



# INDIAN WELLS CITY COUNCIL

## April 3, 2025

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**To:** City Council  
**From:** Finance Department  
**Prepared by:** Kevin McCarthy, City Finance Director  
**Subject:** **Final Annual Levy Report for Landscape and Lighting District No. 91-1 for the Fiscal Year 2025-26 and Ordering the Levy and Collection of Assessments**

### RECOMMENDED ACTIONS:

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

**ADOPTS** Resolution approving collection of assessments for the Fiscal Year 2025-26 for the Landscape and Lighting District No. 91-1; and

**ORDERS** the Landscape and Lighting District No. 91-1 levy to be placed on the Fiscal Year 2025-26 Riverside County tax roll.

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

### BACKGROUND:

Each year, the City Council conducts a public hearing to review and take action on the costs associated with the operation and maintenance of the City's landscape and lighting maintenance districts. This process ensures transparency, fiscal accountability, and compliance with applicable assessment district regulations. As part of this annual review, the Engineer's Report, attached to this staff report, provides a comprehensive budget detailing anticipated revenues, expenditures, and planned maintenance activities for the landscape and lighting maintenance districts.

The City administers the levies for the citywide Landscape and Lighting Maintenance District No. 91-1 (LLMD), which was established to provide funding for the ongoing maintenance and enhancement of public landscaping and lighting infrastructure. The LLMD encompasses seventeen active districts along the Highway 111 corridor. Of these, the City directly manages operations in twelve districts, ensuring that public spaces are maintained to established standards, while the remaining five districts are maintained by their respective homeowners' associations. These assessments fund essential services,

including irrigation system upkeep, tree and shrub maintenance, streetlight operations, and other improvements that enhance public safety and community aesthetics.

**FISCAL IMPACT:**

There is no direct fiscal impact on the City, as the revenues generated from the annual levy are designated specifically for the operation of the District and do not affect the City's General Fund. The preliminary levy amounts to operate the LLMD for Fiscal Year 2025-26 per the Engineer's Report are as follows:

Zone	Description	Maximum Levy Allowed per EDU	Prior Year Levy per EDU	Proposed Levy per EDU	Annual Increase (Decrease)
A1	Eldorado	\$ 264.58	\$ 203.46	\$ 242.38	\$ 38.92
A2	Montecito/Stardust	\$ 556.60	\$ 524.63	\$ 556.06	\$ 31.43
A3	Casa Dorado (A Pass-through District)	\$ 255.56	\$ 242.62	\$ 254.26	\$ 11.64
A5B	The Cove (A Pass-through District)	\$ 396.16	\$ 360.93	\$ 395.77	\$ 34.84
A8	Indian Wells Golf Resort	\$ 762.43	\$ 737.45	\$ 762.06	\$ 24.61
A11A	Hwy. 111 & Club Drive	\$ 369.43	\$ 274.79	\$ 321.47	\$ 46.68
A11C	Club Drive	\$ 239.73	\$ 231.86	\$ 239.03	\$ 7.17
C	The Colony	\$ 4,574.79	\$ 1,090.30	\$ 1,150.62	\$ 60.32
D	Colony Cove Estates	\$ 13,152.19	\$ 1,094.60	\$ 1,163.69	\$ 69.09
E	Desert Horizons (A Pass-through District)	\$ 870.82	\$ 800.84	\$ 865.06	\$ 64.22
A19	Mountain Gate	\$ 1,394.00	\$ 922.33	\$ 993.63	\$ 71.30
A20	Mountain Gate Estates	\$ 1,356.87	\$ 977.01	\$ 1,060.76	\$ 83.75
A21	Villagio	\$ 2,853.22	\$ 1,218.51	\$ 1,295.64	\$ 77.13
A22	Vaidya	\$ 1,072.68	\$ 524.66	\$ 596.20	\$ 71.54
A23	Montelena	\$ 1,532.51	\$ 1,171.01	\$ 1,246.01	\$ 75.00
A25	Sundance (A Pass-through District)	\$ 1,681.79	\$ 1,202.75	\$ 1,276.08	\$ 73.33
A26	Province (A Pass-through District)	\$ 1,760.95	\$ 1,567.68	\$ 1,639.11	\$ 71.43

The total projected cost to operate the Landscape and Lighting Maintenance Districts (LLMD) for Fiscal Year 2025-26 is \$1,970,460. This budget encompasses all maintenance, repair, and operational expenses necessary to uphold the established service levels for landscaping, irrigation, lighting, and related infrastructure within the districts. These costs include labor, materials, utility expenses, and contractual services required to maintain public spaces in accordance with City standards and regulatory requirements.

To support the operation of these districts, the City allocates \$121,795 to eight designated landscape districts that provide a direct public benefit, ensuring that key public areas receive adequate maintenance and enhancements that contribute to the overall aesthetic and environmental quality of the City.

District reserves will contribute \$84,285 toward the total expenditures, drawing from previously collected funds set aside for maintenance and contingency purposes. The remaining \$1,764,379 will be funded through assessments levied on property owners within the respective districts. These assessments are calculated based on the proportional benefit

received by each property and are collected in accordance with the provisions of the Landscape and Lighting Act of 1972.

### **OPTIONS:**

1. Approve the annual levy for Landscape and Lighting District No. 91-1 for Fiscal Year 2025-26. By approving the annual levy, the City ensures that sufficient funding is available to maintain and operate the District's landscaping, lighting, and other public improvements. This action supports the continued upkeep of public spaces, enhances safety through adequate lighting, and preserves property values within the assessed area. Approval also ensures compliance with the City's established financial and operational obligations as outlined in the engineer's report.
2. Decide against approving the annual levy. If the annual levy is not approved, the District will not generate the necessary revenue to fund ongoing maintenance and operations. This could result in reduced landscaping services, diminished lighting infrastructure, and overall deterioration of public improvements within the District. In the absence of alternative funding sources, the financial shortfall may lead to service reductions, negatively impacting residents and property owners who benefit from these services. Additionally, failure to levy the assessment may place the City in non-compliance with prior commitments regarding the administration of the District.
3. Provide alternative instructions for staff. The City Council may choose to direct staff to explore alternative funding mechanisms, revise the assessment structure, or re-evaluate the scope of services provided within the District. Alternative instructions could include conducting a financial analysis to assess the long-term sustainability of the District, identifying cost-saving measures, or considering adjustments to the levy to better align with community needs and expectations. Any alternative approach should ensure that the District remains financially viable while continuing to meet the intended service levels.

### **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