

INDIAN WELLS CITY COUNCIL

March 7, 2024



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, City Finance Director
Subject: **Resolution Ordering the Levy and Collection of Assessments in the Fire Access Maintenance District No. 1 for Fiscal Year 2024-25**

RECOMMENDED ACTIONS:

Council **OPENS** the Public Hearing, takes any public testimony, **CLOSES** the Public Hearing; and,

ADOPTS Resolution approving the annual levy of the Fire Access Maintenance District No. 1 for the Fiscal Year 2024-25; and,

ORDERS the Fire Access Maintenance District No. 1 levy on the Fiscal Year 2024-25 Riverside County tax roll; and,

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

BACKGROUND:

As per the annual requirement, the City Council must hold a Public Hearing, collect feedback from the public, and approve a Resolution for the annual collection of levies for the Fire Access Maintenance District Special Parcel Tax. By passing a Resolution, the City Council instructs the City Finance Director to put the levy on the County tax roll.

The FAMD was formed for the sole benefit of people living behind the gates of the Indian Wells Country Club. It was reasonable that the spending authority of the funds collected in the District should be the responsibility of those living inside the District. Although the FAMD maintains its governance through the election of its Board, the City Council is required to annually adopt a resolution to place the levy on the County tax roll on behalf of the FAMD Board Members. The tax is collected to furnish security, street maintenance, landscaping, and capital improvements within the district.

In 1973, the City Council was asked to consider a proposal to change the public streets in the Indian Wells Country Club area to a private status. The City Council approved the

proposal by abandoning all the public streets within the area and placing the streets in a Maintenance District. The formation of the maintenance area gave the City Council the authority to impose a property tax rate to pay for the district. The Indian Wells Fire Access Maintenance District No. 1(FAMD) maintains and operates access roadways, rights of way, and easements for fire protection. The maintenance includes grading, paving, planking, macadamizing, graveling, oiling, or re-oiling any structures, barriers, gates, or other facilities necessary to restrict the use to fire access.

FISCAL IMPACT:

The FAMD has two sources of annual revenues: property taxes of around \$365,000 and a voter-approved special assessment that generates approximately \$1,200,000. These revenue sources generate the necessary funds to operate and maintain the District.

The City collects the FAMD levies in a special revenue fund, limiting expenditures to those associated with the purview of the District. This special assessment is not subject to any Consumer Price Index (CPI) increases. Any increase to the special assessment amount requires voter approval. Therefore, the Fiscal Year 2023-24 FAMD Special Assessment remains the same.

The FAMD special assessment is as follows:

| Land Use | Approved Annual Tax |
|---------------------------------------|---------------------|
| Residential Improved | \$ 1,030 |
| Residential Vacant Lot 1 Acre or less | 700 |
| Vacant Land greater than 1 acre | 550 |
| Golf Club / Golf Course | \$ 190,000 |

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Resolution