

**CITY OF PALM SPRINGS**

**ENGINEER'S REPORT**

**PARKWAY MAINTENANCE DISTRICT NO. 7**  
**"SUNRISE NORTE"**

FISCAL YEAR 2016/2017



Intent Meeting: June 1, 2016  
Public Hearing: July 6, 2016

**Engineer's Report Affidavit  
Palm Springs Parkway Maintenance District No. 7, "SUNRISE NORTE"**

This Report describes the District including the improvements, budget, parcels and assessments to be levied for fiscal year 2016/2017, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this 1<sup>st</sup> day of June, 2016.



By: \_\_\_\_\_

Marcus L. Fuller, P.E.  
Assistant City Manager/City Engineer  
City of Palm Springs  
Civil Engineer C 57271

**CITY OF PALM SPRINGS  
ENGINEER’S REPORT**

**PARKWAY MAINTENANCE DISTRICT NO. 7  
SUNRISE NORTE**

**Fiscal Year 2016/2017**

The Undersigned respectfully submits the enclosed report as directed by the City Council. The undersigned certifies that he is a Professional Engineer, registered in the State of California.



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Marcus L. Fuller, P.E.  
Assistant City Manager/City Engineer  
City of Palm Springs  
County of Riverside, California



I HEREBY CERTIFY that the enclosed Engineer’s Report, together with the Assessment Roll and Assessment Diagram thereto attached, was filed with me on the 1<sup>st</sup> day of June, 2016.

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James Thompson, City Clerk  
City of Palm Springs  
County of Riverside, California

I HEREBY CERTIFY that the enclosed Engineer’s Report, together with the Assessment Roll thereto attached, was approved and confirmed by the City Council of the City of Palm Springs, California, on the 6<sup>th</sup> day of July, 2016.

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James Thompson, City Clerk  
City of Palm Springs  
County of Riverside, California

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## **EXECUTIVE SUMMARY**

### **A. INTRODUCTION**

The purpose of this Engineer’s Report (hereinafter referred to as the “Report”) is to set forth the engineering analysis and findings for the levy of assessments in the City of Palm Springs (hereinafter referred to as the “City”) Parkway Maintenance District No. 7 (“Sunrise Norte”), (hereinafter referred to as the “District”), for fiscal year 2016/2017, in compliance with the requirements of Chapter 3, of the Landscaping and Lighting Act of 1972 (hereinafter referred to as the “1972 Act”) which is part 2, Division 15 of the California Streets and Highways Code and as provided by Article XIII D of the California Constitution (hereinafter referred to as “Article XIII D”). This District was formed to supplement certain City revenues and help finance the costs of providing for parkway maintenance within the District’s boundaries.

This report is prepared for the levy and collection of annual assessments for the District for fiscal year 2016/2017.

The City initiates proceedings for annual levying of assessments within the District by passing a resolution, which states that the District was established under the Act. This resolution also describes the improvements, describes the name and location of the District, and preliminarily approves the Engineer’s Report.

The report prepared by the engineer must include an estimate of the costs of the improvements, a diagram, i.e., map of the District showing the boundary of the District and an assessment of the estimated costs of the improvements against the parcels or lots which benefit from the improvements. Once the report is completed it is presented to the City Council for its review and approval as presented, or it may be modified and approved.

After the report is approved, the City Council may adopt a Resolution of Intention, which declares its intent to levy and collect assessments, describes the improvements, and refers to the report for details of the District. The Resolution of Intention also sets a time and place for a hearing on the proposed assessments.

Beginning in fiscal year 2006/2007, expenditures within the District exceeded the total maximum annual assessment that can be collected in the District. In 2007, upon adoption of the confirmed Engineer’s Report for this District for the 2007/2008 fiscal year, the City Council directed the City Engineer to schedule a property owner protest ballot proceeding on the matter of approving an increase to the maximum annual assessment, as necessary to increase assessments to cover estimated annual expenses and to implement a Consumer Price Index (“CPI”) annual inflator.

On January 16, 2008, the property owner protest ballot proceeding was conducted, and in accordance with requirements of the California State Constitution Article XIII C and XIII D (“Proposition 218”), increased annual assessments and implementation of a CPI annual inflator were denied due to a majority protest by the property owners within the District.

On February 13, 2008, the City Council ordered the reduction of services within the District as necessary to ensure total expenses do not exceed the total revenues collected within the District. Therefore, commencing with the 2008/2009 fiscal year, landscape maintenance services provided in the district will be reduced by approximately 50% of the level previously provided, such that the City’s contract landscape maintenance cost is reduced appropriately, and services

provided in the District are covered by the total maximum annual assessment collected in the District.

This Engineer’s Report has been prepared in accordance with the previous City Council direction.

**B. OVERVIEW**

The District described in this report includes all lots and parcels within the residential area identified as “Sunrise Norte”, generally located along Mountain Shadow Drive, Sand Spring Drive, Mica Drive, Garnet Road, and Twin Star Road, consisting of Lots 2-54 of Tract 17642-2.

The City proposes to annually levy and collect special assessments to continue the maintenance of the improvements within the District. Assessments within the District are proposed to be levied annually, pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the “1972 Act”) and in compliance with the substantive and procedural requirements of the California State Constitution Article XIIC and XIID (“Proposition 218”).

The assessments described in this Engineer’s Report (hereinafter referred to as the “Report”) shall be levied upon each parcel within the boundaries of the District and assessments shall be proportional to the special benefit received from the maintenance of the improvements. For the District, a benefit assessment rate per parcel is established based upon estimated and actual operations and maintenance costs for the year.

This Report describes the District and the proposed assessments for fiscal year 2016-2017. The annual budget for the maintenance and operation of the improvements is based on estimated expenses for the upcoming fiscal year.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the Riverside County (“County”) Assessor’s Office. The Riverside County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify on the tax roll properties assessed for special district benefit assessments.

**DESCRIPTION OF THE DISTRICT**

**A. DESCRIPTION OF THE DISTRICT**

The Parkway Maintenance District No. 7 (“Sunrise Norte”), includes all lots and parcels within the residential area identified as “Sunrise Norte”, generally located along Mountain Shadow Drive, Sand Spring Drive, Mica Drive, Garnet Road, and Twin Star Road, consisting of Lots 2-54 of Tract 17642-2. The District includes 53 residential parcels.

The purpose of the District is to ensure the ongoing maintenance and servicing of parkway landscape improvements installed in connection with development of properties within the District. This District will provide the financial mechanism (annual assessments) by which the ongoing operation and maintenance of these improvements will be funded.

The District structure, proposed improvements, method of apportionment and assessments described in this Report are based on improvement plans including all estimated direct expenditures, incidental expenses, and reserves associated with the maintenance and servicing of the improvements.

## **B. DESCRIPTION OF IMPROVEMENTS AND SERVICES**

The purpose of the District is to ensure the ongoing maintenance, operation and servicing of parkway landscape improvements and street lighting located within the District. These improvements may include, but are not limited to, palm trees, turf areas with mowing strips, desert indigenous trees and ground cover, annual flowers, a sprinkler irrigation and emitter drip system, landscape drainage system, walkways and associated appurtenant facilities located in the dedicated landscaped parkway (street right-of-way) on the north side of San Rafael Drive; street lighting and electrical system costs for street lights located within the District; and all materials, equipment, utilities, labor and appurtenant facilities related to the operation and maintenance of the parkway landscape and street lighting improvements.

The estimated annual cost to provide and maintain the improvements within the District shall be allocated to each property in proportion to the special benefits received. The Method of Apportionment described in this Report utilizes commonly accepted assessment engineering practices and has been established pursuant to the 1972 Act and the provisions of Proposition 218.

### **Improvements and Services Permitted Pursuant to the 1972 Act**

As generally defined by the 1972 Act and applicable to this District, improvements and the associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to, street lights and traffic signals;
- 4) The installation of park or recreational improvements including, but not limited to, all of the following:
  - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage;
  - b) Lights, playground equipment, play courts, and public restrooms;
  - c) The acquisition of land for park, recreational, or open-space purposes;
- 5) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 6) The acquisition of any associated existing improvement;
- 7) The maintenance or servicing of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including, but not limited to:
  - a) Repair, removal, or replacement of all or any part of any improvements;
  - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
  - c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;
  - d) The removal of trimmings, rubbish, debris, and other solid waste;

- e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
  - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
  - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements;
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
  - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
  - c) Compensation payable to the County for collection of assessments;
  - d) Compensation of any engineer or attorney employed to render services;
  - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements; and,
  - f) Costs associated with any elections held for the approval of a new or increased assessment.

### **Landscaping Improvements**

The parkway improvements may include, but are not limited to, all landscaping material and facilities within the District. These improvements include ground cover, shrubs, trees, plants, irrigation and drainage systems, ornamental lighting structures and associated appurtenant facilities located within the District:

### **Public Street Lighting Improvements**

The street lighting improvements may include, but are not limited to, electrical energy, lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities located within the District:

## **METHOD OF APPORTIONMENT**

### **A. GENERAL**

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping, parks, open space areas and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

*“The net amount to be assessed upon lands within an assessment district or District may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”*

The formula used for calculating assessments reflects the composition of the parcels and the improvements and services provided within the District to fairly apportion the costs based on estimated benefit to each parcel.



In addition, Article XIII D requires that a parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Article XIII D provides that only special benefits are assessable and the City must separate the general benefits from the special benefits.

## **B. BENEFIT ANALYSIS**

All improvements associated with this District have been identified as necessary, required and/or desired for the properties within the District to their full potential, consistent with the development plans. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of maintenance and operation of the improvements are of direct and special benefit to the properties.

The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives benefit from the improvements.

The special benefits associated with the parkway improvements are specifically:

- Enhanced desirability of properties through association with the improvements;
- Improved aesthetic appeal of properties providing a positive representation of the area;
- Enhanced adaptation of the urban environment within the natural environment from adequate green space, open space areas and landscaping;
- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention;
- Increased nighttime safety on roads and streets;
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties; and
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

All of the preceding special benefits contribute to a specific enhancement and desirability of each of the assessed parcels within the District. Although the improvements may include landscaping improvements and other amenities available or visible to the public at large, the maintenance of these improvements is only necessary for the properties within the District and are not required nor necessarily desired by any properties or developments outside the District boundary. Therefore, any public access or use of the improvements by others is incidental and there is no measurable general benefit to properties outside the District or to the public at large.

## **C. ASSESSMENT METHODOLOGY**

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of the parcel based on the parcel’s actual land use or proposed planned development, and is reliant upon the special benefit received from the improvements planned within the District.

To identify and determine the special benefit to be received by each parcel, it is necessary to consider the entire scope of the District improvements as well as individual property development within the District. The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel.

The maintenance and operation of the landscaping improvements provides special benefit to all parcels within the District adjacent to the improvements. Therefore, 100% of the costs will be apportioned to each parcel on a per lot unit basis. All lots are assessed the same amount as each is a single-family lot and receives equivalent benefit.

#### **D. ASSESSMENT FORMULA**

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of the parcel based on the parcel’s actual land use or proposed planned development, and is reliant upon the special benefit received from the improvements planned within the District.

To identify and determine the special benefit to be received by each parcel, it is necessary to consider the entire scope of the District improvements as well as individual property development within the District. The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel.

The maintenance and operation of the landscaping improvements provides special benefit to all parcels within the District adjacent to the improvements. Therefore, 100% of the costs will be apportioned to each parcel on a per lot unit basis. All lots are assessed the same amount as each is a single-family lot and receives equivalent benefit.

#### **DISTRICT BUDGET**

##### **A. DESCRIPTION OF BUDGET ITEMS**

For the purpose of estimating costs for the maintenance and servicing, actual costs are used where possible. But where actual maintenance experience is lacking, cost estimates will be used to determine costs, as follows:

Parkway Landscape Maintenance: Includes maintenance labor, materials and equipment required to properly maintain the authorized improvements and services within the District.

Street light maintenance: Includes maintenance labor, materials and equipment required to properly maintain the authorized improvements and services within the District.

Water costs: The cost of irrigation water for the parkway landscaping to be maintained is based upon actual Desert Water Agency billings on publicly landscaped areas being maintained within the District.

Electrical energy costs: Energy costs included are those necessary for the operation of irrigation controls, decorative (ornamental) landscape lighting, and street lighting improvements.

Incidental costs: These are costs for special items, such as costs of levying the assessments with the County Tax Collector, anticipated utility rate increases, or other such costs, and are determined individually.

Another Incidental Cost is the expense of Assessment Engineering services. This includes costs of performing annual assessment engineering, determining existing or estimated costs, retaining of consultants, preparation of the Engineer’s Report, and other related costs, such as publication of notices, mailings, etc.

Another Incidental Cost is the County Assessor-Tax Collector’s charge of \$25 per County assessment account plus \$0.20 per levied parcel, to place the assessments on the tax rolls. This charge will be distributed between the benefit Districts.

Miscellaneous: All cost estimates shall be rounded to the nearest dollar, except where specified differently above. The total amount to be levied on any parcel will be rounded to an even number to accommodate collection on the property tax bill in two equal installments.

**B. DISTRICT BUDGET**

This report has been prepared pursuant to the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 of the Streets and Highways Code) and Article XIID, Section 4 of the California Constitution (Proposition 218).

See next page.

**B. DISTRICT BUDGET**

**FISCAL YEAR 2016/2017  
 PARKWAY MAINTENANCE DISTRICT NO. 7 (“SUNRISE NORTE”)  
 (Formed in 1990)**

**A. PARKWAY LANDSCAPE MAINTENANCE**

<u>Budget Items</u>	<u>2016/2017 Estimated Cost</u>
1. Landscape Maintenance	
a. Contract Cost	\$16,934***
b. Palm Tree Trimming	\$110
2. SCE Utility bills	\$643
3. DWA Utility bills	\$5,860
4. Incidentals	\$200
5. Labor & Administration	\$0
6. Reserve Fund	\$0
	\$23,747

Note: Maximum approved assessment was in Fiscal Year 1992/1993, established at \$23,747.

\*\*\*Landscape lighting has been eliminated. Landscape maintenance services will be reduced to a level that can be supported by the maximum assessment to be levied.

**B. Actual Costs vs. Assessments Summary:**

Account Deficit as of 6/30/14 =	(\$ 6,441)
Revenue in 2014/2015 =	\$24,063
Actual Costs in 2014/2015 =	<u>(\$25,951)</u>
Account Deficit as of 6/30/15=	(\$ 8,329)
Assessment in 2015/2016 =	\$23,747
Estimated Costs in 2015/2016 =	<u>(\$29,042)</u>
Estimated Account Deficit as of 6/30/16=	(\$13,624)

**C. 2016/2017 ASSESSMENT**

Estimated cost for 2016/2017	\$23,747
Maximum Allowable Assessment =	\$23,747
<b>Proposed 2016/2017 Assessment =</b>	<b>\$23,747</b>

D. Number of parcels = 53

E. Cost in 2016/2017 per parcel: \$448.06 (\$23,747 divided by 53)

F. Actual Costs vs. Assessments History (Previous Closed Out 5 Years):

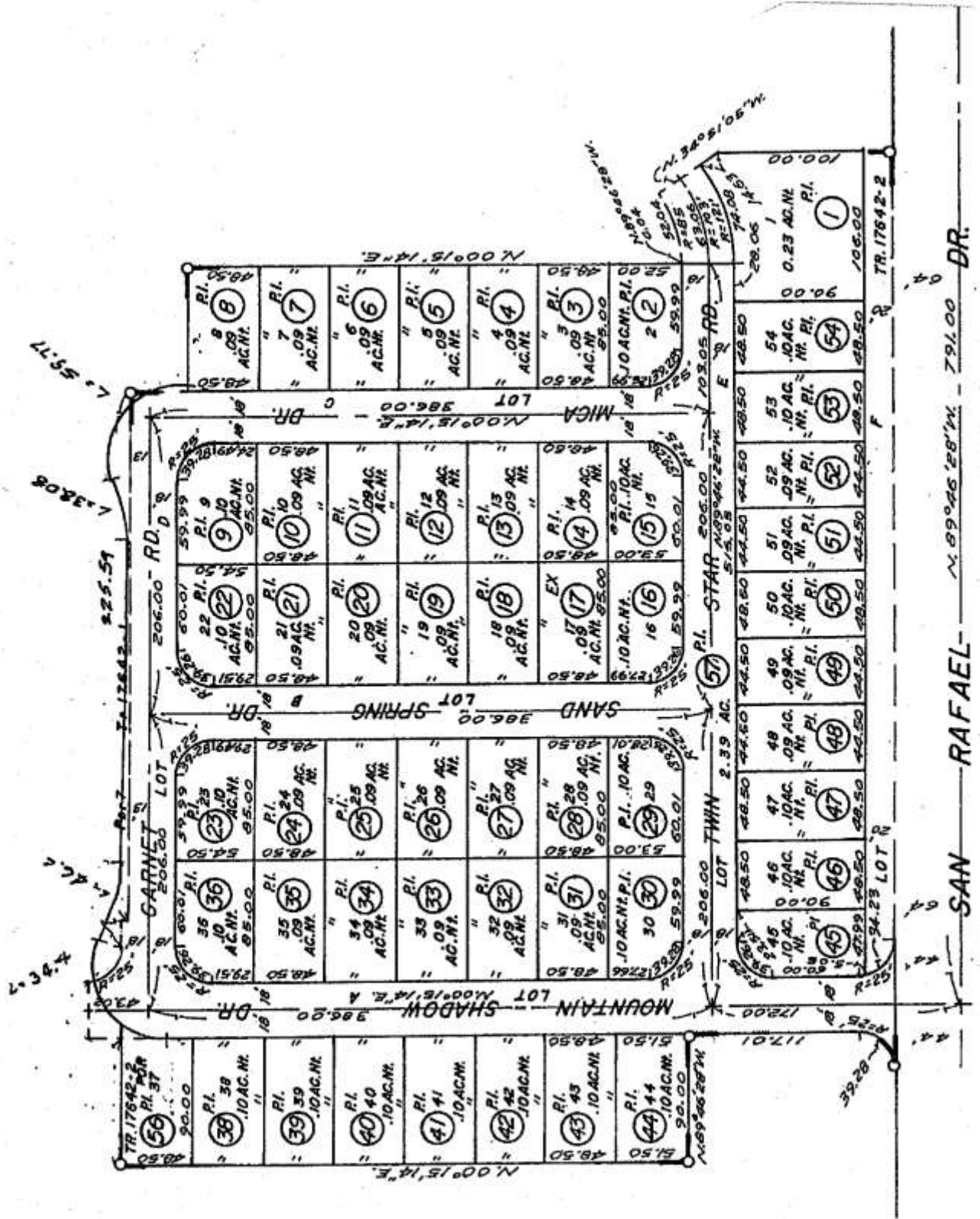
Actual Costs:	10/11=\$19,645	11/12=\$18,737	12/13=\$20,170	13/14=\$32,642	14/15=\$25,951
Revenue:	\$24,958	\$19,623	\$17,573	\$17,018	\$24,063

G. Budget (Expenditure Detail), see Account No. 141-4310-43560

## **APPENDIX A - DISTRICT DIAGRAM**

The parcels within the Palm Springs Parkway Maintenance District No. 7 (“Sunrise Norte”), are shown on the current Riverside County Assessor’s Parcel Map Book 669 Page 51. The County Assessor’s Parcel Map along with the Assessment Roll constitutes the District Assessment Diagram. A copy of the Parkway Maintenance District No. 7 (“Sunrise Norte”) boundary is shown on the following page.

City of Palm Springs – Engineer's Report  
 Parkway Maintenance District No. 7, Sunrise Norte



**APPENDIX B - ASSESSMENT ROLL**

Parcel identification for each lot or parcel within the District shall be the parcel as shown on the Riverside County Secured Roll for the year in which this Report is prepared and reflective of the Assessor’s Parcel Map(s) associated with the Secured Roll. A listing of parcels proposed to be assessed within this District, along with the assessment amounts, is shown on the following table.

RIVERSIDE COUNTY ASSESSMENT ROLL  
 PARKWAY MAINTENANCE DISTRICT NO. 7 ("SUNRISE NORTE")  
 FISCAL YEAR 2016/2017  
 FUND NO. 68-2623

ASSESSOR'S PARCEL NUMBER	ASSESSMENT	ASSESSOR'S PARCEL NUMBER	ASSESSMENT
669-510-002-5	\$448.06	669-510-029-0	\$448.06
669-510-003-6	\$448.06	669-510-030-0	\$448.06
669-510-004-7	\$448.06	669-510-031-1	\$448.06
669-510-005-8	\$448.06	669-510-032-2	\$448.06
669-510-006-9	\$448.06	669-510-033-3	\$448.06
669-510-007-0	\$448.06	669-510-034-4	\$448.06
009-608-315-6	\$448.06	669-510-035-5	\$448.06
669-510-009-2	\$448.06	669-510-036-6	\$448.06
669-510-010-2	\$448.06	669-510-056-4	\$448.06
009-608-318-9	\$448.06	669-510-038-8	\$448.06
669-510-012-4	\$448.06	669-510-039-9	\$448.06
669-510-013-5	\$448.06	669-510-040-9	\$448.06
669-510-014-6	\$448.06	669-510-041-0	\$448.06
669-510-015-7	\$448.06	669-510-042-1	\$448.06
669-510-016-8	\$448.06	669-510-043-2	\$448.06
669-510-017-9	\$448.06	669-510-044-3	\$448.06
669-510-018-0	\$448.06	669-510-045-4	\$448.06
009-608-326-6	\$448.06	669-510-046-5	\$448.06
669-510-020-1	\$448.06	669-510-047-6	\$448.06
669-510-021-2	\$448.06	669-510-048-7	\$448.06
669-510-022-3	\$448.06	669-510-049-8	\$448.06
669-510-023-4	\$448.06	669-510-050-8	\$448.06
669-510-024-5	\$448.06	669-510-051-9	\$448.06
669-510-025-6	\$448.06	669-510-052-0	\$448.06
669-510-026-7	\$448.06	669-510-053-1	\$448.06
669-510-027-8	\$448.06	669-510-054-2	\$448.06
009-608-335-4	\$448.06	<b>TOTAL</b>	<b>= \$23,747.18</b>