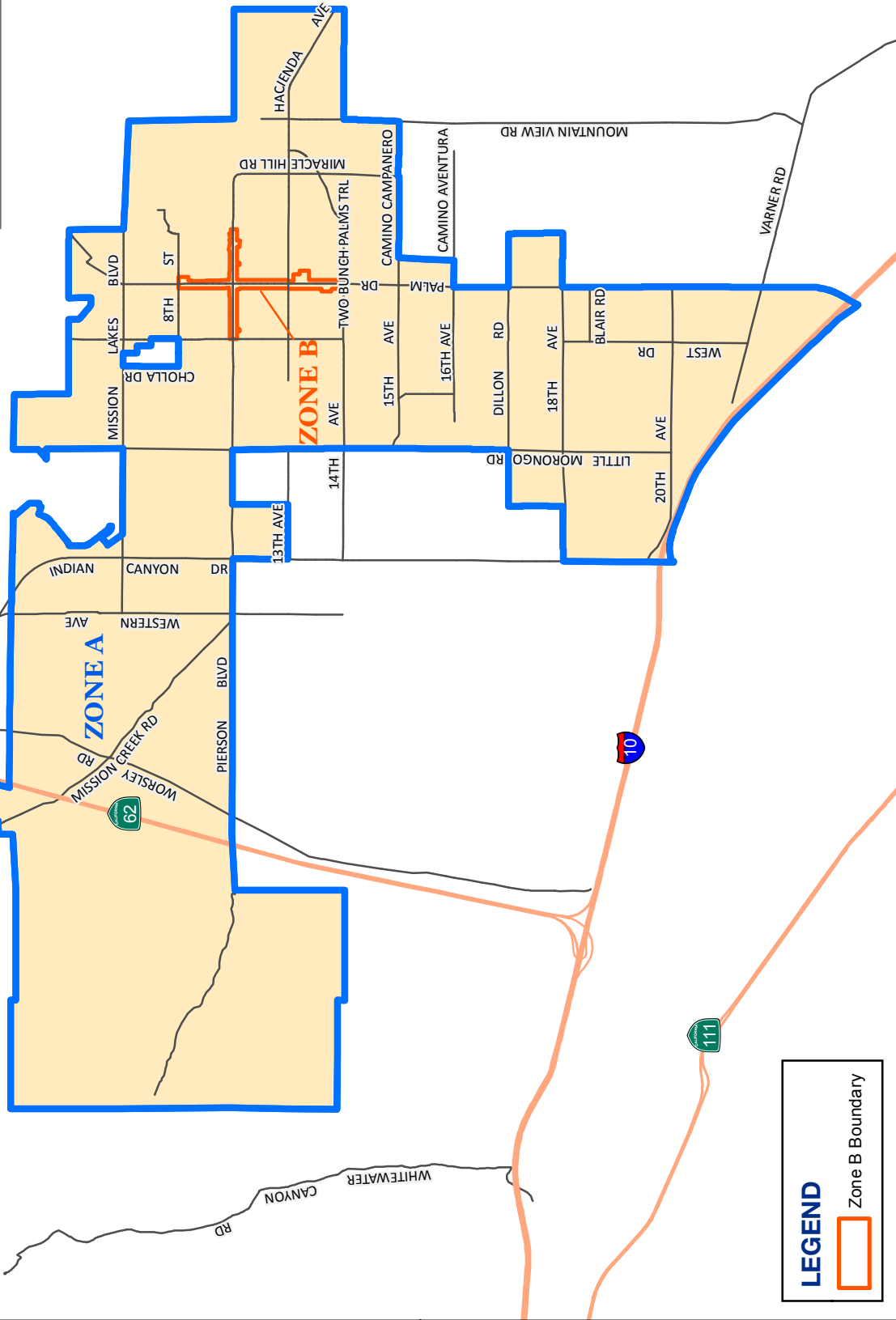


APPENDIX B

Boundary Map

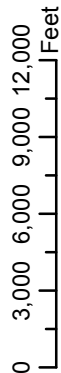


CITY OF DESERT HOT SPRINGS



LEGEND

Zone B Boundary



DISTRICT BOUNDARY MAP





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