

# INDIAN WELLS CITY COUNCIL

## March 5, 2026



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**To:** City Council  
**From:** Finance Department  
**Prepared by:** Kevin McCarthy, City Finance Director  
**Subject:** **Ordering the Levy and Collection of Assessments in the Fire Access Maintenance District No. 1 for Fiscal Year 2026-27**

### RECOMMENDED ACTIONS:

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

**ADOPTS** Resolution No. 2026 approving the annual levy of the Special Parcel Tax for Fire Access Maintenance District No. 1 for the Fiscal Year 2026-27; and

**ORDERS** the Fire Access Maintenance District No. 1 levy of the Special Parcel Tax on the Fiscal Year 2026-27 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:

In accordance with annual procedural requirements, the City Council must conduct a duly noticed Public Hearing to receive comments from the public and subsequently adopt a Resolution authorizing the annual tax levy of the Fire Access Maintenance District (FAMD) Special Parcel Tax. Upon adoption, the Resolution instructs the City's Finance Director to transmit the approved levy to the County for inclusion on the property tax roll.

In 1973, the City Council was petitioned to consider converting public streets within the Indian Wells Country Club area to private roads. The Council approved the proposal by formally abandoning the public streets and incorporating them into a newly formed maintenance district – the Indian Wells Fire Access Maintenance District No.1 (FAMD). This action granted the City authority to impose a parcel tax to fund the District's upkeep.

The FAMD is responsible for maintaining and operating access roadways, rights-of-way, and easements necessary for fire protection. Maintenance activities may include grading, paving, planking, macadamizing, graveling, oiling or re-oiling, and the upkeep of barriers, gates, and other related infrastructure to ensure use is maintained for emergency access.

The FAMD was established solely for the benefit of residents living within the gated community of the Indian Wells Country Club. In recognition of the specific nature of this benefit, it was determined that the authority to direct spending of District funds should rest with those residing within its boundaries. Governance of the FAMD is maintained through the election of a Board by residents of the District; however, the City Council remains responsible for adopting the annual Resolution to place the tax levy on the County tax roll, acting on behalf of the FAMD Board.

The funds collected through this levy support services within the FAMD, including private security, street maintenance, landscaping, and capital improvements.

**FISCAL IMPACT:**

The FAMD is supported by two primary revenue sources: (1) general property taxes, which generate approximately \$465,000 annually, and (2) a voter-approved Special Parcel Tax, which yields approximately \$1,839,000 annually. This rate of the Special Parcel Tax was recently increased with the approval of 2/3 of FAMD voters voting on a ballot measure at a duly-called Special Municipal Election conducted on May 6, 2025. These funds are deposited into a designated special revenue fund, ensuring expenditures are strictly limited to purposes consistent with the District’s mandate.

The Fire Access Maintenance District special parcel tax includes an annual escalation factor equal to the greater of 3.0 percent or the year-over-year percentage change in the Consumer Price Index (CPI) for All Urban Consumers in the Riverside–San Bernardino–Ontario metropolitan area, measured from January of the prior year to January of the current year. Based on data published by the U.S. Bureau of Labor Statistics, the applicable CPI change for this period is 2.9 percent. Accordingly, the minimum escalation factor of 3.0 percent will be applied to the Fiscal Year 2026–27 levy.

The FAMD special parcel tax is as follows:

Land Use	Approved Annual Tax
Residential Improved	\$ 1,559
Residential Vacant Lot 1 Acre or less	1,060
Vacant Land greater than 1 acre	833
Golf Club / Golf Course	\$ 287,679

**CALIFORNIA ENVIRONMENT QUALITY ACT:**

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