



City of Palm Desert

Presidents' Plaza Property and Business Improvement District

MANAGEMENT DISTRICT PLAN AND ENGINEER'S REPORT

FISCAL YEAR 2025/2026

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ENGINEER'S REPORT AFFIDAVIT

City of Palm Desert Presidents' Plaza I Property and Business Improvement District

City of Palm Desert
Riverside County, State of California

This Report describes the District and defines improvements, budget and method of assessment apportionment, and the parcels to be levied for Fiscal Year 2025/2026 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 _____ day of _____, 2025.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Palm Desert

By: _____

Daniel Louie, Project Manager
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By: _____

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I. Overview

Introduction

The City of Palm Desert (City) previously formed and established the Presidents' Plaza Property and Business Improvement Assessment District (District) beginning in Fiscal Year (FY) 1998/1999 to provide improvements and activities that confer special benefits upon real property within the boundaries of the District. The District was established and levied pursuant to Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code (the Act). Pursuant to the Act, property owners within the District submitted a signed petition requesting formation of the District. For each term, a maximum assessment was approved by the property owners through an assessment ballot proceeding, conducted according to provisions of the California Constitution Article XIID (Proposition 218). The District was successfully formed for a term of five years ending in FY 2002/2003. Subsequently, the District was renewed for a five-year term in FY 2003/2004, 2008/2009 and 2015/2016. In FY 2020/2021, the District was renewed for two years due to uncertain future costs at that time. In FY 2022/2023, the District was once again renewed for five years. Under the provisions of the Act, property owners within the District may have renewed the District for a maximum term of ten (10) years.

This combined Management District Plan and Engineer's Report hereinafter referred to as "Plan" or "Report" is presented for consideration by the property owners within the area known and commonly referred to as Presidents' Plaza, to seek their support for the organization of a business improvement district in accordance with the provisions of the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et. seq., hereinafter referred to as the Act. This is the Management District Plan and Engineer's Report required by Section 36622 of the Act, for the proposed formation and establishment of the **Presidents' Plaza Property and Business Improvement District** hereinafter referred to as "District" or "PBID", to fund services and activities to improve and convey special benefits to properties located within the boundaries of the District.

This Report describes the PBID, improvements and activities, method of apportionment, proposed assessments for the current fiscal year, and maximum assessment proposed for the five-year duration of the re-formed District. The proposed assessments are based on the estimated cost to provide the improvements, activities, and operations that provide a direct and special benefit to properties within the District. The costs of improvements, activities, and operations include all expenditures, deficits, surpluses, revenues, and reserves.

The word "property," for the purposes of this Plan, refers to real property situated within the District, and identified as an individual property or parcel assigned its own Assessor's Parcel Number (APN) by the County of Riverside Assessor's Office. The County of Riverside Auditor/Controller uses APNs to identify on the tax roll parcels and properties assessed for taxes, special assessments, and fees and charges.

All benefits derived from the assessments outlined in the Management District Plan and Engineer's Report are for services directly benefitting the property and business owners within this specialized district and are intended to support and enhance commerce, business and the overall safety, image, and functionality within this commercial core. All services, projects, maintenance, and professional and administration services are provided solely to properties within the PBID to enhance the image and viability of properties and businesses within the PBID boundaries and are designed only for the direct special benefit of the assessed properties. No services will be provided to non-assessed parcels outside the PBID boundaries.

Renewal/Formation

A written petition of the property owners within the PBID, representing more than 50% of the proposed assessment to be levied was submitted to the Palm Desert City Council in order to proceed with the District renewal/formation. After the required signatures were submitted to the City, the City Council initiated proceedings for the renewal of the District by adopting a resolution expressing its intention to form the PBID and ballot the property owners for the proposed assessments in accordance with the provisions of the Constitution. The resolution of intention referenced the Management District Plan and Engineer's Report and provided notice of the time and place of a public hearing on the re-establishment of the PBID and levy of assessments.

Within 90 days of adopting the resolution of intention, the City Council held a public hearing on the matter and caused notice to the property owners pursuant to Section 54954.6 of the Government Code. Assessment ballots (property owner protest ballots) were mailed to each property owner at least 45 days prior to the public hearing pursuant to the California Constitution. Pursuant to the Code, the City Council also caused the publication of the resolution of intention in a newspaper of general circulation; mailed the resolution of intention by first-class mail to each property owner in the District and to each local chamber of commerce and business organization located within the District.

At the public hearing, the City Council provided the public and property owners an opportunity to provide oral protests and written protests prior to the adoption of the Management District Plan. Pursuant to the California Constitution, the City Council tabulated property owner assessment ballots received from property owners to determine whether a majority protest existed. It was determined and declared by resolution that majority protest did not exist, which implied that the property owners confirmed and approved the assessments.

Since the property owners approved the renewal of the District and imposition of the assessments, the City Council can appoint an owner's association for the District. This owner's association shall make recommendations to the City Council regarding the expenditures of revenue derived from the levy of assessments and on the classification of properties as applicable. This owner's association can cause to be prepared an annual report each fiscal year for which assessments are to be levied and collected. Said annual report shall be filed with the City Clerk and shall contain: any proposed changes to the district boundary; the improvements and activities to be provided that year; the estimated costs for that year; the method of assessment; the amount of any surplus or deficit; and contributions from other sources. The City Council may approve the report as submitted or as modified.

II. Description of the District

District Boundary

The District consists of all parcels located in the commercial business area known as the Presidents' Plaza within the City of Palm Desert, County of Riverside. The District includes forty-two (42) assessed commercial parcels, three (3) non-contiguous and non-assessed parking lot parcels, and one (1) non-assessed easement/walkway parcel.

The boundary of the District and parcels therein are located south of Palm Desert Drive at Highway 111; north of El Paseo; west of Portola Avenue; and east of Larkspur Lane. Presidents' Plaza is commonly referred to as Presidents' Plaza East (area east of San Luis Rey Avenue); and Presidents' Plaza West (area west of San Luis Rey Avenue) located within the boundaries of the District.

Improvements and Activities

To enhance and improve business opportunities and the appearance of Presidents' Plaza, the City financed and managed capital improvements of the parking lot and landscaped and common areas related to this commercial business center. Additional information regarding the improvements is found in the next section.

It has been determined the properties within the District and the businesses associated with those properties receive special and distinct benefits from the improvements and activities to be funded through the assessments. The improvements include the necessary activities, services, operation, administration, and maintenance required to keep the improvements in satisfactory condition including labor, material, and equipment. The services may include, but are not limited to, regular maintenance, repair, removal or replacement of all or any part of the improvements, including patching of asphalt, slurry sealing, and striping of the parking lot areas; removal of trimmings, rubbish, debris and other solid waste; the cleaning, sandblasting, and repainting of walls and other improvements to remove or cover graffiti; providing for the growth, health and beauty of landscaping and lighting including cultivation, trimming, spraying, fertilizing or treating for disease or damage; as well as supplying necessary irrigation and electrical energy. The specific improvements and activities include:

- ♦ **Parking Lot Landscaped Areas:** Includes, but not limited to, ground cover, shrubs, trees, plants, irrigation, and drainage systems and associated appurtenant facilities.
- ♦ **Parking Lot Lighting Facilities:** Includes, but not limited to, bulbs, fixtures, poles, wiring, and electrical energy.
- ♦ **Debris Removal:** Includes, but not limited to solid waste containers, refuse collection services, and continual sweeping services of the parking lot.
- ♦ **Parking Lot Maintenance:** Includes, but not limited to, short and long-term maintenance improvements such as patching of asphalt, slurry sealing, and parking lot striping required to properly maintain and ensure the satisfactory condition of parking lots and appurtenant facilities.

The costs associated with the improvements are equitably spread among all benefiting parcels in the District utilizing the method of apportionment described in the Method of Apportionment section of this Plan. The total funds collected shall be dispersed and used for only the services and operations provided to the District.

Capital Improvement Projects

As a privately owned shared parking facility, Presidents' Plaza east and west parking lots were last rehabilitated in 1997. Since then, these aging and heavily used parking lots required a major rehabilitation, including to its asphalt concrete pavement, utility infrastructure, landscape areas and pedestrian walkways.

As a result of the conditions, a major renovation was undertaken by the City of the east and west parking lots. This project, which costs approximately \$11.5 million, began in June 2021. The Notice of Completion was filed in January 2023. Approximate improvements include, but are not limited to:

- ◆ Grading to address drainage issues.
- ◆ Asphalt concrete pavement and striping (260,000 square feet).
- ◆ Upgrades to domestic water, wastewater, communications, and underground electrical systems.
- ◆ Enhanced pedestrian walkways (20,000 square feet).
- ◆ Water lines (15,000 linear feet).
- ◆ Curb and gutter (11,000 linear feet).
- ◆ Decorative pavers (10,000 square feet).
- ◆ Drought-tolerant landscaping and planters.
- ◆ Lighting fixtures (174).
- ◆ Parking shade structures (22).
- ◆ Trash enclosures (14).
- ◆ Benches and chairs (5).

During construction, the contractor encountered various existing public and private utilities in conflict with the project, which had to be relocated by the contractor and/or utility companies as well.

Special Benefits

All assessed properties within the District receive special benefits from one or more of the improvements and activities funded through the District assessments. Specifically, utilities (lighting and water), landscape maintenance and repairs, sweeping services, short and long-term parking lot maintenance, and refuse collection services.

Lighting

The special benefits of lighting (parking lot lights) are for the convenience, safety, and security of property, improvements, and goods. Specifically:

- ◆ Enhanced deterrence of crime and the aid to police protection.
- ◆ Increased evening safety for patrons and employees.
- ◆ Improved visibility for pedestrians and motorists.
- ◆ Improved ingress and egress to property.
- ◆ Reduced vandalism and other criminal acts and damage to improvements or property.
- ◆ Enhanced aesthetic appeal of parking areas and adjacent properties.

- ♦ Increased promotion of business activities and opportunities during evening hours.
- ♦ The special economic enhancement to the properties and their ability to attract and sustain business and commercial activity because of the benefits identified above.

Landscape

The special benefits of landscaped islands and medians within the parking lots include:

- ♦ Improved aesthetic appeal of the parking areas and adjacent properties.
- ♦ Enhanced adaptation of the urban environment within the natural environment.
- ♦ A positive representation of the businesses within the District.
- ♦ The special economic enhancement to the properties and their ability to attract and sustain business and commercial activity because of the benefits identified above.

Debris Removal

Debris removal (parking lot sweeping) and refuse collection are essential and necessary activities for all properties, especially for commercial properties. These activities and services are proposed to be funded through the assessments solely for the special benefit of properties within the District. The benefits of these services include:

- ♦ Enhanced aesthetic appeal of the parking areas and adjacent properties.
- ♦ Improved dust control.
- ♦ A positive representation of the businesses within the District.
- ♦ A centralized location of refuse collection facilities.
- ♦ Availability of refuse collection services that would otherwise require individual facilities that could be cost prohibitive and physically restrictive.

Parking Lot Maintenance

Parking lot maintenance is an essential and necessary activity for all properties, especially for commercial properties. This improvement is funded through the assessments solely for the special benefit of properties within the District. The benefits of these services include:

- ♦ Increased safety to automobile, truck, and pedestrian traffic and to properties.
- ♦ Improved traffic circulation within the parking areas.
- ♦ Enhanced aesthetic appeal of the parking areas and adjacent properties.
- ♦ Improved dust control.
- ♦ The special economic enhancement to the properties and their ability to attract and sustain business and commercial activity because of the benefits identified above.

The continual operation and maintenance of the landscaping, lighting, debris, and parking lot areas provide no measurable general benefit to other properties outside the boundaries of the District, or to the public at large; therefore, these improvements and the corresponding assessments have been identified as providing 100% special benefit to parcels within the District.

III. Method of Apportionment

Method of Apportionment Rationale

The costs of the District improvements have each been apportioned by a formula and method which fairly distributes the net amount to be assessed among all assessed parcels in proportion to the estimated special benefits to be received by each parcel from the improvements.

Parking Lot Improvements and Services

Assessed parcels in Presidents' Plaza are adjacent to centralized parking facilities (lots) that provide access, parking, and delivery areas for the businesses and parcels within the District. Each parcel derives special benefit from the parking lot improvements and services necessary to maintain the parking lot. The improvements and services include landscape maintenance of several islands and medians; maintenance and operation of lighting facilities, short and long-term parking lot maintenance, and sweeping services. Each assessed parcel within the District receives a direct and special benefit from these improvements and will share proportionately in the cost of maintaining the parking lots. The parking areas consist of the three-complete parking lot areas along with a portion of parking areas throughout the District. The three parcels that are entirely parking lots (627-212-016; 627-221-011; and 627-222-043), and one easement/walkway parcel (627-222-042) receive no special benefit from the improvements and will not be assessed.

In determining the method of apportionment for these improvements, each parcel's benefit is based on the parking area adjacent to, and associated with, each parcel. Therefore, it has been determined that a fair and reasonable reflection of each parcel's benefit for the parking lot improvements shall be based on the approximate front footage adjacent to the parking areas. Most parcels within the District front the parking lots on only one side. To ensure a reasonable and equitable apportionment of special benefit, parcels that front the parking lot on more than one side (corner properties), are only assessed for their front footage along the side of their property adjacent to the parking lot.

Solid Waste (Refuse) Collection Services

Establishing separate refuse receptacles for each parcel or business within Presidents' Plaza, and thereby allowing for separate charges and agreements for this service, is not practical due to limited space and accessibility. Therefore, several common refuse containers have been placed within the parking lot area for use by all the properties and businesses, and patrons of these businesses, within the District. Historically, all developed properties within Presidents' Plaza have shared proportionately in the costs associated with refuse collection based on the building square footage of the structures on each parcel.

In determining the method of apportionment for refuse collection services, the possibility of factoring in business types as well as building square footage was considered. However, the inclusion of business types in the calculation of an annual assessment poses several problems. First, many of the parcels assessed include multiple business types, which could require a complex calculation to identify potential use of the service. Second, businesses often change from year-to-year or even month to month, making specific business-related assessments difficult to track and time-consuming and expensive to administer. Third, establishing a method of apportionment that is business-specific rather than parcel-specific would likely result in annual changes for each parcel's assessment even if the cost of the service were unchanged. Finally, the level of service (number of pick-ups and receptacles) has changed very little over the last several years. Although many of the businesses and business types have changed within the District, the total cost of providing this service has remained fairly constant.

In contrast to the total cost, it is not reasonable to assume that all developed parcels utilize or require the same level of refuse service; typically, the larger the building, the greater amount of refuse that is generated. Therefore, it has been determined that a fair and reasonable estimate of each parcel's benefit for refuse collection is the building square footage determined for each parcel.

As noted previously, due to limited space and accessibility, it is not practical for each parcel or business within Presidents' Plaza to have separate containers or agreements with the waste hauler. However, it is recognized the baseline level of service (number of bins, size of the bins and frequency of service) established for the District may not be adequate or appropriately reflect the needs of changing business within the District. Therefore, the following considerations and criteria shall be followed when the level of service provided requires modifications:

- ♦ If the level of service is reduced, the incremental cost savings (if any) will be reviewed and applied, as follows:
 - **Reserve Fund Account:** City staff and the owners' association will evaluate the existing available Reserve Fund to ensure an acceptable amount of money is being retained for normal annual operation of the District. Based on this evaluation, the owners' association will modify the annual plan (recommendation to the City Council) to apply all or a portion of the cost savings to the Reserve Account. A fully funded Reserve is an amount equal to approximately one half of all annual operating expenses.
 - **Reduced Assessments:** After reviewing the Reserve Account, any cost savings not applied to the Reserve Account (Reserve Fund Collection) will be passed on to each parcel within the District by reducing their annual assessment for the next fiscal year, in proportion to their estimated benefit (from the method of apportionment).
- ♦ If the level of service is increased, the incremental cost increase (if any) will be reviewed and applied, as follows:
 - **Increased Service District-wide:** When the current District was renewed/formed, an assessment range formula was approved. This formula provided for anticipated cost of living increases, but also allowed some flexibility for increased costs due to increased levels of service. If an increased level of service is required for the entire District, the increase is reflected in the annual budget. This budget increase will typically cause a proportional increase of the annual assessment. If the increased cost results in an assessment rate that exceeds the maximum assessment allowed, then reserve funds will be used to reduce the annual assessment to the maximum assessment allowed. If the reserve fund is not sufficient to cover the cost increase, the City Council may provide a temporary loan to the District or conduct a property owner ballot proceeding for an assessment increase.
 - **Increased Service for One Parcel:** When the current District was renewed/formed, a baseline assessment rate and level of service was established for all properties within the District. As businesses within the District change or continue to grow, these businesses may generate a need for an increased level of service, but it is not fair or equitable to spread the cost of this increased service to other properties within the District. Therefore, if a business requires an increased level of service, the respective business owner or owner of the property on which the business is located, must pay the resulting cost increase as a surcharge. Either the City or property owner may initiate the need for an increased service level. The City Council shall make the final determination as to the appropriate mechanism

by which the increased level of service will be provided. The increased level of service may include result in:

- Increasing number of pick-ups on a specific bin(s) used by the property or business.
- Increasing size of specific bin(s) used by the property or business if space permits.
- Providing separate bin(s) for property or business if space and accessibility permits.
- Any combination of the services above.

The costs associated with the increased level of service shall be the obligation of the business and/or property owner which is provided with the additional service. Payment for the increased level of service shall be reviewed by the owner's association, which will make a recommendation to the City Council for approval. The additional cost of providing the increased level of service may be added to the annual assessment for the property as a surcharge (in addition to their annual assessment), upon written petition of the property owner and approval by the City Council. The request may require a signed agreement between the property owner and City. However, before any action is taken to add a surcharge to the property tax roll as part of the property's annual assessment, the property owner/business shall work with City staff and owner's association to establish the necessary level of additional service and arrange for direct payment for the service to the waste hauler or the City, if possible.

Method of Apportionment Calculations

The apportionment of benefit within the District utilizes a weighting factor known as an Equivalent Benefit Unit (EBU). Each parcel's EBU represents a percentage of the total EBU applied for the entire District. Depending on the improvement or activity provided, the EBU assigned to each parcel is based on either the parcel's development (approximate building square footage) or the parcel's area of improvement (front footage to the parking lots). The cost of refuse collection services is apportioned based on each parcel's approximate building square footage. All other improvements and services funded through the District are associated with the parking lots. The total cost of the parking lot improvements and services is apportioned to each parcel based on their front footage to the parking lots.

The sum of each parcel's proportionate share of refuse collection and parking lot costs represents the parcel's Total Direct Cost. In addition to a parcel's Total Direct Cost, each parcel is assessed for administration expenses and a reserve fund collection (Indirect Costs). Indirect Costs for each parcel have been apportioned by a percentage of the parcel's Direct Costs, not to exceed fifteen percent (15%). Therefore, each parcel's Total Annual Assessment is the sum of its proportionate share of the Total Direct Cost and Total Indirect Costs. Although each parcel's proportional benefit and assessment for each improvement is calculated individually, each parcel's maximum assessment is based on the parcel's combined assessment for all costs and services. The rate applied to any one improvement or service may exceed the maximum rate originally established, provided the parcel's combined assessment does not exceed the combined maximum assessment established for the property (excluding changes in land use or development).

The County requires that all annual assessments levied and submitted for collection on tax bills be rounded to the nearest even penny, thus allowing the total assessment to be split into two installments. To comply with the County's requirements, the calculation of each assessment component is rounded to the nearest even penny and subsequently added together for the parcel's Total Annual Assessment. A description of the general method used to arrive at each parcel's proposed assessment is found below.

Apportionment of Direct Costs

Refuse Collection Assessment

The Total Refuse Cost estimated for refuse collection services is based on the City's contract with a waste hauler for service to Presidents' Plaza. This Total Refuse Cost divided by the estimated Total Building Square Footage establishes a Rate per building square foot. The Rate is multiplied by each parcel's estimated building square footage to calculate the parcel's proportionate share of the refuse service cost.

$$\text{Total Refuse Cost} / \text{Total Building Square Footage} = \text{Rate per Building Square Foot}$$
$$\text{Rate} \times \text{Parcel Building Square Footage} = \text{Refuse Assessment}$$

Note: For purposes of calculating the refuse assessment, the building square footage for each parcel has been rounded to the nearest hundred square feet. Refer to Appendix "B" for building square footage applied.

The refuse assessment rates based on fiscal year and building size is found below as Table 1.

Table 1: Building Size Proposed Rates

Proposed Building Maximum Rates (per Square Foot)	
FY 2022/2023	\$0.7179
FY 2023/2024	\$0.7394
FY 2024/2025	\$0.7616
FY 2025/2026	\$0.7845
FY 2026/2027	\$0.8080

There are currently forty-two (42) developed commercial properties within the District that are assessed for refuse collection services based on approximate building square footage. Individual parcel refuse assessments can be found on the Assessment Roll (Appendix C).

Parking Lot Assessment

The total Lot Cost estimated for parking lot improvements and services is based on the estimated annual costs to maintain the landscaping, utilities (lighting and water), and parking lot (short and long-term maintenance and sweeping services) within Presidents' Plaza. This Total Lot Cost divided by the applied parking lot Total Front Footage, establishes a Rate per front foot. The Rate is multiplied by each parcel's applied front footage to calculate the parcel's proportionate share of the parking lot maintenance costs.

$$\text{Total Lot Cost} / \text{Total Front Footage} = \text{Rate per Front Foot}$$
$$\text{Rate per Front Foot} \times \text{Parcel Front Footage} = \text{Parking Lot Assessment}$$

Note: For purposes of calculating the parking lot assessment, each parcel's front footage is based on the parcel's footage rounded to the nearest five feet. Refer to Appendix "B" for front footage applied.

The parking lot assessment rates based on fiscal year and linear feet is found below as Table 2.

Table 2: Parking Lot Proposed Rates

Proposed Parking Maximum Rates (per Linear Foot)	
FY 2022/2023	\$37.3494
FY 2023/2024	\$38.4699
FY 2024/2025	\$39.6240
FY 2025/2026	\$40.8127
FY 2026/2027	\$42.0371

All parcels within the District receive direct and special benefits from the parking lot improvements and services. Each parcel is assessed proportionately based on their front footage adjacent to the parking lot.

Apportionment of Indirect Costs

To ensure the improvements, activities, and services provided and funded through the District are continued, each parcel will be assessed for its proportional share of administrative and reserve costs (Indirect Costs). Indirect Costs include all expenses related to the administration of the District as well as the collection of money toward a Reserve Fund. The annual assessment for Indirect Costs has been established at fifteen percent (15%) of the Total Direct Costs assessed to each parcel.

The sum of each parcel's proportionate share of refuse collection and parking lot costs represents the parcel's Direct Cost. This Direct Cost multiplied by fifteen percent (15%) represents each parcel's proportionate share of the Indirect Costs.

$$\text{Parcel's Total Direct Cost} \times 15\% = \text{Indirect Assessment}$$

The Indirect Cost for each fiscal year is found below as Table 3.

Table 3: Proposed Indirect Costs

Indirect Cost (Total Dollars)	
FY 2022/2023	\$52,035.00
FY 2023/2024	\$53,596.05
FY 2024/2025	\$55,203.93
FY 2025/2026	\$56,860.05
FY 2026/2027	\$58,565.85

Total Annual Assessment

Each parcel's Total Annual Assessment is the sum of their proportionate share of the Direct Costs and Indirect Costs. The preceding description of the method of apportionment outlines the estimated cost and rates applied for the District and the maximum amount projected. The maximum projected amounts were determined by applying an annual inflationary factor of three percent (3%) on the remaining four years of the five-year period, with the first year based on actuals and forecasting.

Annual Budget Adjustments

For the subsequent years of the five-year term of the PBID renewal, annual assessments may be adjusted by the owners' association up to three percent (3%) per year. Actual annual adjustments may range from zero (0) to three percent (3%). Adjustments may differ from year to year depending on the service needs identified by the owners' association. In any event, assessments will not exceed the levels illustrated by the District Budget (Table 4).

Any annual budget surplus or deficit will be accrued into the following year's PBID budget. Assessments will be set accordingly, within the constraints of the annual adjustment, to adjust for surpluses or deficits that are carried forward.

IV. Description of Budget Items

Direct Benefit Costs

Landscape Maintenance: Includes all regularly scheduled labor, material (e.g., pipe, fertilizer, insecticides), and equipment required to properly maintain and ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities. All landscaping improvements within the District are contracted for maintenance and service on a regular basis. The frequency and specific maintenance operations required within the District is determined by City staff but is generally scheduled weekly. The costs include annual tree and palm pruning, and tree replacement as well.

Landscape Repairs: Includes repairs costs that are not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism and storms. Planned upgrades (irrigation system improvements) may also be included as well.

Water: Includes utility costs to furnish water required for landscape irrigation.

Lighting: Includes utility costs for the operation of lighting facilities in the parking lots and landscaped areas, excluding lighting maintenance.

Sweeping Services: Includes bi-weekly cleaning of the parking lots and gutters using a contracted service.

Solid Waste Removal Services: Includes the furnishing of bins and bi-weekly collection of solid waste. The City contracts with a waste hauler for this service. Only developed properties (with a structure) receive special benefit from this service and are assessed for this service accordingly.

Miscellaneous Direct: Includes repairs costs for waterlines, benches, tables, trash enclosures, graffiti removal, lighting, and other unanticipated costs on an as-needed basis.

Indirect Benefit Costs

District Administration: Includes costs for the City to provide the coordination of District services, operations and maintenance of the District, response to public concerns and education, and procedures associated with the levy and collection of assessments. This cost also includes contracting with professionals to provide additional administrative, legal, or engineering services specific to the District.

County Administration Fee: Includes costs for the County to collect District assessments on the property tax bills. This charge is based on a flat rate per fund number.

County Administration Fee: This is the actual cost to the District for the County to collect District assessments on the property tax bills. This charge is based on a flat rate per fund number, which is \$87.23 for FY 2024/2025 (at the time of this report FY 2025/2026 rates were not available).

County Per Parcel Fee: This is the cost for the County to collect assessments on the property tax bills. This charge is on a per assessment basis at \$0.36 per assessment for FY 2024/2025 (at the time of this report FY 2025/2026 rates were not available) and is in addition to the County Administration Fee.

Miscellaneous Indirect: Includes costs related to District administration, including required formation, documentation, recordation, and legal fees.

Reserve Fund Collection: Includes collection of funds to operate the District from July 1 (beginning of the fiscal year) through January when the County provides the City with the first installment of assessments collected from the property tax bills. The Reserve Fund eliminates the need for the City to transfer funds from non-District accounts to pay for District charges during the first half of the fiscal year. The Reserve Fund may also be used to offset any unforeseen costs such as repairs, legal fees, revenue deficits, or increased costs due to inflation or contractual agreements that are greater than originally planned.

Capital Improvement Project Reserve: Includes collection for unscheduled, unforeseen expense that may occur throughout the life of the District's five-year maintenance period, including short and long-term parking lot maintenance such as all regularly scheduled labor, material, and equipment for patching of asphalt, slurry sealing, and parking lot striping required to properly maintain and ensure the satisfactory condition of the parking lots and appurtenant facilities. The frequency and specific maintenance operations required within the District is determined by City staff, but slurry sealing, and parking lot striping are generally scheduled annually, while patching of asphalt is performed on an as-needed basis. Parking lot maintenance for slurry sealing and parking lot striping within the District is contracted for service on a regular basis, while patching of asphalt may be performed by City staff or contracted for service as needed. The City shall be responsible for activities and costs associated with the Capital Improvement Project Reserve.

Levy Breakdown

Total District and Indirect Costs: Represents the sum total of all budgeted Direct and Indirect costs.

Anticipated Deficit/Surplus: Represents anticipated costs of the District that exceeds the amount to be collected. This item also reflects beginning balance deficits. When the actual cost and expenditures for the District are greater than the amount budgeted and collected in the prior fiscal year, the District has a Beginning Balance Deficit. This deficit may be the result of unforeseen and extraordinary costs incurred, or assessments collected being less than anticipated. When a deficit occurs, the deficit amount may be added to the amount to be collected through the levy for the current fiscal year or recovered through use of the Reserve Fund.

When the actual costs and expenditures for the District are less than the amount budgeted and collected in the prior fiscal year, the District has a Beginning Balance Surplus. When a surplus occurs, the amount may be used to reduce assessments for the following year or may be added to the Reserve Fund.

Balance to Levy: Represents the total amount to be levied and collected through assessments for the current fiscal year. The Balance to Levy represents the sum of Total Direct Costs, Indirect Costs, Reserve Fund Credit, Revenue Deficits, Other Revenue Sources, Revenue Surpluses, and Contribution Replenishments.

District Statistics

Total Parcels: Represents the total number of parcels within the District.

Total Parcels To Levy: Represents the total number of parcels within the District that will be assessed. Non-assessed lots or parcels include easements, common areas, and parcels within the boundaries of the District that currently do not benefit from the improvements.

Total Building Square Footage: Represents the sum total of the building square footage applied to parcels within the District.

Total Front Footage (Parking Lot): Represents the sum total of the parking lot front footage applied to parcels within the District.

Levy Rate per Building Square Foot: Represents the Rate being applied to each parcel's individual building square footage (calculation of each parcel's proportionate share of refuse collection services). The Levy Rate per Square Foot is the result of dividing the estimated total refuse cost for that year by the sum of the District's Total Building Square Footage. The rate is calculated to four decimal places.

Levy Rate per Front Foot: Represents the Rate being applied to each parcel's individual parking lot front footage (calculation of the parcel's proportionate share of parking lot maintenance costs). The Levy Rate per Front Foot is the result of dividing the estimated total parking lot costs for that year by the sum of the District's Total Parking Lot Front Footage. The rate is calculated to four decimal places.

Indirect Cost Percentage: Represents the percentage applied to each parcel's Direct Costs to determine the parcel's proportionate share of the amount to be assessed for administrative expenses and Reserve Fund Collection. A maximum rate of fifteen percent (15%) has been established. An even Reserve Fund Credit has been applied for each year (five-years).

District Budget

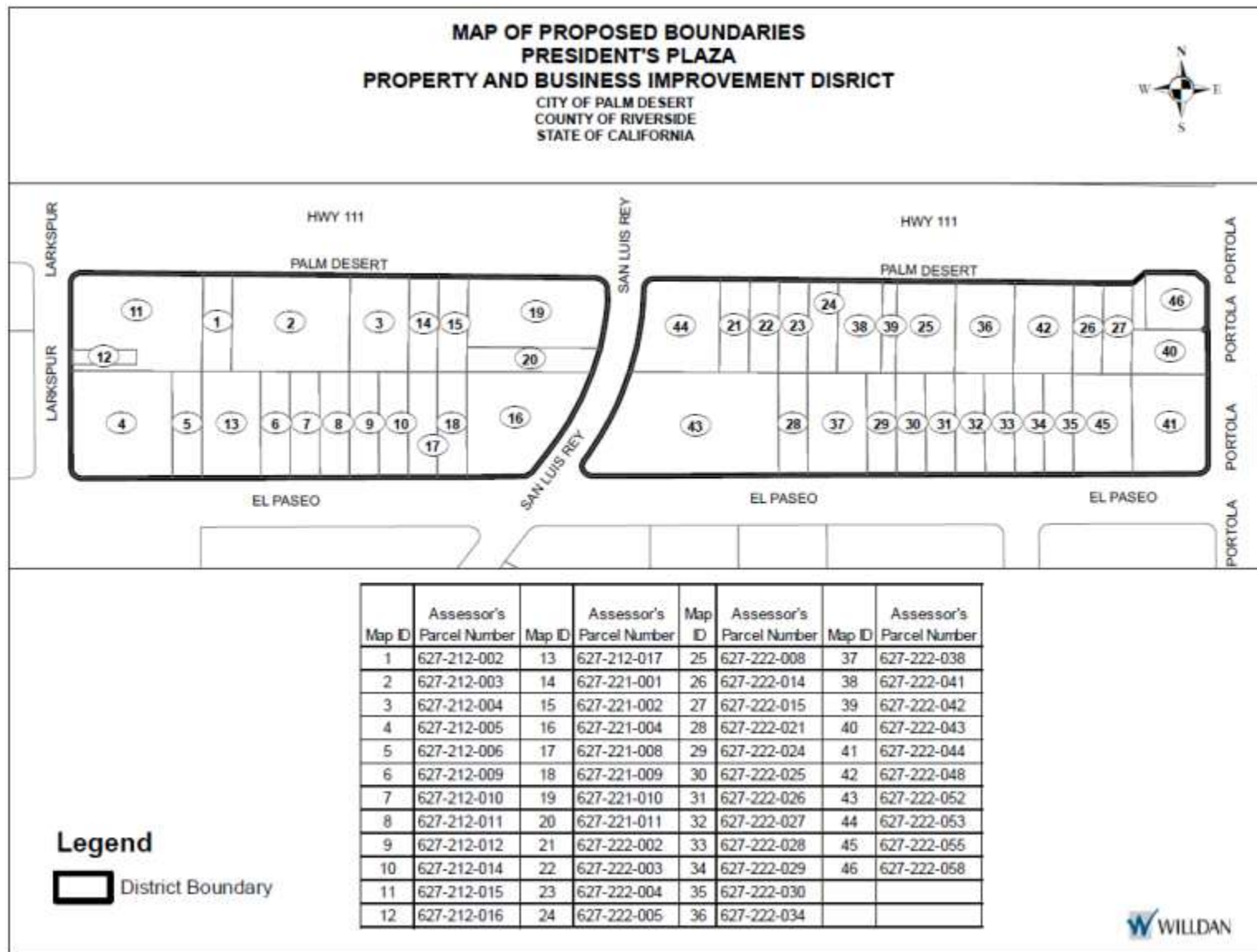
The District Budget (Table 4) lists the estimated costs of providing the various improvements and services. The costs and the resulting rate for each fiscal year is based on the estimated costs to provide the improvements and services that year. The projected annual costs anticipated over the five-year duration of the District assessments have been calculated based on actuals, forecasting and an annual inflationary factor of three percent (3%) from the first fiscal year. However, this inflation factor does not mean the assessments will increase annually by three percent (3%). The owners' association appointed by the City Council, will annually review the District costs, and make recommendations for any changes or adjustments to the budget. Changes to the budget, could result in changes to the annual assessment, but the resulting total assessment may not exceed the maximum rates established in the original Engineer's Report without first obtaining property owner approval through assessment ballots.

Table 4: District Budgets

Maximum Proposed Assessment for Fiscal Years 2022/23 through 2026/27 (Five Years)					
Budget Item	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Direct Benefit Costs					
Landscape Maintenance	\$ 54,000.00	\$ 55,620.00	\$ 57,288.60	\$ 59,007.26	\$ 60,777.48
Landscape Repairs	6,000.00	6,180.00	6,365.40	6,556.36	6,753.05
Miscellaneous Direct (waterlines, benches, tables, trash enclosures, graffiti removal, etc.)	20,000.00	20,600.00	21,218.00	21,854.54	22,510.18
Water	25,000.00	25,750.00	26,522.50	27,318.18	28,137.72
Lighting	28,200.00	29,046.00	29,917.38	30,814.90	31,739.35
Sweeping Services	6,300.00	6,489.00	6,683.67	6,884.18	7,090.71
Service Subtotal (Based on parking lot footage)	\$ 139,500.00	\$ 143,685.00	\$ 147,995.55	\$ 152,435.42	\$ 157,008.48
Solid Waste Removal Services	\$ 207,400.00	\$ 213,622.00	\$ 220,030.66	\$ 226,631.58	\$ 233,430.53
Total Direct Benefit	\$ 346,900.00	\$ 357,307.00	\$ 368,026.21	\$ 379,067.00	\$ 390,439.01
Indirect Costs					
District Administration	\$ 16,107.76	\$ 16,590.99	\$ 17,088.72	\$ 17,601.38	\$ 18,129.43
County Administration Fee	210.42	216.73	223.24	229.93	236.83
County Per Parcel Fee	102.35	105.42	108.58	111.84	115.20
Miscellaneous Indirect	18,269.47	18,817.55	19,382.08	19,963.54	20,562.45
Administrative Subtotal	\$ 34,690.00	\$ 35,730.70	\$ 36,802.62	\$ 37,906.70	\$ 39,043.90
Reserve Fund Collection (5%)	17,345.00	17,865.35	18,401.31	18,953.35	19,521.95
Total Indirect Cost	\$ 52,035.00	\$ 53,596.05	\$ 55,203.93	\$ 56,860.05	\$ 58,565.85
Levy Breakdown					
Total Direct Costs and Indirect Costs	\$ 398,935.00	\$ 410,903.05	\$ 423,230.14	\$ 435,927.05	\$ 449,004.86
Anticipated Deficit or Surplus	-	-	-	-	-
Balance to Levy	\$ 398,935.00	\$ 410,903.05	\$ 423,230.14	\$ 435,927.05	\$ 449,004.86
Estimated City Funded Project Reserve (Parking Lot Maintenance, etc.)	74,100.00	76,323.00	78,612.69	80,971.07	83,400.20
District Statistics					
Total Parcels	46	46	46	46	46
Total Parcels To Levy	42	42	42	42	42
Total Building Square Footage	288,900.00	288,900.00	288,900.00	288,900.00	288,900.00
Total Front Footage (Parking Lot)	3,735.00	3,735.00	3,735.00	3,735.00	3,735.00
Levy Rate per Building Square Foot	\$ 0.7179	\$ 0.7394	\$ 0.7616	\$ 0.7845	\$ 0.8080
% increase					
Levy Rate per Front Foot	\$ 37.3494	\$ 38.4699	\$ 39.6240	\$ 40.8127	\$ 42.0371
% increase					
Indirect Cost Percentage(1)	15.00000%	15.00000%	15.00000%	15.00000%	15.00000%
Capital Improvement Project Reserve Fund Balance					
Previous Balance	\$ -	\$ 74,100.00	\$ 150,423.00	\$ 229,035.69	\$ 310,006.76
Capital Improvement Project Reserve	74,100.00	76,323.00	78,612.69	80,971.07	83,400.20
Estimated Ending Balance	\$ 74,100.00	\$ 150,423.00	\$ 229,035.69	\$ 310,006.76	\$ 393,406.96
Reserve Fund Balance					
Previous Balance	\$ 186,531.00	\$ 203,876.00	\$ 221,741.35	\$ 240,142.66	\$ 259,096.01
Reserve Collection	17,345.00	17,865.35	18,401.31	18,953.35	19,521.95
Estimated Reserve Ending Balance	\$ 203,876.00	\$ 221,741.35	\$ 240,142.66	\$ 259,096.01	\$ 278,617.96

Appendix A — Assessment Diagram

The Assessment Diagram for the District is shown in reduced format and inclusive of all parcels identified on the County of Riverside Assessor's Parcel Maps as Book 627, Pages 212, 221, and 222. The Assessment Diagram will be kept on file with the City Clerk of the City of Palm Desert.



Appendix B – Actual Parcel Information

The actual parcel information is shown in Table 5, includes building square footage and front footage, which are used in calculating each parcel's proportionate share of all District Costs.

Table 5: Actual Parcel Information

Assessment Number	Assessor Parcel Number	Situs Address	Actual Parking Lot Front Footage	Applied Parking Lot Front Footage	Actual Building Square Feet	Applied Building Square Feet
1	627-212-002	73669 HIGHWAY 111	50.00	50.00	3,885	3,900
2	627-212-003	73677 HIGHWAY 111	200.00	200.00	8,650	8,700
3	627-212-004	73731 HIGHWAY 111	100.00	100.00	8,525	8,500
4	627-212-005	73640 EL PASEO	171.55	170.00	12,132	12,100
5	627-212-006	73660 EL PASEO	50.00	50.00	5,820	5,800
6	627-212-009	73690 EL PASEO	50.00	50.00	8,150	8,200
7	627-212-010	73700 EL PASEO	50.00	50.00	3,210	3,200
8	627-212-011	73710 EL PASEO	50.00	50.00	5,030	5,000
9	627-212-012	73722 EL PASEO	50.00	50.00	2,400	2,400
10	627-212-014	73730 EL PASEO	50.00	50.00	5,000	5,000
11	627-212-015	73625 HIGHWAY 111	221.55	220.00	20,987	21,000
12	627-212-016	NO SITUS AVAILABLE	0.00	0.00	0	0
13	627-212-017	73670 EL PASEO	100.00	100.00	10,238	10,200
14	627-221-001	73741 HIGHWAY 111	50.00	50.00	4,750	4,800
15	627-221-002	73759 HIGHWAY 111	50.00	50.00	4,750	4,800
16	627-221-004	73760 EL PASEO	213.02	215.00	18,182	18,200
17	627-221-008	73740 EL PASEO	50.00	50.00	5,300	5,300
18	627-221-009	73750 EL PASEO	50.00	50.00	4,563	4,600
19	627-221-010	73801 HIGHWAY 111	225.16	225.00	1,568	1,600
20	627-221-011	NO SITUS AVAILABLE	0.00	0.00	0	0
21	627-222-002	73845 HIGHWAY 111	50.00	50.00	4,435	4,400
22	627-222-003	73851 HIGHWAY 111	50.00	50.00	3,250	3,300
23	627-222-004	73861 HIGHWAY 111	50.00	50.00	3,250	3,300
24	627-222-005	73871 HIGHWAY 111	50.00	50.00	3,000	3,000
25	627-222-008	73891 HIGHWAY 111	100.00	100.00	6,712	6,700
26	627-222-014	73965 HIGHWAY 111	50.00	50.00	4,692	4,700
27	627-222-015	73981 HIGHWAY 111	50.00	50.00	3,900	3,900
28	627-222-021	73880 EL PASEO	50.00	50.00	3,762	3,800
29	627-222-024	73900 EL PASEO	50.00	50.00	5,050	5,100
30	627-222-025	73910 EL PASEO	50.00	50.00	5,000	5,000
31	627-222-026	73920 EL PASEO	50.00	50.00	5,000	5,000
32	627-222-027	73930 EL PASEO	50.00	50.00	5,150	5,200
33	627-222-028	73940 EL PASEO	50.00	50.00	4,950	5,000
34	627-222-029	73950 EL PASEO	50.00	50.00	4,800	4,800
35	627-222-030	73956 EL PASEO	50.00	50.00	4,950	5,000
36	627-222-034	73925 HIGHWAY 111	100.00	100.00	6,276	6,300
37	627-222-038	73890 EL PASEO	100.00	100.00	9,900	9,900
38	627-222-041	73885 HIGHWAY 111	75.00	75.00	5,925	5,900
39	627-222-042	NO SITUS AVAILABLE	0.00	0.00	0	0
40	627-222-043	45211 PORTOLA AVE	0.00	0.00	0	0
41	627-222-044	73990 EL PASEO	140.63	140.00	13,338	13,300
42	627-222-048	73941 HIGHWAY 111	100.00	100.00	7,825	7,800
43	627-222-052	73820 EL PASEO	251.69	250.00	11,694	11,700
44	627-222-053	73833 HIGHWAY 111	151.69	150.00	8,238	8,200
45	627-222-055	73970 EL PASEO	100.00	100.00	15,017	15,000
46	627-222-058	73993 HIGHWAY 111	140.00	140.00	9,312	9,300
Total			3740.29	3735.00	288,566	288,900

Assessor Parcel Numbers 627-212-016, 627-221-011, 627-222-021, and 627-222-043 are part of the District's parking lot and parcel 627-222-042 is an easement/w alkway. These parcels are not assessed.

Source: Riverside County Secured Roll; Willdan Financial Services

Appendix C —Assessment Roll

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the County Assessor's Map for the year in which this Plan is prepared.

The Assessment Roll, which includes a listing of assessor parcels assessed within this District, along with their assessment amounts, is shown in Table 6.

Table 6: Assessment Roll

Assessor Parcel Number	Situs Address	Refuse Collection Assessment FY 2025/2026	Parking Lot Assessment FY 2025/2026	Indirect Cost Assessment FY 2025/2026	Total Assessment FY 2025/2026
627-212-002	73669 HIGHWAY 111	\$3,059.40	\$2,040.63	\$765.00	\$5,865.02
627-212-003	73677 HIGHWAY 111	6,824.83	8,162.53	2,248.10	17,235.46
627-212-004	73731 HIGHWAY 111	6,667.94	4,081.26	1,612.38	12,361.58
627-212-005	73640 EL PASEO	9,492.01	6,938.15	2,464.52	18,894.68
627-212-006	73660 EL PASEO	4,549.89	2,040.63	988.57	7,579.08
627-212-009	73690 EL PASEO	6,432.60	2,040.63	1,270.98	9,744.20
627-212-010	73700 EL PASEO	2,510.28	2,040.63	682.63	5,233.54
627-212-011	73710 EL PASEO	3,922.31	2,040.63	894.44	6,857.38
627-212-012	73722 EL PASEO	1,882.71	2,040.63	588.50	4,511.84
627-212-014	73730 EL PASEO	3,922.31	2,040.63	894.44	6,857.38
627-212-015	73625 HIGHWAY 111	16,473.73	8,978.79	3,817.87	29,270.38
627-212-016	NO SITUS AVAILABLE	0.00	0.00	0.00	0.00
627-212-017	73670 EL PASEO	8,001.53	4,081.26	1,812.41	13,895.20
627-221-001	73741 HIGHWAY 111	3,765.42	2,040.63	870.90	6,676.94
627-221-002	73759 HIGHWAY 111	3,765.42	2,040.63	870.90	6,676.94
627-221-004	73760 EL PASEO	14,277.24	8,774.72	3,457.79	26,509.74
627-221-008	73740 EL PASEO	4,157.65	2,040.63	929.74	7,128.02
627-221-009	73750 EL PASEO	3,608.53	2,040.63	847.37	6,496.52
627-221-010	73801 HIGHWAY 111	1,255.14	9,182.85	1,565.69	12,003.68
627-221-011	NO SITUS AVAILABLE	0.00	0.00	0.00	0.00
627-222-002	73845 HIGHWAY 111	3,451.64	2,040.63	823.84	6,316.10
627-222-003	73851 HIGHWAY 111	2,588.73	2,040.63	694.40	5,323.76
627-222-004	73861 HIGHWAY 111	2,588.73	2,040.63	694.40	5,323.76
627-222-005	73871 HIGHWAY 111	2,353.39	2,040.63	659.10	5,053.12
627-222-008	73891 HIGHWAY 111	5,255.90	4,081.26	1,400.57	10,737.72
627-222-014	73965 HIGHWAY 111	3,686.97	2,040.63	859.14	6,586.74
627-222-015	73981 HIGHWAY 111	3,059.40	2,040.63	765.00	5,865.02
627-222-021	73880 EL PASEO	2,980.96	2,040.63	753.23	5,774.82
627-222-024	73900 EL PASEO	4,000.76	2,040.63	906.20	6,947.58
627-222-025	73910 EL PASEO	3,922.31	2,040.63	894.44	6,857.38
627-222-026	73920 EL PASEO	3,922.31	2,040.63	894.44	6,857.38
627-222-027	73930 EL PASEO	4,079.21	2,040.63	917.97	7,037.80
627-222-028	73940 EL PASEO	3,922.31	2,040.63	894.44	6,857.38
627-222-029	73950 EL PASEO	3,765.42	2,040.63	870.90	6,676.94
627-222-030	73956 EL PASEO	3,922.31	2,040.63	894.44	6,857.38
627-222-034	73925 HIGHWAY 111	4,942.12	4,081.26	1,353.50	10,376.88
627-222-038	73890 EL PASEO	7,766.19	4,081.26	1,777.11	13,624.56
627-222-041	73885 HIGHWAY 111	4,628.33	3,060.95	1,153.39	8,842.66
627-222-042	NO SITUS AVAILABLE	0.00	0.00	0.00	0.00
627-222-043	45211 PORTOLA AVE	0.00	0.00	0.00	0.00
627-222-044	73990 EL PASEO	10,433.36	5,713.77	2,422.06	18,569.18
627-222-048	73941 HIGHWAY 111	6,118.81	4,081.26	1,530.01	11,730.08
627-222-052	73820 EL PASEO	9,178.22	10,203.17	2,907.20	22,288.58
627-222-053	73833 HIGHWAY 111	6,432.60	6,121.90	1,883.17	14,437.66
627-222-055	73970 EL PASEO	11,766.95	4,081.26	2,377.23	18,225.44
627-222-058	73993 HIGHWAY 111	7,295.51	5,713.77	1,951.39	14,960.66
Total		\$226,631.38	\$152,435.17	\$56,859.80	\$435,926.16

Note: Total Assessment slightly different then total levy in budget due to rounding and County even penny rule.