

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: June 26, 2025

PREPARED BY: Maria Gonzalez, Management Analyst
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SUBJECT: RESOLUTION TO APPROVE THE ENGINEER'S REPORT, ORDER THE
LEVY AND COLLECTION OF ASSESSMENTS IN THE CITY OF PALM
DESERT BENEFIT ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR
2025-26

RECOMMENDATION:

Adopt a resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING THE ENGINEER'S REPORT AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN CITY OF PALM DESERT BENEFIT ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2025-26, PURSUANT TO THE PROVISIONS OF THE BENEFIT ASSESSMENT ACT OF 1982."

BACKGROUND/ANALYSIS:

Benefit Assessment District (BAD) No. 1 was established by City Council in 2007 under the Benefit Assessment Act of 1982 to provide ongoing funding for the maintenance and potential expansion of the regional stormwater drainage system in Section 29. The system includes a retention basin and related infrastructure designed to manage runoff and reduce flood risk for developed parcels. Assessments were first levied in (FY) Fiscal Year 2007-08 and are shared among benefiting properties based on proportional benefit.

Each property in the BAD is charged an annual assessment based on its proportional benefit using a method called Equivalent Benefit Units (EBUs). EBUs take into account factors such as parcel size, land use, and development status. For instance, a larger commercial lot that generates more runoff will be assigned more EBUs than a smaller residential parcel. This approach ensures that each property pays its fair share based on the level of benefit it receives from the drainage improvements.

The assessment calculations and methodology were prepared by Willdan Financial Services, the City's independent assessment engineer. Willdan also authored the attached 2025/26 Engineer's Report, which provides the technical basis for the proposed levy. The report includes parcel-level calculations, district boundaries, the formula used to assign EBUs, and a summary of current and long-term funding needs, including reserve and capital improvement components.

The full levy amount of \$625 per EBU is proposed for FY 2025/26. This rate is within the maximum allowed and is needed to support continued maintenance, administration, and capital reserves for the system. The BAD boundaries and affected parcels are detailed in the Engineer's Report (page 12).

City Council approval is required via resolution to authorize the annual assessment levy for FY 2025-26, as outlined in the Engineer's Report. Adoption of the resolution enables the City to submit the assessment roll to the County for inclusion on property tax bills and provides necessary funding for the continued operation and maintenance of the Section 29 drainage system.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

The assessment and collection of the full levy amount covers the ongoing maintenance of the Section 29 retention basin, a potential expansion, and associated administrative costs. Projected revenue and estimated expenditures for the BAD have been included in the FY 2025-26 Proposed Annual Budget under Fund. - 289 Section 29 BAD.

ATTACHMENTS:

1. Resolution – Order the Levy and Engineer's Report Approval
2. FY 2025-26 Engineer's Report