
City Council

Meeting Agenda

Thursday, May 21, 2015

1:30 PM

City Hall Council Chambers



Welcome to a meeting of the City Council. All persons wishing to address the City Council should fill out a blue public comment form before the meeting begins and give it to the Clerk. When the Mayor has recognized you, please come forward to the podium and state your name for the record. Council policy is a 3-minute time limit. Please note that you may address the City Council on an agenda item at the time it is discussed, but only after being recognized by the Mayor. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.

1. CONVENE THE CITY COUNCIL, PLEDGE OF ALLEGIANCE AND ROLL CALL

MAYOR TY PEABODY
MAYOR PRO TEM DANA REED
COUNCIL MEMBER RICHARD BALOCCO
COUNCIL MEMBER DOUGLAS HANSON
COUNCIL MEMBER TED MERTENS

2. APPROVAL OF THE FINAL AGENDA**3. APPROVAL OF MEETING MINUTES****A. May 7, 2015 Special Study Session Minutes**

Attachments: 05-07-15 Special Study Session Minutes

B. May 7, 2015 City Council Minutes

Attachments: 05-07-15 City Council Minutes

4. PUBLIC COMMENTS

All persons wishing to address the City Council should fill out a Blue Public Comment Request form in advance and hand it to the City Clerk. At the appropriate time, please come forward to the podium and state your name for the record. Speakers are limited to three minutes. Parties are encouraged to submit their comments in writing with any attachments or exhibits they wish for the Council to review, preferably 24 hours prior to the meeting. Speakers can then use their three-minutes to summarize the key points of their comments. Please note that you may address the City Council on an agenda item at the time it is discussed, but only after being recognized by the Mayor.

Under the Brown Act, the Council should not take action on or discuss matters raised during the public comment portion of the agenda which are not listed on the agenda. Council Members may refer such matters to staff for factual information or to be placed on a subsequent agenda for consideration. Notwithstanding the foregoing, Council Members and staff may briefly respond to statements made or questions posed during public comment, as long as such responses do not constitute any deliberation of the item.

A. PUBLIC COMMENTS**B. RESPONSE TO PRIOR PUBLIC COMMENTS**

5. PUBLIC HEARINGS

Anyone who challenges any hearing matter in court may be limited to raising only those issues he/she or someone else raised at the Public Hearing described herein, or in written correspondence delivered to the City Council at, or prior to, the Public Hearing.

A. Adopt Resolutions Approving Engineer’s Report and Annual Levy for the Drainage Maintenance Benefit Assessment District No. 1

RECOMMENDED ACTIONS:

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

APPROVES Resolution Bill No. 2015-13 approving the Engineer's Report for the Drainage Maintenance Benefit Assessment District No. 1 for Fiscal Year 2015-16; and

APPROVES Resolution Bill No. 2015-14 approving the annual levy of the Drainage Maintenance Benefit Assessment District No. 1 for Fiscal Year 2015-16; and

ORDERS the Drainage Maintenance Benefit Assessment District No. 1 levy to be placed on the Fiscal Year 2015-16 Riverside County tax roll.

Attachments: Resolution Bill No. 2015-13
Resolution Bill No. 2015-14

B. Adopt Resolution Approving Annual Levy and Engineer's Report for the Indian Wells Street Lighting District No. 2000-1

RECOMMENDED ACTIONS:

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

APPROVES Resolution Bill No. 2015-17 approving the annual levy of the Indian Wells Street Lighting District No. 2000-1 for Fiscal Year 2015-16; and

ORDERS the Indian Wells Street Lighting District No. 2000-1 levy to be placed on the Fiscal Year 2015-16 Riverside County tax roll.

Attachments: Resolution No. 2015-17

C. Adopt Resolution Approving the Final Annual Levy Report for Landscape and Lighting District No. 91-1 for Fiscal Year 2015-16 and Ordering the Levy and Collection of Assessments

RECOMMENDED ACTIONS:

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

APPROVES Resolution Bill No. 2015-23 approving collection of assessments for Fiscal Year 2015-16 for Landscape and Lighting District No. 91-1 except for Zone A23 (Montelena) and Zone A1 (Eldorado); and

APPROVES Resolution Bill No. 2015-28 approving collection of assessments for fiscal year 2015-16 for the Landscape and Lighting District No. 91-1 No. 1 Zone A23 (Montelena); and

APPROVES Resolution Bill No. 2015-29 approving collection of assessments for fiscal year 2015-16 for the Landscape and Lighting District No. 91-1 No. 1 Zone A1 (Eldorado); and

ORDERS the for Landscape and Lighting District No. 91-1 levy to be placed on the Fiscal Year 2015-16 Riverside County tax roll.

Attachments: Resolution Bill No.2015-23

C1. Adopt Resolution Approving the Final Annual Levy Report for Landscape and Lighting District No. 91-1 for Fiscal Year 2015-16 and Ordering the Levy and Collection of Assessments (Zone A23 Montelena)

Attachments: Resolution Bill No. 2015-28

C2. Adopt Resolution Approving the Final Annual Levy Report for Landscape and Lighting District No. 91-1 for Fiscal Year 2015-16 and Ordering the Levy and Collection of Assessments (Zone A1 Eldorado)

Attachments: Resolution Bill No. 2015-29

6. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the City Council or audience request that specific items be removed from the Consent Calendar for separate discussion and action. If you wish to address the City Council, please fill out a Public Comment Request form in advance and hand it to the City Clerk. Please state your name for the public record. Financial matters will be indicated as budgeted or non-budgeted below.

A. Approve Supplemental Appropriation in the Amount of \$78,187 for September, 2014 Storm Damage Repair Costs

RECOMMENDED ACTION:

Council APPROVES Supplemental Appropriation in the amount of \$78,187 for September 8, 2014 storm damage repair costs.

B. Adopt Resolution Approving Parcel Map No. 36780 Located on Pepperwood Drive and Finding Map in Substantial Conformance

RECOMMENDED ACTIONS:

Council ADOPTS Resolution Bill No. 2015-26 approving Parcel Map No. 36780 located on Pepperwood Drive and finding said map in substantial conformance with the approved Tentative Map; and

DIRECTS the Chief Deputy City Clerk and the City Engineer/Public Works Director to execute Parcel Map No. 36780.

Attachments: Resolution Bill No. 2015-26

C. Adopt Resolution Approving Parcel Map No. 36834 Located on Wren Drive and finding Map in Substantial Conformance

RECOMMENDED ACTIONS:

Council ADOPTS Resolution Bill No. 2015-25 approving Parcel Map No. 36834 located on Wren Drive and finding said map in substantial conformance with the approved Tentative Map; and

DIRECTS the Chief Deputy City Clerk and the City Engineer/Public Works Director to execute Parcel Map No. 36834.

Attachments: Resolution Bill No. 2015-25

D. FAMD Warrants and Demands

RECOMMENDED ACTION:

Council APPROVES the May 21, 2015 FAMD Warrants and Demands.

Attachments: May 21, 2015 FAMD Warrants

E. City Warrants and Demands

RECOMMENDED ACTION:

Council APPROVES the May 21, 2015 City Warrants and Demands.

Attachments: May 21, 2015 City Warrants

7. GENERAL BUSINESS

A. Introduce Ordinance Modifying Chapter 5.20 of the Indian Wells Municipal Code Related to Short-term Residential Rentals

RECOMMENDED ACTION:

Council INTRODUCES Ordinance No. 2015-06 modifying Chapter 5.20 of the Indian Wells Municipal Code related to short-term residential rentals.

Attachments: Summary of Proposed Ordinance Changes
Ordinance Bill No. 2015-06

B. Coachella Valley Link (CV Link) Operations and Maintenance

RECOMMENDED ACTIONS:

City Council discuss Coachella Valley Link (CV Link) and provides DIRECTION.

Attachments: CVAG Status Report on CV Link

C. Award Contracts for Carl Bray Monument Project Construction, Fabrication of Plaques and Artist Palette Pole Sign

RECOMMENDED ACTIONS:

Council AWARDS the Carl Bray Monument Construction Contract to Jacobsson Engineering Construction, Inc. in the amount of \$47,408 for construction of all monument features excluding the informational plaques and a free standing replica artist palette pole sign; and

AWARDS contract to Best Signs in the amount of \$4,894.60 for the fabrication and installation of six informational plaques; and

AWARDS contract to Best Signs in the amount of \$18,952 for the fabrication and installation of a free standing replica artist palette pole sign; and

AUTHORIZES and DIRECTS the City Manager to execute the contracts for same; and

AUTHORIZES a 10% project contingency in the amount of \$7,000; and

AUTHORIZES a supplemental appropriation for of \$67,475 from the Art in Public Places Fund.

Attachments: Jacobsson Engineering Construction Contract
Best Signs Construction Contract

D. Authorization for Emergency Mandatory Water Restriction Measures as Required by the Governor and Coachella Valley Water District

RECOMMENDED ACTIONS:

Council AUTHORIZES and DIRECTS the City Manager to implement emergency water restriction measures to City infrastructure to comply with mandatory water restrictions established by the Governor and Coachella Valley Water District; and

APPROVE a supplemental appropriation in the amount of \$200,000 to modify City infrastructure to comply with drought mandatory restrictions.

Attachments: CVWD Ordinance 1419

E. Adopt Resolution Supporting the City's Emergency Management Performance Grant Application

RECOMMENDED ACTIONS:

Council ADOPTS Resolution Bill No. 2015-27 supporting the City's Emergency Management Performance Grant Program application; and

AUTHORIZES and DIRECTS the City Manager to process all grant related documents.

Attachments: Resolution Bill No. 2015-27
Emergency Management Performance Grant Application

8. SUCCESSOR AGENCY BUSINESS

A. Adopt Resolution Authorizing the Issuance of Series 2015 Refunding Bonds in Order to Refund Certain Outstanding Bonds of the Dissolved Redevelopment Agency of the City of Indian Wells

RECOMMENDED ACTIONS:

Successor Agency ADOPTS Resolution Bill SA No. 2015-03 authorizing the Issuance of Series 2015 Refunding Bonds in order to refund certain outstanding bonds of the dissolved Redevelopment Agency of the City of Indian Wells; and

APPROVES authorizing sale of bonds, approving the Official Statement and providing other matters properly relating thereto.

Attachments: Resolution Bill SA No. 2015-03
Preliminary Official Statement

9. CITY MANAGER'S REPORTS/COMMENTS AND MATTERS FROM STAFF

10. COUNCIL MEMBERS' REPORTS AND COMMENTS

A. Council Member Mertens

Cove Communities Services Commission
CVAG Public Safety
Indian Wells Golf Resort Advisory Committee
Indian Wells Finance and Legal Services Oversight Committee
Indian Wells Public Safety Committee
Tee Committee

B. Council Member Hanson

California Joint Powers Insurance Authority
Riverside Local Agency Formation Commission
CVAG Transportation
Indian Wells Golf Resort Advisory Committee
Indian Wells Marketing Committee
Indian Wells Finance and Legal Services Oversight Committee
Tee Committee

C. Council Member Balocco

Cove Communities Services Commission
CVAG Coachella Valley Conservation Commission
CVAG Energy
Greater Palm Springs Convention and Visitors Bureau
Indian Wells Public Safety Committee

D. Mayor Pro Tem Reed

Coachella Valley Mountains Conservancy
Jacueline Cochran Regional Airport Commission
Riverside County Transportation Commission
CVAG Homelessness
Indian Wells Marketing Committee
Indian Wells Personnel Committee

E. Mayor Peabody

Coachella Valley Animal Campus
CVAG Executive Committee
Sunline Transit Agency
Indian Wells Community Activities Committee
Indian Wells Grants in Aid Committee
Indian Wells Personnel Committee

11. CITY ATTORNEY REPORTS AND COMMENTS

12. CLOSED SESSION

- A. Conference with Labor Negotiators Pursuant to Government Code Section 54957. Agency Designated Representative: Wade G. McKinney. Employee Organization: Indian Wells City Employees Association.**
- B. Conference with Legal Counsel Regarding Anticipated Litigation. Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2). Number of Potential Cases: 3.**

13. ADJOURNMENT

To a special meeting of the City Council to be held at 10:00 a.m. on June 3, 2015 in the City Hall Council Chambers/Executive Conference Room; and thereafter to a special meeting of the City Council to be held at 1:30 p.m. on June 3, 2015 in the City Hall Council Chambers.

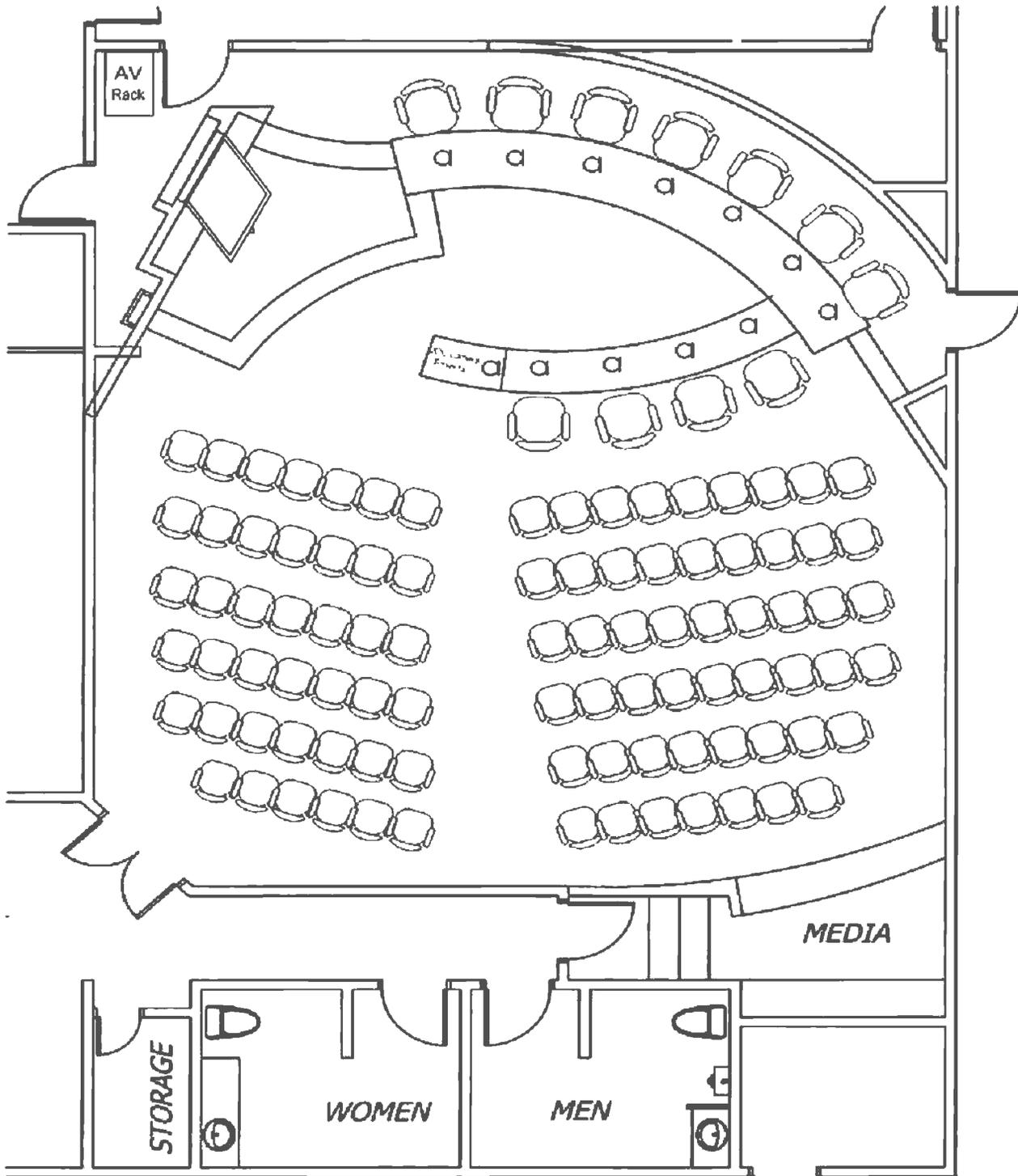
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Chief Deputy City Clerk at (760) 346-2489. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. 128 CFR 35.102.35.104 ADA Title III

Affidavit of Posting

I, Anna Grandys, certify that on May 15, 2015, I caused to be posted a notice of a City Council Meeting to be held on May 21, 2015 at 1:30 p.m. in the City Hall Council Chambers.

A handwritten signature in black ink, appearing to read "Anna Grandys, Chief Deputy". The signature is written in a cursive style.

Anna Grandys
Chief Deputy City Clerk



Special Council

Meeting Minutes

Thursday, May 7, 2015

10:00 AM

City Hall Executive Conference Room



Welcome to a meeting of the City Council. All persons wishing to address the City Council should fill out a blue public comment form before the meeting begins and give it to the Clerk. When the Mayor has recognized you, please come forward to the podium and state your name for the record. Council policy is a 3-minute time limit. Please note that you may address the City Council on an agenda item at the time it is discussed, but only after being recognized by the Mayor. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.

1. CONVENE THE CITY COUNCIL, PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Peabody convened the Special Meeting of the City Council of the City of Indian Wells at 10:03 a.m. May 7, 2015 in the City Hall Executive Conference Room.

A motion was made by Council Member Hanson, seconded by Council Member Balocco to excuse Mayor Pro Tem Reed from today's meeting. The motion carried 4-0-1:

AYES: 4 - Peabody, Balocco, Hanson, Mertens

NOES:

EXCUSED: 1 - Reed

Present: 4 - Mayor Peabody, Council Member Balocco, Council Member Hanson, Council Member Mertens

Absent: 1 - Mayor Pro Tem Reed

2. APPROVAL OF THE FINAL AGENDA

It was the CONSENSUS of the City Council to Approve the Agenda as Submitted. The motion carried unanimously.

3. PUBLIC COMMENTS

None.

4. GENERAL BUSINESS

A. Interview of and Discussion About Applicants for Annual Resident Committee Appointments

The City Council interviewed the following candidates for the 2015 annual City commissions, committees and boards appointments: Robert Berriman, Charlie Knickerbocker, Marc Linkjendal, Stacey Maye, Clark McCartney, Sherry Owens, Peter Schabarum and Bob Wilmeth.

Annual appointments to the various City commissions, committees and boards are agendaized for the regular Council Meeting on May 7, 2015 at 1:30 p.m. in the Council Chambers.

Mayor Peabody recessed the special meeting for a lunch break at 11:51 a.m.

5. CLOSED SESSION

Mayor Pro Reed came into the Executive Conference Room to join the meeting at 12:10 p.m.

At 12:31 p.m., Mayor Peabody stated the City Council would hold a Closed Session to discuss the following agenda items:

Present: 5 - Mayor Peabody, Mayor Pro Tem Reed, Council Member Balocco, Council Member Hanson, Council Member Mertens

- A. Conference with Labor Negotiators Pursuant to Government Code Section 54957. Agency Designated Representative: Wade G. McKinney. Employee Organization: Indian Wells City Employees Association.**

At 2:53 p.m., City Attorney Stephen Deitsch stated no reportable action was taken which, under the Brown Act, would be required to be publicly reported.

6. ADJOURNMENT

At 1:18 p.m., Mayor Peabody ADJOURNED the special meeting of the City Council to a regularly scheduled meeting of the City Council to be held at 1:30 p.m. on May 7, 2015 in the City Hall Council Chambers.

Respectfully submitted,

Wade G. McKinney, City Manager/City Clerk

City Council

Meeting Minutes

Thursday, May 7, 2015

1:30 PM

City Hall Council Chambers



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1. RECONVENE THE CITY COUNCIL, PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Peabody convened the City Council of the City of Indian Wells at 1:30 p.m. on May 7, 2015 in the City Hall Council Chambers.

Present: 5 - Mayor Peabody, Mayor Pro Tem Reed, Council Member Balocco, Council Member Hanson, Council Member Mertens

2. APPROVAL OF THE FINAL AGENDA

A motion was made by Council Member Balocco, seconded by Council Member Hanson, to Approve the Final Agenda as Submitted. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

3. APPROVAL OF MEETING MINUTES

A motion was made by Council Member Hanson, seconded by Council Member Balocco, to Approve the Minutes as Submitted. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

- A. April 16, 2015 Special Meeting Minutes**
- B. April 16, 2015 City Council Meeting Minutes**

4. PUBLIC COMMENTS

Mr. Randy Nolen, resident, remarked on JL Mertens' input into the FPPC investigation and asked that he be given JL Mertens' documents to review.

Sue Shigenaga, resident, commended the City for their water conservation actions so far and asked what further plans does the City have such as landscape guidelines, reduction of grass in landscaped areas and resident education.

Mr. Michael Andelson, resident, stated he has concerns over water conservation and the State's mandate as well as the dilemma between the water restrictions and the City's landscape standards.

Mr. Denny Booth, resident, commented on the IW Golf Resort's Pavilion and its current bookings suggesting such improvements as carpet as well as improved restroom facilities.

Jacqueline Bradley, resident, congratulated the City on addressing the water conservation issue right away. Ms. Bradley requested that Randy Nolen's stop his continuous public comments against Mayor Peabody and Council Member Mertens and suggested Mr. Nolen take this to a private meeting.

RESPONSE TO PRIOR PUBLIC COMMENTS

City Manager Wade McKinney stated Council and Public Works Department have been ahead of the water conservation problem and reported the City will be extending the non-potable water to the last two medians within the City; that the City will be reducing the turf areas surrounding City Hall; that the City will be working on the reduction of 4 acres of grass area at the IW Golf Resort which currently uses non-potable water. Mr. McKinney reported on current legislation with regard to eliminating any cities ability to fine residents on brown lawns; that staff is currently testing a sub-service irrigation system; that staff is currently working with Homeowners Associations and will be working on creating resident guidelines. Mr. McKinney mentioned "Non-potable Water Usage" signs are being placed on the medians.

5. PUBLIC HEARINGS

A. Adopt Resolution Approving Conditional Use Permit No. 2014-05 for 19,150 Square Foot Indian Point Shopping Center located at the Northwest Corner of Washington Street and Miles Avenue; Finding the Project is in Substantial Conformance with the Indian Wells Garden of Champions Tournament Center and Indian Wells Town Center Project Final Environmental Impact Report (SCH No. 2006111097)

Mayor Peabody opened the public hearing at 1:59 p.m. to hear testimony in favor of or against Resolution Bill No. 2015-19. Mr. Christopher Fahey, representing The Haagen Company, stated The Haagen Company approves the conditions set forth by the City for this project. Mayor Peabody closed the public hearing at 2:02 p.m.

It was determined to FIND the project is in substantial conformance with the previously certified Final EIR for Indian Wells Garden of Champions Tournament Center and the Indian Wells Town Center Project (SCH No. 2006111097); and

ADOPT Resolution No. 2015-10 [Resolution Bill No. 2015-19] to read as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT (CUP) NO. 2014-05 FOR THE PROPOSED INDIAN POINT SHOPPING CENTER LOCATED AT THE NORTHWEST CORNER OF WASHINGTON STREET AND MILES AVENUE, AND FINDING THE PROJECT IS IN CONFORMANCE WITH THE INDIAN WELLS GARDEN OF CHAMPIONS TOURNAMENT CENTER AND INDIAN WELLS TOWN CENTER PROJECT FINAL ENVIRONMENTAL IMPACT REPORT (SCH NO. 2006111097)

A motion was made by Council Member Hanson, seconded by Mayor Pro Tem Reed, that this Resolution be Adopted. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

6. CONSENT CALENDAR

Council Members Balocco and Mertens pulled Consent Calendar Item #6D for a separate vote. They would abstain from voting on the Annual Levy of Landscape and Lighting District No. 91-1 item as they each own a property within two different developments in the Landscape and Lighting District 91-1.

Council Member Hanson requested that Consent Calendar Item #6G, City Warrants and Demands, be pulled for a separate vote.

A. Adopt Resolution Supporting SB 821 Bicycle and Pedestrian Grant Application and Approving Matching Funds for Washington Street Sidewalk Project

It was determined to APPROVE A supplemental appropriation in the amount of \$20,000 to the 2014-15 Fiscal Year Capital Improvement Program as 50% matching funds to the City's SB 821 grant application; and

to ADOPT Resolution No. 2015-11 [Resolution Bill No. 2015-24] to read as follows:

RESOLUTION NO. 2015-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, SUPPORTING THE SENATE BILL 821 (SB 821) GRANT APPLICATION FOR THE CONSTRUCTION OF SIDEWALK ALONG WASHINGTON STREET BETWEEN MILES AVENUE AND THE WHITEWATER RIVER BRIDGE AND AUTHORIZE CITY MANAGER TO ACT ON BEHALF OF THE CITY ON ALL RELATED MATTERS

This Resolution was Adopted.

B. Approve Resolutions Initiating Proceedings, Preliminarily Approving the Annual Levy Report, and Declaring Intention to Order the Levy and Collection of Assessments for Annual Levy for City of Indian Wells Drainage Maintenance Benefit Assessment District No. 1 for Fiscal Year 2015-16

It was determined to ADOPT Resolution No. 2015-12 [Resolution Bill No. 2015-10] to read as follows:

RESOLUTION NO. 2015-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2015-16 FOR THE CITY OF INDIAN WELLS DRAINAGE MAINTENANCE BENEFIT ASSESSMENT DISTRICT NO. 1, PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982; and

SCHEDULE a noticed Public Hearing on May 21, 2015 at 1:30 p.m. to hear public testimony on the proposed levy; and

ADOPT Resolution No. 2015-13 [Resolution Bill No. 2015-11] to read as follows:

RESOLUTION NO. 2015-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA PRELIMINARILY APPROVING OF THE ENGINEER'S REPORT REGARDING THE CITY OF INDIAN WELLS DRAINAGE MAINTENANCE BENEFIT ASSESSMENT DISTRICT NO. 1, AND THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2015-16 PURSUANT TO THE PROVISIONS OF THE BENEFIT ASSESSMENT ACT OF 1982; and

ADOPT Resolution No. 2015-14 [Resolution Bill No. 2015-12] to read as follows:

RESOLUTION NO. 2015-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA DECLARING ITS INTENTION TO ORDER THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE CITY OF INDIAN WELLS DRAINAGE MAINTENANCE BENEFIT ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2015-16 PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982

These Resolutions were Adopted.

C. Approve Resolutions Initiating Proceedings and Preliminarily Approving the Annual Levy Report for Indian Wells Street Lighting District No. 2000-1 for Fiscal Year 2015-16

It was determined to ADOPT Resolution No. 2015-15 [Resolution Bill No. 2015-15] to read as follows:

RESOLUTION NO. 2015-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, INITIATING PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS AND DECLARING ITS INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE INDIAN WELLS STREET LIGHTING DISTRICT NO. 200-1 FOR FISCAL YEAR 2015/16 PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE; and

SCHEDULE a noticed Public Hearing on May 21, 2015 at 1:30 p.m. to hear public testimony on the proposed levy; and

ADOPT Resolution No. 2015-16 [Resolution Bill No. 2015-16] to read as follows:

RESOLUTION NO. 2015-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, PRELIMINARILY APPROVING THE ANNUAL LEVY REPORT FOR THE INDIAN WELLS STREET LIGHTING DISTRICT NO. 2000-1 FOR FISCAL YEAR 2015-16

These Resolutions were Adopted.

E. Receive and File the City Treasurer’s Report for March 2015

It was determined to RECEIVE and FILE the City Treasurer’s Report for March 2015.

This Recommendation was Approved.

F. FAMD Warrants and Demands

It was determined to APPROVE the FAMD Warrants and Demands for May 7, 2015.

This Warrants and Demands was Approved.

Approval of the Consent Agenda

A motion was made by Council Member Hanson to Approve the Consent Agenda. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

D. Initiate Proceedings for Annual Levy of Landscape and Lighting District No. 91-1 and Declaring Intention to Order the Levy and Collection of Assessments for Fiscal Year 2015-16

Council Members Balocco and Mertens stated they would abstain from voting on Consent Calendar Item #6D, Annual Levy of Landscape and Lighting District No. 91-1 as they each own a property within two different developments in Landscape and Lighting District 91-1.

It was determined to ADOPT Resolution No. 2015-17 [Resolution Bill No. 2015-21] to read as follows:

RESOLUTION NO. 2015-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, INITIATING PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS AND DECLARING ITS INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE INDIAN WELLS LANDSCAPE AND LIGHTING DISTRICT NO. 91-1 FOR FISCAL YEAR 2015-16 PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE; and

SCHEDULE a noticed Public Hearing on May 21, 2015 to hear public testimony on the proposed levy; and

ADOPT Resolution No. 2015-18 [Resolution Bill No. 2015-22] to read as follows:

RESOLUTION NO. 2015-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, PRELIMINARILY APPROVING THE ANNUAL LEVY REPORT FOR THE INDIAN WELLS LANDSCAPE AND LIGHTING DISTRICT NO. 91-1 FOR FISCAL YEAR 2015-16

A motion was made Mayor Pro Tem Reed, seconded by Council Memembers Hanson. The motion carried by the following vote:

AYES: 3 - Peabody, Reed, Hanson

NOES: 0

ABSTAIN: 2 - Balocco, Mertens

G. City Warrants and Demands

Mayor Pro Tem Reed stated he would recuse himself from voting on Consent Calendar Item #6G, City Warrants & Demands, as one or more of the payees are clients of his law firm and therefore are a source of income to him.

It was determined to APPROVE the City Warrants and Demands dated May 7, 2015.

A motion was made by Mayor Peabody, seconded by Council Member Balocco, that this Warrants and Demands be Approved. The motion carried by the following vote:

AYES: 3 - Peabody, Balocco, Mertens

NOES: 0

ABSTAIN: 2 - Reed, Hanson

7. GENERAL BUSINESS

A. Appointments to City Commissions, Committees and Boards

Chief Deputy City Clerk Anna Grandys reminded the Council should no applicant received the required three votes for nomination, then the two applicants that received two votes would qualify for the next round of Council voting to determine the nominee for that vacancy.

Ms. Grandys stated there is one vacancy for a position on the Architecture and Landscape Committee whose term would begin on July 1, 2015 and end on June 30, 2017. The applicants for this position Marc Linkjendal and Sherry Owens. The results of the first ballot vote were as follows:

Mayor Peabody - Sherry Owens
Mayor Pro Tem Reed - Sherry Owens
Council Member Balocco - Sherry Owens
Council Member Hanson - Sherry Owens
Council Member Mertens - Sherry Owens

Ms. Grandys announced that Sherry Owens was nominated to the Architecture and Landscape Committee for a two year term commencing July 1, 2015 and ending on June 30, 2017.

Ms. Grandys stated there is one vacancy for the Palm Springs International Airport Commission for a two year term beginning July 1, 2015 and ending on June 30, 2017. The applicants were as follows: Robert Berriman, Charlie Knickerbocker, Stacey Maye, Clark McCartney, Peter Schabarum and Bob Wilmeth. The results of the first ballot vote were as follows:

Mayor Peabody - Robert Berriman
Mayor Pro Tem Reed - Peter Schabarum
Council Member Balocco - Bob Wilmeth
Council Member Hanson - Bob Wilmeth
Council Member Mertens - Robert Berriman

Ms. Grandys stated Robert Berriman and Bob Wilmeth will continue to the next round of balloting. The results of the second ballot vote were as follows:

Mayor Peabody - Robert Berriman
Mayor Pro Tem Reed - Robert Berriman
Council Member Balocco - Robert Berriman
Council Member Hanson - Bob Wilmeth
Council Member Mertens - Robert Berriman

Ms. Grandys announced that Robert Berriman was nominated for the Palm Springs

International Airport Commission for a two year term beginning July 1, 2015 and ending on June 30, 2017. Ms. Grandys clarified that this nomination would be submitted to the Palm Springs International Airport Commission for their final appointment.

It was determined to APPROVE the appointment of Sherry Owens to the Architecture and Landscape Committee and recommendation of Robert Berriman to the Palm Springs International Airport Commission for two year terms commencing July 1, 2015 and ending on June 30, 2017.

A motion was made by Council Member Mertens, seconded by Council Member Hanson, that this Recommendation be Approved. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

B. Request from the City of Palm Desert to Sponsor their Annual Independence Day Celebration

It was determined to APPROVE the funding request of \$2,500 for the 2015 Palm Desert Independence day celebration.

A motion was made by Council Member Mertens, seconded by Council Member Hanson, that this Recommendation be Approved. The motion carried by the following vote:

AYES: 4 - Reed, Balocco, Hanson, Mertens

NOES: 1 - Peabody

C. Adopt Resolution Amending the City Council Policy Manual

It was determined to ADOPT Resolution No. 2015-19 [Resolution Bill No. 2015-20] to read as follows:

RESOLUTION NO. 2015-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA,
AMENDING THE CITY COUNCIL POLICY MANUAL

A motion was made by Council Member Hanson, seconded by Council Member Balocco, that this Resolution be Adopted. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

8. SUCCESSOR AGENCY GENERAL BUSINESS

A. **Adopt Resolution Approving the Issuance of Refunding Bonds in Order to Refund Certain Outstanding Bonds of the Dissolved Redevelopment Agency of the City of Indian Wells**

It was determined to APPROVE the Execution and Delivery of an Indenture of Trust Relating Thereto; and

REQUEST Oversight Board Approval of the Issuance of the Refunding Bonds; and

PROVIDE for Other Matters properly Relating Thereto; and

ADOPT Resolution SA No. 2015-02 [Resolution SA Bill No. 2015-02] to read as follows:

RESOLUTION SA NO. 2015-02

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDIAN WELLS REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF INDIAN WELLS, APPROVING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

A motion was made by Council Member Balocco, seconded by Council Member Hanson, that this Resolution be Adopted. The motion carried by the following vote:

AYES: 5 - Peabody, Reed, Balocco, Hanson, Mertens

NOES: 0

9. CITY MANAGER'S REPORTS/COMMENTS AND MATTERS FROM STAFF

City Manager Wade McKinney updated Council on the landscape improvements at Miles Crossing Phase 2, on a future study session on the Cook and Highway 111 intersection, and on the public engagement scheduled relating to the September 2014 flooding.

10. COUNCIL MEMBERS' REPORTS AND COMMENTS

A. Council Member Mertens

Council Member Mertens stated he recently accompanied the Little Hoover Advisory Commission to visit the Salton Sea and further stated there is a lot of effort with regard to this area.

Council Member Mertens stated he also attended the CVAG Executive and Transportation committee meetings regarding CV Link and has met with Rancho Mirage Mayor Hobart on this issue. He stated the issue of operations and maintenance of CV Link has been referred to the CVAG Public Safety Committee. Council Member Mertens then requested an item be placed on the City's next agenda, giving direction to our Mayor and other Council Members that represent the City at the CVAG committee meetings to vote on a number of issues that will be proposed by Rancho Mirage at the June CVAG Executive Committee meeting.

B. Council Member Hanson

Council Member Hanson reported the Indian Wells Golf Resort Committee discussed water conservation and turf removal, the financials and Pavilion bookings.

Council Member Hanson reported LAFCO approved an annexation in Coachella for a 7,900 home expansion over a 20 year period.

Council Member Hanson reported the Finance Committee reviewed the budget and revisions were made. He stated a follow-up Finance Committee meeting would occur next Tuesday to also review the Golf Resort budget for 2015-2016.

C. Council Member Balocco

Council Member Balocco reported Council Member Mertens was elected as Vice-Chair at Cove Communities Commission.

Council Member Balocco reported CVAG Conservation Commission discussed Big Horn Sheep and the potential need to fence around PGA West . He also reported CVAG Energy Committee issued a contract to study tortoises in the desert.

Council Member Balocco reported the Greater Palm Springs Convention and Visitors Bureau viewed a presentation to develop tourism during shoulder and summer seasons and reported February hotel occupancy was up, especially in Palm Springs.

Council Member Balocco stated he also represented the City at the Senior Inspiration Awards luncheon wherein the City's recipient was Sally Simmonds who was honored for her good work and volunteer services.

D. Mayor Pro Tem Reed

Mayor Pro Tem Reed reported Jacqueline Cochran Airport are going through a transition period and that a new Oliphant hanger was being built. He reported RCTC has started work on Route 15 and on a metrolink in Perris Valley. He reported he is now on a RCTC Sustainability Ad Hoc Committee.

Mayor Pro Tem Reed reported that he is attending a SCAG meeting today and tomorrow in Palm Desert wherein 130 cities are present. He stated he intends on applying for a SCAG Transportation Committee as a position will be opening up when Desert Hot Springs Member Betts term ends.

Mayor Pro Tem Reed also reported at the CVAG Homeless Committee meeting the approval of minutes was the only action item on the agenda, the rest were informational items.

Mayor Pro Tem Reed requested the Council authorize the Mayor to cancel the June 18 council meeting if no adverse effect would occur as he has a scheduling conflict. It was determined to CANCEL the June 18, 2015 City Council meeting if there is no adverse effect. The motion carried by the following vote:

AYES: 4 - Peabody, Reed, Balocco, Mertens

NOES: 1 - Hanson

E. Mayor Peabody

Mayor Peabody stated CVAG Executive Committee will be meeting over the next few months on issues regarding the CV Link. Mayor Peabody reported that SunLine Transit Agency is currently reviewing their budget. Mayor Peabody stated the Community Activities will meet next week to discuss proposed for the future season. Mayor Peabody stated he has represented the City at corporate functions and conventions here in Indian Wells.

11. CITY ATTORNEY REPORTS AND COMMENTS

At 2:53 p.m. City Attorney Deitsch stated the City Council convened in a Special Meeting and Closed Session Item #5A was discussed and no action was taken which, under the Brown Act, would be required to be publicly reported. City Attorney Deitsch stated there was no need for the Council to meet after this afternoon's meeting.

12. CLOSED SESSION

A. Conference with Labor Negotiators Pursuant to Government Code Section 54957. Agency Designated Representative: Wade G. McKinney. Employee Organization: Indian Wells City Employees Association.

At 2:53 p.m. City Attorney Deitsch stated the City Council convened in a Special Meeting and Closed Session Item #5A was discussed and no action was taken which, under the Brown Act, would be required to be publicly reported.

13. ADJOURNMENT

Mayor Peabody ADJOURNED to a special meeting of the City Council to be held at 10:00 a.m. on May 21, 2015 in the City Hall Council Chambers/Executive Conference Room; and thereafter to a regularly scheduled meeting of the City Council to be held at 1:30 p.m. on May 21, 2015 in the City Hall Council Chambers.

Respectfully submitted,

Wade G. McKinney, City Manager/City Clerk

TIME VARYING ELECTRICITY RATES

"For state officials, the goal of time-varying electricity rates is simple: encourage people to shift their energy use from high-demand times to low-demand times." *This statement in and of itself displays the level of naivety that exists with respect to this proposal by our state officials.*

The article also states, "It's not clear how many customers would pay more and how many customers would pay less under time-of-use rates". With respect to the residents of the Coachella Valley, who cannot effectively control the use of air conditioning during the summer months, it's clear that electricity bills will more than double, per the scenario put forth in this article. The PUBLIC UTILITIES COMMISSION asked Southern California Edison to analyze the financial impact of default time-of-use rates in hot climate zones. "Under a worst-case scenario in which no one starts using energy at different times, Edison customers in the Coachella Valley would pay anywhere from 26 percent more to 188 percent more for electricity during the summer than they do right now. People who use the least electricity would take the biggest financial hit."

The OFFICE OF RATEPAYER ADVOCATES states the following: "The utility is still going to collect the same amount of money" ... "When you change rates, you're (only) changing from whom the money comes". These statements are not only false, but also impossible to achieve.

It's very clear to me that the state's "OFFICE OF RATEPAYER ADVOCATES" is a misnomer based on positions taken that does not support consumers in the Coachella Valley. The UTILITY REFORM NETWORK appears to be the advocates for residents of the Coachella Valley.

I think it not only appropriate, but also mandatory that the Coachella Valley Association of Governments (CVAG) makes their involvement in this issue an immediate priority in order to satisfy its fiduciary responsibility to its Valley constituents.

For obvious reasons, I believe that "for-profit" companies like Edison International, which owns Southern California Edison, should not own public utilities. These "for-profit" entities are beholden to shareholders, which demand higher and higher return on investment, which is in conflict with the public interest at large.

Electricity

Continued from 1A

group.

It's no secret that the cost of providing electricity changes depending on the time of day, and the time of year.

For Edison and other utilities, powering our homes and business is more expensive when overall energy demand is high, in part because they're forced to buy electricity from expensive "peaker" power plants that wouldn't otherwise be needed. Demand tends to peak in the afternoon and evenings, and on hot summer days.

For state officials, the goal of time-varying electricity rates is simple: encourage people to shift their energy use from high-demand times to low-demand times.

"It sends better price signals about the real impact that people's consumption will have on the grid, depending on the time that electricity is used," Scott Murtishaw, an energy advisor to public utilities commission President Michael Picker, said last month.

It's not clear how many customers would pay more and how many customers would pay less under time-of-use rates, in part because so much of that depends on whether people change their behavior. State officials are trying to design the rates in such a way that overall electricity costs stay the same.

"The utility is still going to collect the same amount of money," said Mike Campbell, project manager on electric pricing at the public utilities commission's Office of Ratepayer Advocates. "When your change rates, you're changing from whom the money comes."

Edison's residential customers can already switch to time-varying electricity rates, but few make the leap, even when it might help them save money. That's partly because many don't know they have the option, and partly because people usually stick with the default option, a psychological phenomenon known as the "default effect."

What will change in 2019, if utilities commission officials follow through on last month's proposed decision, is that residential customers served by Edison, Pacific Gas & Electric

and San Diego Gas & Electric will start paying time-varying rates by default. They'll have the option to switch back to traditional, tiered electricity rates, but experts say few consumers are likely to make that decision.

Environmental benefits

Many environmental groups see time-varying rates as a smart way to limit fossil fuel-driven climate change.

While the rates wouldn't be designed to reduce overall energy consumption, they would ideally limit the need for expensive, gas-fired "peaker" plants. Those plants are generally inefficient, spewing more air pollutants and planet-warming greenhouse gases than most energy sources.

"We want to reduce reliance on peaker plants, which can be more polluting than California's regular fleet of gas plants, and we want to reduce the need to be procuring more and more resources," said Alison Seel, an attorney with the Sierra Club's Environmental Law Program.

That's not to downplay the benefits of cutting overall energy use, which can also limit climate change. But experts say reducing peak demand has become increasingly important. Over the past 20 years, peak demand has been growing faster than overall demand, according to the California Energy Commission.

Lowering those peaks could also save consumers money, by limiting the need for expensive new infrastructure.

"To the extent that consumer behavior en masse can change a bit to reduce those peaks, that would reduce the need to build new substations, new transmission lines, new distribution lines," Campbell said.

Bill impacts

While the state's Office of Ratepayer Advocates supports the move to time-of-use electricity rates, another consumer watchdog thinks they could cause serious damage.

Attorneys at The Utility Reform Network say time-varying rates spell trouble for consumers who have little control over their energy use, including Coachella Valley residents for whom energy-intensive air conditioning is a must on hot summer days. While some custom-

ers might benefit from opting into time-of-use rates, Freedman said, making them the default is "a very blunt instrument."

"You take everybody and you throw them into a time-of-use rate whether they like it or not, and you watch to see what happens," Freedman said. "We are concerned that there are as significant number of customers who would see higher bills, and who would have limited ability to shift their usage outside of peak periods."

The Office of Ratepayer Advocates is less concerned. The utility commission's proposed decision, Campbell noted, would allow time-of-use customers to pay for a "baseline" amount of electricity at a discounted rate. That rate would be different in each climate zone, and higher in the desert than elsewhere.

The proposed decision also endorses "shadow bills," which would show time-of-use customers how much they would have paid under the old system. Shadow bills, if ultimately required by the utilities commission, would encourage consumers who are paying more under time-varying rates to opt out.

Still, critics fear that time-of-use rates would lead to much higher electricity bills in the desert.

The public utilities commission asked Southern California Edison to analyze the financial impact of default time-of-use rates in hot climate zones. Under a worst-case scenario in which no one starts using energy at different times, Edison customers in the Coachella Valley would pay anywhere from 26 percent more to 188 percent more for electricity during the summer than they do right now. People who use the least electricity would take the biggest financial hit.

The Utility Reform Network is also skeptical that default time-of-use rates will have major environmental benefits. If state officials approve default time-of-use rates, it could lead to "a real serious rate revolt," Freedman predicted.

"We're not ignoring the reality that the cost of electricity changes based on time," he said. "But we're wondering how much the transition to a radically new rate structure is actually going to produce meaningful, positive benefits without creat-

ing a lot of economic pain."

The estimated bill increases should be taken with a grain of salt, in part because some people probably would start using energy at different times. And when non-summer months are taken into account, overall bill increases would probably be much smaller.

Other changes

Another reason the estimated bill increases are less informative than they seem: They compare time-of-use rates to the current four-tiered electricity rate structure, which could change drastically starting next year.

Under the current rate structure, homes served by Southern California Edison pay higher prices for higher electricity use. That would still be true under a controversial restructuring proposed by the utilities and endorsed by Picker, but the pricing differences wouldn't be nearly as stark. Costs would rise for those who use the least and fall for those who use the most.

The commission has yet to vote on those changes, and Commissioner Mike Florio has proposed an alternate plan that would soften the financial blow for those who use the least energy. But if and when residential time-of-use rates become the default, customers who opt out would probably end up in a tiered system that looks very different from the one we have now.

It's still far from clear how costs under the two-rate structures will compare. Utilities will spend the next few years designing the time-of-use rates, and they're sure to face pressure from ratepayer advocates and environmental groups to come up with a system that doesn't disproportionately impact any one group.

"The goal is to keep it even enough with tiered rates that everyone would have a time-of-use rate that they would want to stick with," said Seel, of the Sierra Club. "It's hard to say how it would impact most customers' bills because we're still fighting."

Sammy Roth writes about energy and water for The Desert Sun. He can be reached at sammy.roth@desertsun.com, (760) 778-4622 and @Sammy_Roth.

NAIVE
NOT TRUE, VERY CLEAR
FALSE

REP. NOT PER REF. PLANTS.
POPULATION INCREASE

MISNUMBER

Indian Wells City Council

May 21, 2015

Staff Report – Finance

Adopt Resolutions Approving Engineer’s Report and Annual Levy for the Drainage Maintenance Benefit Assessment District No. 1

RECOMMENDED ACTIONS:

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

APPROVES Resolution Bill No. 2015-13 approving the Engineer’s Report for the Drainage Maintenance Benefit Assessment District No. 1 for Fiscal Year 2015-16; and

APPROVES Resolution Bill No. 2015-14 approving the annual levy of the Drainage Maintenance Benefit Assessment District No. 1 for Fiscal Year 2015-16; and

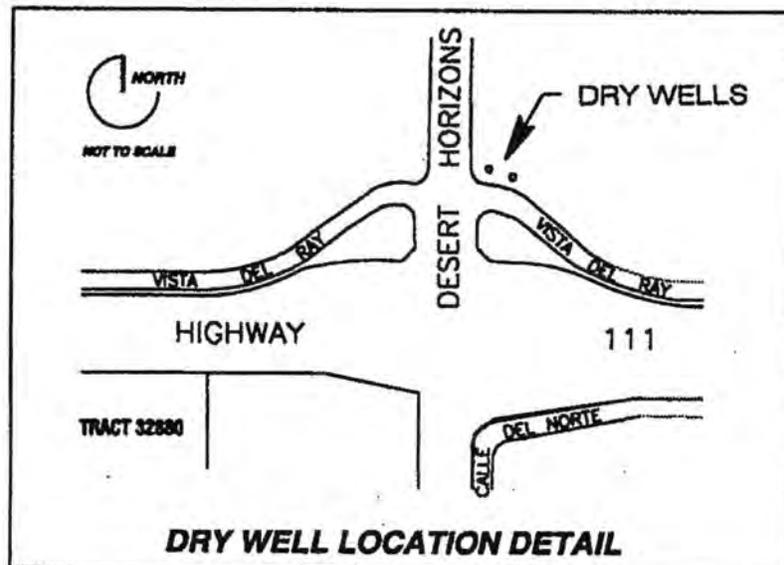
ORDERS the Drainage Maintenance Benefit Assessment District No. 1 levy to be placed on the Fiscal Year 2015-16 Riverside County tax roll.

DISCUSSION:

The City is responsible for levying the annual drainage maintenance assessment in accordance with the Landscape and Lighting Act of 1972 and Proposition 218.

As a condition of approval for the Province development in 2006, the City required the developer to install and guarantee the maintenance of storm water control structures. The structures consist of two drywells located at the northeast corner of Desert Horizons Drive and Vista Del Ray Drive.

Location of Dry Wells



These drywells serve to remove surface nuisance water and storm water coming from the Province development into neighboring developments. The City performs monthly inspections and schedules semi-annual "clean outs" of the drywells to ensure their effective operation. In addition to the inspection and maintenance program, the City has recently installed railings and entrance barriers at the structure to increase public safety.

Drainage pipes from Province and drywell



FISCAL IMPACT:

The annual levy is \$459.01 per assessed parcel. The City anticipates collecting \$61,050 from 133 assessed parcels inside the gates at the Province. The City records the revenues into a Special Revenue fund to operate the District as described in the attached engineer's report.

ATTACHMENTS:

1. Resolution Bill No. 2015-13
2. Resolution Bill No. 2015-14

RESOLUTION BILL NO. 2015-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, AMENDING AND/OR APPROVING THE ENGINEER'S REPORT FOR THE CITY OF INDIAN WELLS DRAINAGE MAINTENANCE BENEFIT ASSESSMENT DISTRICT NO. 1

WHEREAS, the City Council of the City of Indian Wells, California (the "City Council") has by resolution ordered the preparation of the Engineer's Report in connection with the City of Indian Wells Drainage Maintenance Benefit Assessment District No. 1 (the "Assessment District"), and levy and collection of assessments, pursuant to provisions of the *Benefit Assessment Act of 1982, Chapter 6.4, Division 2, Title 5 of the Government Code of the State of California commencing with section 54703* (the "Act"); and

WHEREAS, the Assessment District Engineer has prepared and filed with the City Clerk of the City of Indian Wells and the City Clerk has presented to the City Council such report entitled "City of Indian Wells Engineer's Annual Levy Report for the Drainage Maintenance Benefit Assessment District No. 1 Fiscal Year 2015-16" (the "Report"), and as previously directed by Resolution; and

WHEREAS, this City Council has carefully examined and reviewed the Report as presented, and, subject to the corrections and modifications made at the Public Hearing, is satisfied with each of the items and documents as set forth therein; and

WHEREAS, this City Council is satisfied that the levy of assessments within the Assessment District has been spread in accordance with the particular and distinct benefit over and above general benefits conferred on each parcel of real property located in the Assessment District or to the public at large, from the improvements, operation, maintenance and services to be performed, as set forth in said Report.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The "Report" as presented, consists of the following:

- (a) Description of Improvements.
- (b) Annual Budget (Costs and Expenses of Services, Operations and Maintenance).
- (c) Description and Diagram of the Assessment District.

- (d) Method of Apportionment and the proposed amount to be levied and collected against each property within the Assessment District for Fiscal Year 2015/16.

SECTION 3. That the Report, as presented or modified, is hereby **APPROVED** and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the presentation and final approval of the Report.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL NO. 2015-13

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 21st day of May 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

EXHIBIT "A"



City of Indian Wells

**Drainage Maintenance Benefit
Assessment District No. 1**

2015/2016 ENGINEER'S REPORT

**Intent Meeting: May 7, 2015
Public Hearing: May 21, 2015**

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ENGINEER'S REPORT AFFIDAVIT

Drainage Maintenance Benefit Assessment District No. 1

City of Indian Wells
Riverside County, State of California

This Report describes the District including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2015/2016, 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 _____, 2015.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Indian Wells

By: _____

Susana Medina, Project Manager
District Administration Services

By: _____

Richard Kopecky
R. C. E. # 16742

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I. INTRODUCTION

The City of Indian Wells (the "City") annually levies and collects special assessments in order to provide and maintain the improvements within the Indian Wells Drainage Maintenance Benefit Assessment District No. 1 (the "District"). In Fiscal Year 2006/2007, the District assessments were presented to the property owners and approved through a protest ballot proceeding in compliance with the provisions of Proposition 218. The District assessments described in this report are prepared and levied annually pursuant to the *Benefit Assessment Act of 1982, Chapter 6.4, Division 2, Title 5* of the Government Code of the State of California commencing with section 54703 (the "1982 Act").

Pursuant to the 1982 Act, the City Council previously caused an Engineer's Report to be prepared in connection with the formation and the levy of assessments for the District. The Engineer's Report (the "Original Report") described the proposed services and improvements, identified the properties to be assessed and the amount of the proposed assessments by parcel, and fixed the maximum amount of future annual installments for the District.

Pursuant to the 1982 Act, the City Council conducted the required public hearings necessary to accept property owner protests, public comments and testimony regarding the formation of the District and the proposed annual levy of assessments. In conjunction with the required 1982 Act formation proceedings (public hearing), the City conducted property owner protest ballot proceedings for the annual assessments and assessment range formula described in the Original Report in compliance with the substantive and procedural requirements of the California Constitution Article XIID. The proposed formations and annual assessments for each District were approved and established at the public hearing for the District, and pursuant to the 1982 Act, the City Council may annually determine the cost of the services that are financed by the assessments and by ordinance or resolution order the levy of the annual assessments. However in accordance with the provisions of the California Constitution Article XIID, no annual assessment shall exceed the maximum assessment amount established in the Original Report without additional approval of the affected property owners.

This document provides a summary of the District and the proposed budgets and assessments for fiscal year 2015/2016. The budget and assessments are based on the City's estimate of the costs and funds necessary to maintain and service the improvements that provide a special benefit to properties within the District.

The word "parcel" refers to an individual property assigned its own Assessment Number by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessment Numbers and specific Fund Numbers to identify properties assessed on the tax roll for special district benefit assessments.



II. DESCRIPTION OF THE DISTRICT

A. DISTRICT BOUNDARY

The District lies on the southeast corner of Cook Street and Highway 111. The legal description is specified as a portion of the Southwest one-quarter of Section 22, Township 6 South, Range 6 East, SBBM, being in the City of Indian Wells, County of Riverside, State of California; to be known as Tract No. 32880.

B. PLANS AND SPECIFICATIONS

The drainage improvements for the District may be generally described as follows:

Installation, construction or maintenance of any authorized improvements under the 1982 Act, including, but not limited to, drainage improvements and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof.

Plans and Specifications for the improvements for the District are voluminous and are not bound in this report but by this reference are incorporated and made a part of this report. The Plans and Specifications are on file in the office of the City Engineer where they are available for public inspection.

C. IMPROVEMENTS AND SERVICES WITHIN THE DISTRICT

Article XIID of the California Constitution defines "maintenance and operation expenses" as "the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care and supervision necessary to properly operate and maintain a permanent public improvement". The District funding includes, but is not limited to, the removal, repair, replacement and appurtenances, electrical energy, supplies, engineering and incidental costs relating to the maintenance and operation of the drainage improvements benefiting the District parcels.

The location of the drywell improvements is as follows:

Two or more drywells located at the northeast corner of Desert Horizons Drive and Vista Del Ray Drive.

Maintenance shall include inspections, upkeep, and/or replacement of the pumps necessary to remove the surface nuisance water and to de-water the drywells. Inspection of the drywells, upkeep, or preventative type maintenance shall be



performed on a monthly basis. Major maintenance of the drywells and pumps shall be performed on a semi-annual basis.

The improvements identified above, are subject to change. For details and exact locations, refer to the approved development plans on file in the office of the City Engineer.

III. METHOD OF ASSESSMENT

A. BACKGROUND

The Benefit Assessment Act of 1982 provides that assessments may be apportioned upon assessable lots or parcels of land within a district in proportion to the estimated benefits to be received by each lot or parcel from the improvements. In addition, Article XIID of the California Constitution (the "Article") requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the City must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the District. The general enhancement of property value does not constitute a special benefit.

The assessed lots or parcels of real property within the District are listed on Assessment Rolls, attached as Exhibit 'A' of this report. The Assessment Roll states the net amount to be assessed upon assessable lands within the District for fiscal year 2015/2016 and shows the assessment upon each lot and parcel within the District and identifies, by assessor parcel number, each assessable lot or parcel of land within the District. These lots or parcels are more particularly described on the County Assessment Roll, which is on file in the office of the Riverside County Assessor and by reference is made a part of this report.

B. SPECIAL BENEFIT

Each parcel within the District receives a particular and distinct benefit from the improvements over and above general benefits conferred by the improvements.

First, all of the improvements were conditions of approval for the creation or development of the parcels. In order to create or develop the parcels, the City of Indian Wells required the developer to install and guarantee the maintenance of storm water control structures and appurtenant facilities to serve the parcels. Therefore, the parcels within the District could not have been developed in the absence of the installation and promised maintenance of these facilities.



In addition, the improvements continue to confer a particular and distinct special benefit upon parcels within the District because of the nature of the improvements. The proper maintenance of storm water, nuance water control and appurtenant facilities provide special benefit to parcels within the District by alleviating excess water. This allows individual parcels to be used to their fullest extent. The above-mentioned contributes to a specific enhancement of each of the parcels within the District.

C. APPORTIONMENT

For fiscal year 2006/2007 the assessment rate was the total assessment divided by the ratio of each existing parcel to the total area. For subsequent future fiscal years, the assessment rate will be divided equally by the proposed total number of parcels.

D. ASSESSMENT RANGE FORMULA

Commencing with fiscal year 2007/2008, the amount of the assessment for the District is proposed to increase each year, based upon the Consumer Price Index, All Urban Consumers, for the Los Angeles-Riverside-Orange County Area ("CPI"), as determined by the United States Department of Labor, Bureau of Labor Statistics, or its successor. The Engineer shall compute the percentage difference between the CPI for February of each year and the CPI for the previous February, and shall then adjust the existing assessment by an amount not to exceed such percentage for the following fiscal year. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the Engineer shall use the revised index or a comparable system as approved by the City Council for determining fluctuations in the cost of living. The percentage difference between February 2014 CPI and February 2015 CPI is 0.10%.

IV. DISTRICT BUDGET

A. DESCRIPTION OF BUDGET ITEMS

Maintenance Costs

Labor, Material, and Equipment - Includes all labor, material, and equipment required to properly maintain and service the drainage structures, and appurtenant facilities within the District. All improvements within the District will be maintained and serviced on a regular basis. City staff will determine the frequency and specific maintenance operations required; but generally, the operations will occur monthly.



Utilities

Gas and Electric - The furnishing of electricity and gas required for the operation of the drainage structures, and appurtenant facilities such as pumps.

Renovation

Repairs, which are unforeseen and not normally included in the yearly maintenance cost. This may include repair of damage due to vandalism, storms, and frost. Planned upgrades of the improvements that provide a direct benefit to the District could also be included in renovation costs.

Personnel/Overhead

The cost of City staff for providing the coordination for maintenance and servicing, responding to public concerns, and levying and collecting assessments. This includes reimbursement for time spent by Finance and Accounting, the City Attorney, the City Manager, and the Public Works staff.

Professional Fees

These are the costs of contracting with professionals for maintenance services and for professionals to provide any additional administrative or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing, or preparation of assessment diagrams.

County Administration Fees

The costs charged by the County to place the assessments on the property tax rolls.

Carryover (Deficit) Prior Years

Any funds that are not expended in the prior fiscal year shall be included to offset maintenance costs in the current fiscal year. If the total funds in any fiscal year are insufficient to offset maintenance costs, a loan from other City funds shall be a deficit of the District and shall be included and repaid as the costs and assessments for the subsequent fiscal year.



B. DISTRICT BUDGET

DRAINAGE BENEFIT ASSESSMENT DISTRICT NO. 1 2015/2016 PROJECTED DISTRICT BUDGET	
DIRECT COSTS	
Maintenance Costs	\$29,385
Capital Replacement Costs	10,311
Utilities	10,311
Direct Subtotal	\$50,007
ADMINISTRATION COSTS	
Administrative Personnel Overhead	\$1,700
Public Works Personnel Overhead	7,805
Professional Fees	1,500
County Admin. Fees	38
Administration Subtotal	\$11,043
Total Direct and Administration Costs	\$61,050
LEVY ADJUSTMENTS	
Reserve Fund Contribution	\$0
Personnel/Overhead - City of Indian Wells Subsidy	0
Annual City Operating Contribution	0
City of Indian Wells Contribution and Subsidy Subtotal	\$0
Remaining Balance to Levy	\$61,050
DISTRICT STATISTICS	
Total Parcels	151
Total Parcels Levied	133
Total Equivalent Benefit Unit (EBU)	133
FY 2015/16 Levy Rate per EBU (projected)	\$459.02
Maximum Levy per EBU Allowed	\$500.20
Maximum Rate per EBU	
FY 2006/07 Maximum Rate	\$430.14
FY 2007/08 Maximum Rate	\$445.18
FY 2008/09 Maximum Rate	\$459.01
FY 2009/10 Maximum Rate	\$459.03
FY 2010/11 Maximum Rate	\$465.62
FY 2011/12 Maximum Rate	\$476.21
FY 2012/13 Maximum Rate	\$486.18
FY 2013/14 Maximum Rate	\$496.99
FY 2014/15 Maximum Rate	\$499.70
FY 2015/16 Maximum Rate	\$500.20
Total Assessment Allowable	\$66,526.60
FUND BALANCE INFORMATION	
Beginning Reserve Balance	\$425,475
Reserve Fund Collection/(Reduction)	0
Ending Reserve Fund Balance 6/30/2016	\$425,475



APPENDIX B – 2015/2016 ASSESSMENT ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land, public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas. These parcels will not be assessed.

A listing of parcels within the District, along with the proposed assessment amounts, have been submitted to the City Clerk, and by reference, are made part of this Report.

Upon approval of the Engineer's Annual Levy Report, and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in fiscal year 2015/2016. If the parcels or assessment numbers within the District and referenced in this Report, are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and levy amount approved in this report by the City Council.

RESOLUTION BILL NO. 2015-14

A RESOLUTION OF CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF INDIAN WELLS DRAINAGE MAINTENANCE BENEFIT ASSESSMENT DISTRICT NO. 1, FOR FISCAL YEAR 2015-16, PURSUANT TO THE PROVISIONS OF THE BENEFIT ASSESSMENT ACT OF 1982

WHEREAS, the City Council has, by previous Resolutions, initiated proceedings and declared its intention to levy assessments for the City of Indian Wells Drainage Maintenance Benefit Assessment District No. 1 (the "Assessment District"); and

WHEREAS, the Assessment District Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, the Engineer's Report (the "Report") that describes the assessments against parcels of land within the Assessment District for the Fiscal Year commencing July 1, 2015, and ending June 30, 2016, pursuant to the provisions of the *Benefit Assessment Act of 1982, Chapter 6.4, Division 2, Title 5 of the Government Code of the State of California commencing with section 54703* (the "Act"), to pay for the maintenance, operation and servicing of improvements and facilities related thereto; and

WHEREAS, the City Council did by Resolution approve such Report in connection with the proposed levy and collection of assessments upon eligible parcels of land within the Assessment District, and is satisfied that the assessments are levied without regard to property valuation and are apportioned by a formula and method which fairly distributes the net amount among eligible parcels in proportion to the estimated special benefit to be received by each parcel from the improvements, operation, maintenance and services to be performed; and

WHEREAS, the City Council and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Article XIID of the California State Constitution; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within Assessment District for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016, to pay the costs and expenses of operating, maintaining and servicing the improvements and appurtenant facilities located within the Assessment District.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, AS FOLLOWS:

SECTION 1. The City Council following notice duly given, has held a full and fair Public Hearing regarding the Assessment District, the levy and collection of assessments, the Report prepared in connection therewith, and considered oral and

written statements, protests and communications made or filed by interested persons regarding these matters.

SECTION 2. The City Council **FINDS** the record owners of property within the Assessment District previously approved the continued levy and collection of assessments through property owner balloting proceedings, and that the proposed assessment for Fiscal Year 2015-16 is consistent with the assessment so approved.

SECTION 3. Based upon the Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, and such other evidence presented to the City Council, the City Council hereby **FINDS** and **DETERMINES** that:

- a) The land and eligible parcels within the boundaries of the Assessment District will each receive a particular and distinct benefit over and above general benefits conferred on real property located in the Assessment District or to the public at large from the operation, maintenance and servicing of the improvements and appurtenant facilities identified in the Report (the "Special Benefit"); and
- b) The Assessment District includes the lands and parcels receiving such Special Benefit; and
- c) The net amount to be assessed upon the lands within the Assessment District for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016, is apportioned by a formula and method which fairly and proportionately distributes the total net amount of assessments within the Assessment District among eligible parcels within the boundaries of the Assessment District in proportion to the estimated Special Benefit to be received by each such parcel from the operation, maintenance and servicing of the improvements and appurtenant facilities identified in the Report.

SECTION 4. The Report and assessments presented to the City Council and on file in the Office of the City Clerk are hereby **CONFIRMED AS FILED**.

SECTION 5. The maintenance, operation and servicing of the improvements shall be performed pursuant to the Act. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the operation, maintenance, servicing and administration of the improvements, and incidental expenses related thereto for the Assessment District located within the boundary of the City of Indian Wells, and the jurisdiction of the City Council. A more detailed description of the improvements is contained within the Report, but the improvements and facilities can be classified within the following general categories:

The drainage improvements and the installation and/or maintenance of such improvements for the District can be generally described as follows:

- Installation, construction or maintenance of any authorized improvements under the Act, including, but not limited to, drainage improvements and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof.

SECTION 6. The Auditor of the County of Riverside shall enter on the County Assessment Roll opposite each parcel of land the amount of levy so apportioned by the formula and method outlined in the Report, and such levies shall be collected at the same time and in the same manner as the County taxes are collected, pursuant to the provisions provided in the Act. After collection by the County, the net amount of the levy shall be paid to the Treasurer of the City of Indian Wells.

SECTION 7. The Treasurer shall deposit money representing assessments collected by the County for the Assessment District to the credit of a fund for the City of Indian Wells Drainage Maintenance Benefit Assessment District No. 1, and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in Section 5.

SECTION 8. The adoption of this Resolution constitutes the Assessment District levy for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016.

SECTION 9. The City Clerk, or the designate of the City Council, is hereby **AUTHORIZED** and **DIRECTED** to file the levy with the County Auditor upon adoption of this Resolution, pursuant to the provisions provided in the Act.

SECTION 10. A copy of the levy shall be filed in the office of the City Clerk and open for public inspection.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May 2015.

TY PEABODY
MAYOR

CERTIFICATION FOR RESOLUTION BILL NO. 2015-14

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 21st day of May 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

WADE G. MCKINNEY
CITY MANAGER/CITY CLERK

STEPHEN P. DEITSCH
CITY ATTORNEY

Indian Wells City Council

May 21, 2015

Staff Report – Finance

Adopt Resolution Approving Annual Levy and Engineer’s Report for the Indian Wells Street Lighting District No. 2000-1

RECOMMENDED ACTIONS:

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

APPROVES Resolution Bill No. 2015-17 approving the annual levy of the Indian Wells Street Lighting District No. 2000-1 for Fiscal Year 2015-16; and

ORDERS the Indian Wells Street Lighting District No. 2000-1 levy to be placed on the Fiscal Year 2015-16 Riverside County tax roll.

DISCUSSION:

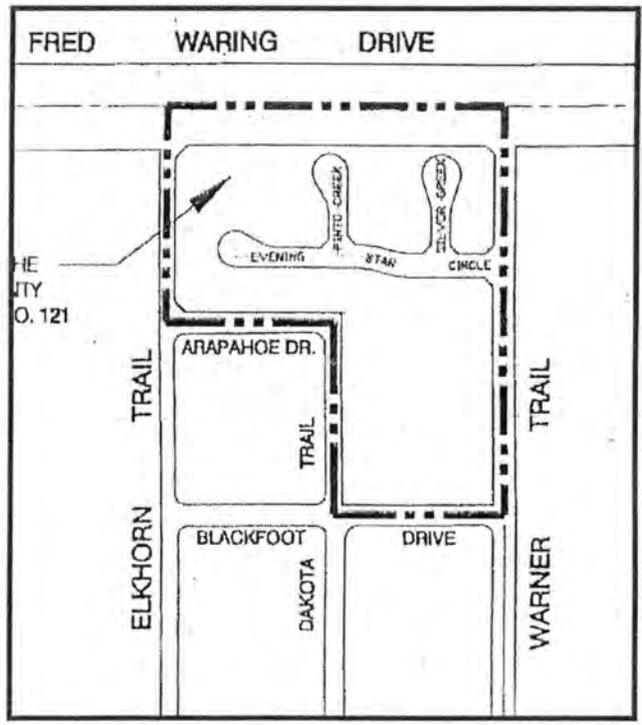
Background

The City is responsible for levying the annual lighting and maintenance assessment for the Villages at Indian Wells area in accordance with the Landscape and Lighting Act of 1972 and Proposition 218.

The District is located at the southwest corner of Fred Waring Drive and Warner Trail and continues to Blackfoot Drive and Dakota Trail, Arapahoe Vista and Elkhorn Trail.

The District was originally established by Riverside County to provide street lighting for the area. The District was reformed by the City in 2000 when the Tennis Garden area was annexed into the City. Improvements within the

Street Lighting District 2000-1 Map



District include the maintenance and operation of, and the furnishing of services for street lighting and facilities.

FISCAL IMPACT:

There is no fiscal impact to the General Fund as the annual levy is sufficient to operate the district by paying the associated utility costs, which are the major expense of the District.

The levy has not changed from the prior fiscal year and the City anticipates collecting a total of \$1,480 from 31 assessed parcels within the District. The City records the revenues into a Special Revenue fund reserved to operate the District.

ATTACHMENT:

1. Resolution Bill No. 2015-17

RESOLUTION BILL NO. 2015-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ANNUAL LEVY REPORT FOR STREET LIGHTING DISTRICT NO. 2000-1 FOR FISCAL YEAR 2015-16 AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS RELATED THERETO

WHEREAS, the City Council of the City of Indian Wells, California (the "City Council") has by previous resolutions ordered the preparation of the Engineer's Annual Levy Report (the "Report") for said district known and designated as:

Indian Wells Street Lighting District No. 2000-1

(the "District") pursuant to the provisions of *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (the "Act"); and

WHEREAS, there has now been presented to this City Council the Report as required by *Chapter 3, Section 22623* of said Act and as previously directed by resolution; and

WHEREAS, the District and the associated assessments are in compliance with the provisions of California Constitution Articles XIIC and XIID; and

WHEREAS, this City Council has carefully examined and reviewed the Report as presented (or amended) and is satisfied with each and all of the items and documents as set forth therein and is satisfied that the levy has been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed as set forth in said Report; and

WHEREAS, the City Council has by previous resolutions initiated proceedings, approved the Report that describes the assessments against parcels of land within the District, and declared its intention to levy assessments for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 pursuant to the provisions of the Act to pay the costs and expenses of operating, maintaining and servicing street lighting and appurtenant facilities located within the District; and

WHEREAS, Willdan Financial (the "Engineer") selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the Council, the Report in connection with the proposed levy and collection of assessments upon eligible parcels of land within District, and the City Council has approved such Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 to pay the costs and expenses of operating, maintaining and servicing street lighting and appurtenant facilities located within public places in the City; and

WHEREAS, the City and its legal counsel have found that these assessments comply with applicable provisions of Section XIIIID of the California State Constitution.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the Report as presented or amended is hereby **APPROVED** and is **ORDERED** to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the report and any amendments directed by the City Council and final approval of the Report as presented or amended.

SECTION 4. Following notice duly given, the City Council has held a full and fair Public Hearing regarding the District, the levy and collection of assessments, the Report prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

SECTION 5. Based upon its review (and amendments, as applicable) of the Report, a copy of which has been presented to the City Council and which has been ordered to be filed with the City Clerk, the City Council hereby **FINDS** and **DETERMINES** that:

- i) The land within the District will receive special benefit by the operation, maintenance, and servicing of street lighting and appurtenant facilities located in public places within the boundaries of the District; and
- ii) The District includes all of the lands so benefited; and
- iii) The net amount to be assessed upon the lands within the District in accordance with the fee for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 is apportioned by a formula and method which fairly distributes

the net amount among all eligible parcels in proportion to the estimated benefits to be received by each parcel from the improvements and services.

SECTION 6. The City Council hereby **ORDERS** the proposed improvements to made, which improvements are briefly describes as follows: The maintenance, servicing and operation of the street lighting and appurtenant facilities located in public places within the boundary of the District. Maintenance means the furnishing of services and material for the ordinary and usual maintenance, operation and servicing of the street lighting and appurtenant facilities, including repair, removal or replacement of all or part of any of the streetlights or appurtenant facilities. Servicing means the furnishing of electricity for the lighting and operation of the street lighting and appurtenant facilities. The Report describes all new improvements or substantial changes in existing improvements.

SECTION 7. The County Auditor of the County of Riverside shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy so apportioned by the formula and method outlined in the Report, and such levies shall be collected at the same time and in the same manner as the County taxes are collected pursuant to *Chapter 4, Article 2, Section 22646* of the Act. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

SECTION 8. The City Treasurer shall deposit all money representing assessments collected by the County for the District to the credit of a fund known as "City of Indian Wells Street Lighting District No. 2000-1," and such money shall be expended only for the maintenance, operation and servicing of the street lighting and appurtenant facilities as described in Section 6.

SECTION 9. The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016.

SECTION 10. The City Clerk or their designate is hereby **AUTHORIZED** and **DIRECTED** to file the levy with the County Auditor upon adoption of this Resolution pursuant to *Chapter 4, Article 1, Section 22641* of the Act.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May 2015.

TY PEABODY
MAYOR

CERTIFICATION FOR RESOLUTION BILL NO. 2015-17

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 21st day of May 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

EXHIBIT "A"



City of Indian Wells
Street Lighting District No. 2000-1

2015/2016 ENGINEER'S REPORT

Intent Meeting: May 7, 2015
Public Hearing: May 21, 2015

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com/financial



ENGINEER'S REPORT AFFIDAVIT

Indian Wells Street Lighting District No. 2000-1

City of Indian Wells
Riverside County, State of California

This Report describes the District including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2015/2016, 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 _____, 2015.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Indian Wells

By: _____
Susana Medina, Project Manager
District Administration Services

By: _____
Richard Kopecky
R. C. E. # 16742

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I. OVERVIEW

The City of Indian Wells (the "City") annually levies and collects special assessments in order to provide and maintain the improvements within the Indian Wells Street Lighting District No. 2000-1 (the "District"). The boundary of the District includes Tract 21650 and Tract 3292-R, which consists of a portion of Riverside County Service Area (the "CSA") No. 121 that was annexed to the City as "Indian Wells Annexation No. 13" by order of Resolution No. 2000-12 of the City Council on March 16, 2000. The annexation authorized the City to continue levying assessments previously approved and authorized to be levied by CSA 121 in order to continue street lighting services previously provided by that CSA and now provided by the City. The District was formed on October 2000 and provides a mechanism to continue levying assessments for street lighting services within the boundaries of the District. The District assessments described in this report are prepared and levied annually pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (Act)* and Article XIID of the California Constitution which was enacted with the passage of Proposition 218 in November 1996.

The Engineer's Report (the "Report") describes the District, any changes to the District, and the proposed assessments for fiscal year 2015/2016. The assessments are based on the City's estimate of the annual costs to maintain the improvements that provide direct and special benefits to properties within the District. The improvements within the District, the corresponding costs, and the annual levy are budgeted. The assessment includes expenditures, deficits, surpluses, revenue, and reserve funds.

For the purposes of this Report, the word "parcel" refers to an individual property assigned its own Assessor's Parcel Number (the "APN") by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses the APN and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

Following consideration of the public comments and written protests at a noticed public hearing, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council may order the levy and collection of assessments for fiscal year 2015/2016 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller and included on the property tax roll for each benefiting parcel in fiscal year 2015/2016.



II. DESCRIPTION OF THE DISTRICT

A. DISTRICT BOUNDARY

The boundaries of the District include Tract 21650 and Tract 3292-R, which consists of the portion of Riverside County Service Area No. 121 that was annexed into the City as "Indian Wells Annexation No. 13" by order of Resolution No. 2000-12 of the City Council on March 16, 2000.

The District's boundaries are comprised of the streets and parcels that are located within the territory that is defined as the area South of Fred Waring Drive between Elkhorn Trail and Warner Trail; North of Arapahoe Drive between Elkhorn Drive and Dakota Trail; and North of Blackfoot Drive between Dakota Trail and Warner Trail.

B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;



- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

C. IMPROVEMENTS WITHIN THE DISTRICT

The improvements for the District may be generally described as follows: the operation, maintenance and servicing of the street lighting and appurtenant facilities located in public places within the boundary of the District. "Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the street lighting and appurtenant facilities, including repair, removal or replacement of the street lights or appurtenant facilities. "Servicing" means the furnishing of electricity for the lighting and operation of the street lighting and appurtenant facilities.

Plans and specifications for the improvements are on file in the office of the City Clerk and the City Engineer where they are available for public inspection.

III. METHOD OF APPORTIONMENT

A. GENERAL

Pursuant to the Act and the provisions of Proposition 218, the costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among the assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Proposition 218, approved by the voters in November 1996, requires the agency to separate the general benefit from special benefit, whereas only special benefits are assessable.

Each parcel within the District receives special benefits from the improvements due to the close proximity of the lighting improvements to each parcel. The proposed assessments are at the same rate as those imposed by the County under the CSA. Since the assessments are not new, not increased, and are for street lighting, they are currently exempt from the procedures and approval process of Proposition 218.

B. PROPOSITION 218 BENEFIT ANALYSIS

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No



assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

This District was formed to establish and provide for the improvements that enhance the presentation of the surrounding properties and developments. These improvements will directly benefit the parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used to construct and install landscape and lighting improvements within the existing District as well as provide for the annual maintenance of those improvements, and the assessment revenues generated by District will be used solely for such purposes.

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as an essential component and local amenity that provides a direct reflection and extension of the properties within the District which the property owners and residents have expressed a high level of support.

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the landscape and lighting improvements within the District, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either “general benefit” (not assessed) or “special benefit”.

C. BENEFIT ANALYSIS

The improvements associated with the District are part of the overall development plan for these parcels and were specifically installed for the benefit and development of the parcels. The benefit of street lighting conferred upon the parcels within the District includes the convenience, safety, and security of properties, improvements and goods. Specifically:

1. Enhanced deterrence of crime – an aid to police protection.
2. Increased nighttime safety on roads and highways.



3. Improved visibility of pedestrians and motorists.
4. Improved ingress and egress to and from property.
5. Reduced vandalism, damage to improvements or property, and other criminal acts.
6. Improved traffic circulation and reduced nighttime accidents and personal property loss.
7. Increased promotion of business during nighttime hours in the case of commercial properties.

D. METHODOLOGY

The cost to provide maintenance and services of the improvements within the District is fairly and equitably distributed among each assessable parcel based upon the estimated special benefits received by each parcel.

The District is comprised of single-family residential parcels with the exception of two parcels identified as common areas or public property. The residential lots receive the same special benefit from the improvements due to their similarity in size and use and their similar proximity to the improvements. Therefore, each assessable lot is assessed an equal amount.

For fiscal year 2015/2016, the assessment rate will be the total balance to levy divided by the number of assessable residential lots.

The assessed lots or parcels of real property within the District are listed on the Assessment Roll, which is provided as Appendix B of this report. The Assessment Roll provides a listing of the assessable parcels and their respective assessment for fiscal year 2015/2016. The specific lines and dimensions of the parcels are more particularly described on the County Assessor's Parcel Map, which is on file in the Office of the Riverside County Assessor and by reference is made a part of this Report.

The maximum assessment rate for the District is the same as the rate approved under the CSA (\$47.74 per parcel) and is to be used for the same purpose – maintaining and servicing the existing streetlights within the District. As part of the annexation process of this unincorporated area to the City, it was detached from the CSA. However, the annexation process specifically allowed the City to continue the imposition of these assessments for street lighting purposes.

IV. DISTRICT BUDGETS

A. DESCRIPTION OF BUDGET ITEMS

The following section describes the services and costs that are funded through the District and are shown in the District Budget.

Maintenance Costs

Labor, Material and Equipment – Includes labor, material and equipment required to properly maintain and service the street lighting and appurtenant facilities within the District. The improvements within the District will be maintained and serviced on a regular basis by the City. The specific maintenance operations required for the District, and the frequency thereof, are to be determined by City Staff.

Utilities

Electric – The furnishing of electricity for the operation of the landscaping and appurtenant facilities.

Capital Replacement Costs

Repairs – Unforeseen repairs not normally included in the yearly maintenance cost. This may include repair of damage due to vandalism or weather.

Upgrades – Planned upgrades of the improvements that provide a direct benefit to the District may also be included in capital replacement costs. Examples of upgrades are additional street lighting facilities and/or renovating existing street lighting facilities.

Reserves

Operating Reserves – Reserves to be accumulated for maintenance services for the first six months of each fiscal year until tax monies become available for maintenance costs.

Administrative Services

City Staff – The cost of City Staff's efforts in coordinating the maintenance and servicing of the improvements, responding to public concerns and levying and collecting the assessments. This includes reimbursement for time spent by Finance and Accounting, the City Attorney, the City Manager and the Public Works Staff.



Professional Services – The cost of contracting with professionals to provide services specific to the levy of assessments and annual administration of the District.

County Administration Fees

Assessment Collection – The fees charged by the County to place the assessments on the property tax rolls and collect the assessments from property owners.

Carryover/(Deficit) Prior Year

Available Funds – Any funds that are not expended in the prior fiscal year shall be included to offset maintenance costs in the current fiscal year. If the total funds in any fiscal year are insufficient to offset maintenance costs, a loan from other City funds shall be a deficit of the District and shall be included and repaid as the costs and assessments for the subsequent fiscal year.

Assessable Lots

Current and Planned Lots – Any subdivided residential lots and parcels planned for subdivision into residential lots within the District.



B. FISCAL YEAR 2015/2016 DISTRICT BUDGET

<u>BUDGET ITEM</u>	<u>TOTAL</u>
<i><u>Direct Costs</u></i>	
Maintenance - Labor, Material and Equipment	\$ 100
Utilities – Electric	700
Capital Replacement Costs - Repairs and Upgrades	50
Reserves - Operating Reserves	100
Direct Costs Subtotal	\$ 950
<i><u>Administrative Costs</u></i>	
Administrative Services - City Staff	\$ 200
Administrative Services - Professional Services	320
County Administration Fees – Assessment Collection	10
Administrative Costs Subtotal	\$ 530
<i><u>Fiscal Year 2015/2016 Assessment</u></i>	
Total Direct and Administrative Costs	\$ 1,480
Carryover (Deficit) Prior Years – Available Funds	0
Balance to Levy ⁽¹⁾	\$ 1,480
Assessable Lots – Current and Planned Lots	31
Annual Assessment Per Parcel	\$ 47.74

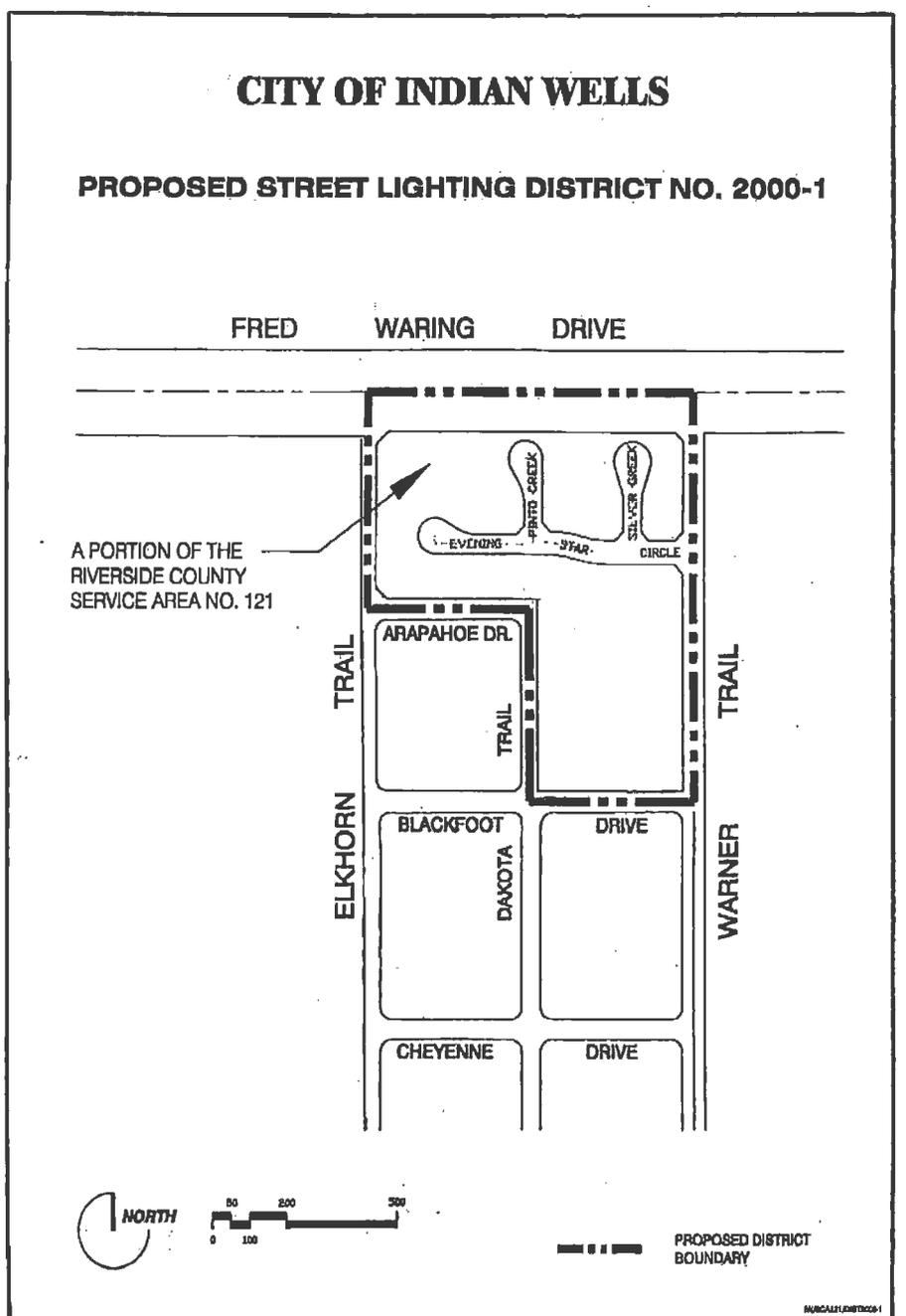
⁽¹⁾ Balance to Levy rounded to nearest dollar



APPENDIX A – DISTRICT BOUNDARY MAPS

The Boundary Diagrams for the original districts have previously been submitted to the Clerk of the City in the format required under the Act and are made part of this Report by reference.

The parcel identification, lines and dimensions of each parcel within the District are those lines and dimensions shown on the Assessor Maps of Riverside County for the year in which this Report was prepared and is incorporated by reference and made part of this Report.





APPENDIX B – 2015/2016 ASSESSMENT ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land; public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas. These parcels will not be assessed.

A listing of parcels within the District, along with the proposed assessment amounts, has been submitted to the City Clerk and, by reference, is made part of this Report.

Upon approval of the Report, and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in fiscal year 2015/2016. If the parcels or assessment numbers within the District and referenced in this Report, are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and levy amount approved in this Report by the City Council.



Assessment Roll

Assessor's Parcel Number	Fiscal Year 2015/2016 Assessment Amounts
633-300-007 ⁽¹⁾	\$ 0.00
633-700-001	47.74
633-700-002	47.74
633-700-003	47.74
633-700-004	47.74
633-700-005	47.74
633-700-006	47.74
633-700-007	47.74
633-700-008	47.74
633-700-009	47.74
633-700-010	47.74
633-700-011	47.74
633-700-012	47.74
633-700-013	47.74
633-700-014	47.74
633-700-015	47.74
633-700-021	47.74
633-700-022	47.74
633-700-023	47.74
633-700-024	47.74
633-700-025	47.74
633-700-026	47.74
633-700-027	47.74
633-700-028	47.74
633-700-029	47.74
633-700-030	47.74
633-700-031	47.74
633-700-032 ⁽²⁾	0.00
633-700-033	47.74
633-700-034	47.74
633-700-035	47.74
633-700-036	47.74
633-700-037	47.74
Total Assessment	\$1,479.94

(1) Parcel 633-300-007 is vacant property and therefore exempt from the assessment.

(2) Parcel 633-700-032 is an open space parcel owned by the Village at Indian Wells Home Owner Association and is not assessed as the benefit conferred upon the parcel is passed on to the other lots in the development by the nature of the common area use of the parcel.

CC/HA ACTION 5C MTG. DATE: 5-21-15
APPROVED DENIED REC/FILE CONT.
OTHER _____
VOTE: YES 5 NO 0 ABSTAIN _____

5C1-
ybs-4 Abstain-1
(Balocco)

Indian Wells City Council

May 21, 2015

Staff Report – Finance

5C2
ybs-4 Abstain-1
(Montelena)

Adopt Resolution Approving the Final Annual Levy Report for Landscape and Lighting District No. 91-1 for Fiscal Year 2015-16 and Ordering the Levy and Collection of Assessments

RECOMMENDED ACTIONS:

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

APPROVES Resolution Bill No. 2015-23 approving collection of assessments for Fiscal Year 2015-16 for Landscape and Lighting District No. 91-1 except for Zone A23 (Montelena) and Zone A1 (Eldorado); and

APPROVES Resolution Bill No. 2015-28 approving collection of assessments for fiscal year 2015-16 for the Landscape and Lighting District No. 91-1 No. 1 Zone A23 (Montelena); and

APPROVES Resolution Bill No. 2015-29 approving collection of assessments for fiscal year 2015-16 for the Landscape and Lighting District No. 91-1 No. 1 Zone A1 (Eldorado); and

ORDERS the for Landscape and Lighting District No. 91-1 levy to be placed on the Fiscal Year 2015-16 Riverside County tax roll.

DISCUSSION:

The City is responsible for the collection of levies for the citywide Landscape and Lighting Maintenance District No. 91-1 (the "LLMD"). The LLMD contains 17 individual landscape and lighting districts located primarily along Highway 111. The City operates 12 of the districts and respective homeowner's associations operate the remaining 5 districts.

FISCAL IMPACT:

The average cost to operate the districts rose 3.0% over last year with the exception of the Colony, which increased 103%. The Colony cost difference is detailed in the section below. For the remaining 16 districts, the cost is attributed to increased labor and utility costs to provide landscape services. The total cost to operate all of the districts during Fiscal Year 2015-16 is \$1,249,247.

The preliminary levy amounts to operate the LLMD for Fiscal Year 2015-16 per the Engineer’s Report are as follows:

Zone	Description	Maximum Levy Allowed per EDU	Prior Year Levy per EDU	Proposed Levy per EDU	Increase (Decrease)	% Increase (Decrease)
A1	Eldorado	\$ 177.99	\$ 59.41	\$ 61.62	\$ 2.21	3.7%
A2	Montecito/Stardust	\$ 374.44	\$ 255.64	\$ 267.29	\$ 11.65	4.6%
A3	Casa Dorado (A Pass-through District)	\$ 171.93	\$ 166.25	\$ 171.29	\$ 5.04	3.0%
A5B	The Cove (A Pass-through District)	\$ 266.51	\$ 253.63	\$ 262.36	\$ 8.73	3.4%
A8	Indian Wells Golf Resort	\$ 512.91	\$ 285.49	\$ 291.51	\$ 6.02	2.1%
A11A	Hwy. 111 & Club Drive	\$ 248.53	\$ 76.77	\$ 79.23	\$ 2.46	3.2%
A11C	Club Drive	\$ 161.28	\$ 122.82	\$ 128.28	\$ 5.46	4.4%
C	The Colony	\$ 3,077.66	\$ 360.94	\$ 731.64	\$ 370.70	102.7%
D	Colony Cove Estates	\$ 8,847.97	\$ 697.73	\$ 725.91	\$ 28.18	4.0%
E	Desert Horizons (A Pass-through District)	\$ 585.84	\$ 454.92	\$ 467.44	\$ 12.52	2.8%
A19	Mountain Gate	\$ 954.61	\$ 636.00	\$ 654.00	\$ 18.00	2.8%
A20	Mountain Gate Estates	\$ 928.61	\$ 663.57	\$ 685.36	\$ 21.79	3.3%
A21	Villagio	\$ 1,953.89	\$ 963.30	\$ 968.62	\$ 5.32	0.6%
A22	Vaidya	\$ 734.57	\$ 278.08	\$ 284.62	\$ 6.54	2.4%
A23	Montelena	\$ 1,049.46	\$ 790.28	\$ 829.86	\$ 39.58	5.0%
A25	Sundance (A Pass-through District)	\$ 1,131.40	\$ 945.11	\$ 962.82	\$ 17.71	1.9%
A26	Province (A Pass-through District)	\$ 1,205.91	\$ 1,204.14	\$ 1,204.14	\$ -	0.0%

The Colony Maintenance Cost Increase

In December 2014, the City awarded a five (5) year citywide landscape maintenance contract to Vintage Landscape; as part of the new contract Vintage audited each district for actual cost to maintain each district. The result being the rate increase ranged between 3% and 5%, except for the Colony district which had a 103% increase.

The City compared district costs to historical information, which revealed a steady and significant decrease in maintenance cost between 1997 and 2009, then a steady 2% to 3% increase between 2009 and 2014. The maintenance cost led to the following annual levies:

Year	Levy Amount
1997	1,732.51
2009	313.98
2014	360.94

It appears from the limited information available, prior to fiscal year 2015-16; the maintenance assessment for the Colony was being augmented with City funds.

As each LLMD is designed to pay its own operating costs, the new proposed levy will pay fiscal year 2015-16 operating costs of the Colony district. The new levy amount is based upon a citywide district rate of \$0.382 per square foot to maintain the landscaping for 2015-16 through 2020-21.

Staff has reached out to the Colony Home Owner’s association to inform them of the assessment increase. The Colony HOA President directed Staff to contact the property management company, Avail Property Management. Staff provided written correspondence to Avail summarizing the proposed changes and that Staff is available to meet with the management company and the Board to discuss the matter.

Funding Sources

The City provides approximately \$202,950 in administrative and field support to all the 17 Districts. These costs are paid by the City and are not reflected in the calculation of the annual levy. In addition, the City pays a total of \$59,770 to eight landscape districts that provide a general benefit to the City. The remaining \$986,527 of the costs to operate the landscape and lighting maintenance districts is collected from property owners living within the districts.

ATTACHMENTS:

1. Resolution Bill No. 2015-23 except for Zone A23 (Montelena) and Zone A1 (Eldorado)
2. Resolution Bill No. 2015-28 Zone A23 (Montelena)
3. Resolution Bill No. 2015-29 Zone A1 (Eldorado)

RESOLUTION BILL NO. 2015-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ANNUAL LEVY REPORT SETTING FORTH LANDSCAPE AND LIGHTING DISTRICT NO. 91-1 FOR FISCAL YEAR 2015-16 AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS RELATED THERETO

WHEREAS, the City Council of the City of Indian Wells, California (the "City Council") has by previous resolutions ordered the preparation of the Engineer's Annual Levy Report (the "Report") for said district known and designated as:

Indian Wells Landscape and Lighting District No. 91-1

(the "District") pursuant to the provisions of *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (the "Act"); and

WHEREAS, the Indian Wells Landscape and Lighting District No. 91-1 contains the following Zones: A2 Montecito, A3 Casa Dorado, A5B The Cove, A8 Indian Wells Golf Resort, A11A Hwy 111 & Club Drive, A11C Club Drive, C The Colony, D Colony Cove Estates, E Desert Horizons, A19 Mountain Gate, A20 Mountain Gate Estates, A21 Villagio, A22 Vaidya, A25 Sundance, A26 Province; and

WHEREAS, there has now been presented to this City Council the Report as required by *Chapter 3, Section 22623* of said Act and as previously directed by resolution; and

WHEREAS, the proposed District assessments to be levied for Fiscal Year 2013-14, do not exceed the amount approved by the property owners and adopted by the City Council and are therefore in compliance with the provisions of California Constitution Article and XIID; and

WHEREAS, this City Council has examined and reviewed the Report as presented (or amended) and is satisfied with each and all of the items and documents as set forth therein and is satisfied that the levy has been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed as set forth in said Report; and

WHEREAS, the City Council has by previous resolutions initiated proceedings, approved the Report that describes the assessments against parcels of land within the District, and declared its intention to levy assessments for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 pursuant to the provisions of the Act to pay the costs and expenses of operating, maintaining and servicing landscaping, lighting and appurtenant facilities located within the District and its Zones; and

WHEREAS, Willdan Financial (the "Engineer") selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the Council, the Report in connection with the proposed levy and collection of assessments upon eligible parcels of land within District, and the City Council has approved such Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 to pay the costs and expenses of operating, maintaining and servicing landscaping, lighting and appurtenant facilities located within public places in the City; and

WHEREAS, the City and its legal counsel have found that these assessments comply with applicable provisions of Section XIIIID of the California State Constitution.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the Report as presented or amended is hereby **APPROVED** and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the report and any amendments directed by the City Council and final approval of the Report as presented or amended.

SECTION 4. Following notice duly given, the City Council has held a full and fair Public Hearing regarding the District, the levy and collection of assessments, the Report prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

SECTION 5. Based upon its review (and amendments, as applicable) of the Report, a copy of which has been presented to the City Council and which has been ordered to be filed with the City Clerk, the City Council hereby **FINDS** and **DETERMINES** that:

- i) the land within the District will receive special benefit by the operation, maintenance and servicing of improvements located in public places within the boundaries of the District; and

- ii) the District includes all of the lands so benefited; and
- iii) the net amount to be assessed upon the lands within the District in accordance with the fee for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated benefits to be received by each parcel from the improvements and services.

SECTION 6. The City Council hereby **ORDERS** the proposed improvements to be made, which improvements are briefly describes as follows: The maintenance, servicing, and operation of the landscape improvements that include planting materials such as turf, ground cover, trees and shrubs, automatic sprinkler systems, lighting and drainage systems, and all appurtenant materials for the ordinary and usual maintenance, operation, and servicing of the landscaping, lighting, and appurtenant facilities, including repair, providing for the life, growth, health, and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating for disease or injury; and the removal of trimmings, rubbish, debris, and other solid waste. Servicing means the furnishing of water for the irrigation of the landscaping and electricity for both the landscaping and lighting and the maintenance of any of the appurtenant facilities.

SECTION 7. The County Auditor of the County of Riverside shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy so apportioned by the formula and method outlined in the Report, and such levies shall be collected at the same time and in the same manner as the County taxes are collected pursuant to *Chapter 4, Article 2, Section 22646* of the Act. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

SECTION 8. The City Treasurer shall deposit all money representing assessments collected by the County for the District to the credit of a fund known as "City of Indian Wells Landscape and Lighting District No. 91-1," and such money shall be expended only for the maintenance, operation and servicing of the landscaping, lighting and appurtenant facilities as described in Section 6.

SECTION 9. The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016.

SECTION 10. The City Clerk or the designate of the City Council is hereby **AUTHORIZED** and **DIRECTED** to file the levy with the County Auditor upon adoption of this Resolution pursuant to *Chapter 4, Article 1, Section 22641* of the Act.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May 2015.

TY PEABODY
MAYOR

CERTIFICATION FOR RESOLUTION BILL NO. 2015-23

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 21st day of May 2015, by the following vote:

AYES:
NOES:

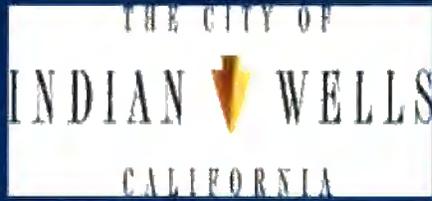
ATTEST:

APPROVED AS TO FORM:

WADE G. MCKINNEY
CITY MANAGER/CITY CLERK

STEPHEN P. DEITSCH
CITY ATTORNEY

EXHIBIT "A"



City of Indian Wells

**Landscape and Lighting District
No. 91-1**

2015/2016 ENGINEER'S REPORT

**Intent Meeting: May 7, 2015
Public Hearing: May 21, 2015**

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www.willdan.com/financial



ENGINEER'S REPORT AFFIDAVIT

Indian Wells Landscaping and Lighting District No. 91-1

City of Indian Wells
Riverside County, State of California

This Report describes the District and all relevant zones therein including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2015/2016, 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 _____, 2015.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Indian Wells

By: _____
Susana Medina, Project Manager
District Administration Services

By: _____
Richard Kopecky
R. C. E. # 16742

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I. OVERVIEW

A. INTRODUCTION

The City of Indian Wells (City), annually levies and collects special assessments in order to provide and maintain the improvements within the Indian Wells Landscape and Lighting District No. 91-1 (District). The District was formed in 1991 through the consolidation of several individual landscape and lighting maintenance districts within the City. The District includes the original districts as separate benefit zones and sub-zones (Zones). In Fiscal Year 1997/1998, the District assessments were presented to the property owners and approved through a protest ballot proceeding in compliance with the provisions of Proposition 218. The District assessments described in this report are prepared and levied annually pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the Act) and Article XIII D of the California Constitution which was enacted with the passage of Proposition 218 in November 1996.

The Engineer's Report (Report) describes the District; any changes to the District, and the proposed assessments for Fiscal Year 2015/2016. The assessments are based on the City's estimate of revenues and expenses to maintain the improvements that provide direct and special benefits to properties within the District and Zones. The improvements within the District and the corresponding costs and the annual levy are budgeted and assessed for each separate Zone, including all expenditures, deficits, surpluses, revenues, and reserves.

For the purposes of this Report, the word "parcel" refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

Following consideration of all public comments and written protests at a noticed public hearing, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council may order the levy and collection of assessments for Fiscal Year 2015/2016 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller and included on the property tax roll for each benefiting parcel in Fiscal Year 2015/2016.

B. HISTORICAL BACKGROUND AND LEGISLATION

Pursuant to the Act, the City Council annually conducts a public hearing to accept property owner and public comments and testimony, to review the Report and approve the annual assessments to be levied on the County tax roll for that fiscal year. All assessments approved by the City Council have been prepared in accordance with the Act and are in full compliance with the provisions of the California Constitution Article XIID.

In Fiscal Year 1997/1998 the improvements provided by the District, the costs associated with those improvements and the properties benefiting from those improvements, were closely reviewed and evaluated. Specific modifications were made to the District in response to the substantive and procedural requirements of Article XIID. The existing zones were reviewed for compliance and all applicable assessments were confirmed through property owner ballots. Changes to the District included:

- Revision of the assessment methodology in some zones.
- Boundary modifications were made to Zone A1 to more accurately reflect the benefit received.
- Zones A6-Sandpiper; A9-Chateau Estates; A11B-The Plaza At Club Drive; and A12-Painted Cove were eliminated. The improvements in these zones were considered non-public improvements and could no longer be assessed.
- Zone A11C-Club Drive was established to apportion the benefit for the maintenance of the eligible improvements along Club Drive south of Highway 111.

The assessments and method of apportionment described in this Report utilize commonly accepted assessment engineering practices and have been established pursuant to the Act and the provisions of the Article XIID. All new or increased assessments will be subject to the substantive and procedural requirements of Article XIID Section 4. Property owner ballot proceedings are not required if the proposed assessments are less than or equal to the maximum assessment rate previously approved for each of the various Zones within the District.

II. DESCRIPTION OF THE DISTRICT

A. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.



The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. IMPROVEMENTS WITHIN THE DISTRICT

The facilities and improvements which have been constructed within the District and which will be maintained and serviced using assessments generally include:

Landscaping and Appurtenant Facilities, including, but not limited to, landscaping, planting, shrubbery, trees, irrigation systems, hardscape fixtures, sidewalk maintenance resulting from landscape growth, and appurtenant facilities in public rights-of-way, parkways and dedicated easements within the boundaries of said District.

Lighting and Appurtenant Facilities, including, but not limited to, poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices, and appurtenant facilities as required to provide lighting in public rights-of-way, parkways, and dedicated easements within the boundaries of said District.

In Zones A3, A5B, E, A25 and A26 the improvements are serviced and maintained by the Home Owners Associations (HOA) acting as Agents of the City. The funds collected for the maintenance and servicing of the improvements in these Zones are passed-through to the respective Agent that contracts for the actual maintenance. The Funds received from the County less the administration costs are passed through immediately to the HOA for Zones A3, A5B, E, A25 and A26 and thus there is no need to hold a reserve fund. In all other Zones within the District, the City utilizes the services of landscape maintenance contractors for all regularly scheduled maintenance. The costs associated with all improvements in each Zone are collected through annual assessments from each parcel receiving special benefits. The funds collected for each Zone are dispersed and used for only the services and operation provided to that Zone.



C. DISTRICT ZONE BOUNDARIES AND SPECIFIC AREAS OF IMPROVEMENT

- Zone A1** **El Dorado** – Zone A1 consists of those parcels in Tracts 10262 and 10863 that front El Dorado Drive between Highway 111 and Fairway Drive. These parcels receive special benefits from the landscaped medians along El Dorado Drive. Parcels that use El Dorado Drive as the main access way to their properties are included in this Zone.
- Zone A2** **Montecito/Stardust** – Zone A2 contains all parcels within the Montecito/Stardust development (Rancho Palmeras Estates Unit No. 3). This zone consists of residential properties on Montecito Drive and Stardust Lane west of Rancho Palmeras Drive. The parcels receive special benefits from improvements within the parkway along Rancho Palmeras Drive, adjacent to the development, and the landscaped entryway to the development, on Stardust Lane and Montecito Drive.
- Zone A3** **Casa Dorado** – Zone A3 consists of all the parcels in Tracts 2752, 3097, and 4853 that are at the southeast corner of Highway 111 and Rancho Palmeras Drive. These parcels are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. These parcels receive special benefits from improvements along the frontage on the south side of Highway 111, from Rancho Palmeras Drive to the project's eastern boundary, a distance of approximately 1,300 feet.
- Zone A5B** **Cook Street/The Cove** – Zone A5B is the development known as "The Cove", and all parcels within the Zone are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance of the entrance to the Cove on Cook Street. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. Parcels in the Cove receive direct and special benefits from these improvements.
- Zone A8** **Entrance to Indian Wells Golf Resort** -- Zone A8 consists of three parcels south of the Coachella Valley Stormwater Channel along Highway 111 and east of El Dorado Drive. These three parcels are the Hyatt Grand Champions of Indian Wells, the Renaissance Esmeralda Hotel, and the parcel owned by the City of Indian Wells. These parcels receive



special benefit from the landscaping along the north side of Highway 111, west of Eldorado Drive, to the east side of the Renaissance Esmeralda Hotel. The parcels also receive special benefits from the improvements on Indian Wells Lane leading to the Hyatt Grand Champion and Renaissance Esmeralda Hotel.

Zone A11A Highway 111 South, at Club Drive – Zone A11A contains parcels located immediately south of Highway 111 near Indian Wells Lane and Club Drive including but not limited to the Miramonte Resort, the Indian Wells Country Club, and the Indian Wells Resort Hotel. These parcels receive special benefits from the parkway landscaping improvements on the south side of Highway 111 between Indian Wells Lane and Club Drive.

Zone A11C Club Drive – Zone A11C consists of all parcels along Club Drive between Highway 111 and Sandpiper. These parcels are part of Zone A11A, but receive additional special benefits from landscaped parkways along Club Drive not associated with other parcels in Zone A11A.

Zone C The Colony – Zone C lies generally south of Highway 111 and west of Manitou Drive and includes all parcels within Tract 24625, commonly known as "The Colony". These parcels receive special benefits from landscaped parkways along Highway 111 adjacent to the development.

Zone D Parcel Map 26494 – Zone D lies generally south of Highway 111 and east of Club Drive and includes all parcels within Tract 26494. These parcels receive special benefits from landscaped parkways along Highway 111 adjacent to the development.

Zone E Desert Horizons – Zone E lies generally north of Highway 111; west of El Dorado Drive; east of Cook Street; and south of Fred Waring Drive (44th Street) and the Whitewater River Channel. This Zone includes only parcels within the Desert Horizons Country Club gated community. These parcels are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. Parcels within the Zone receive special benefits from improvements within the easements and public rights-of-way that surround the perimeter of the gated community. The improvements



include the parkways along Highway 111, El Dorado Drive, Cook Street, Fred Waring Drive, and Whitewater River Channel.

- Zone A19 Mountain Gate** – Zone A19 is generally located south of Highway 111 and east of Manitou Drive and includes all parcels within Tract 26595 known as the Mountain Gate Development. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A20 Mountain Gate Estates** – Zone A20 lies generally south of Highway 111 and east of Manitou Drive and includes all parcels within Tract 27747-1 known as the Mountain Gate Development. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A21 Villagio** – Zone A21 lies generally south of Highway 111 and west of Mountain Gate Drive and includes all parcels within Tract 29502 known as the Villagio. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A22 Vaidya** – Zone A22 lies generally on the south side of Highway 111 and east of Manitou Drive and includes parcels within Tract 27747 known as Vaidya. Parcels within this Zone receive special benefits from landscaped improvements associated with the development.
- Zone A23 Montelena** – Zone A23 lies generally on the southeast corner of Highway 111 and El Dorado Drive. Parcels within this Zone receive special benefits from landscaped improvements and includes parcels within Tract 31200 known as Montelena associated with the development. The landscaping improvements for this District include the entry to the Montelena tract on east side of El Dorado Drive and along the south side of Highway 111.
- Zone A25 Tract 27104** – Zone A25 lies generally on the south of Highway 111, west of El Dorado Drive, east of Camino de Dorado and includes parcels within Tract 27104. Parcels within this Zone receive special benefits from landscaped



improvements associated with the development. The landscaping improvements for this District include the entry to the Sundance tract on west side of El Dorado Drive and along the south side of Highway 111.

Zone A26 Province – Zone A26 lies generally on the southeast corner of Cook Street and Highway 111. Parcels within this Zone receive special benefits from landscaped improvements such as landscaping, ornamental structures and appurtenant structures and includes parcels within Tract 32880 known as Province associated with the development.

III. METHOD OF APPORTIONMENT

A. PROPOSITION 218 BENEFIT ANALYSIS

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

This District was formed to establish and provide for the improvements that enhance the presentation of the surrounding properties and developments.



These improvements will directly benefit the parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used to construct and install landscape and lighting improvements within the existing District as well as provide for the annual maintenance of those improvements, and the assessment revenues generated by District will be used solely for such purposes.

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as an essential component and local amenity that provides a direct reflection and extension of the properties within the District which the property owners and residents have expressed a high level of support.

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the landscape and lighting improvements within the District, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either "general benefit" (not assessed) or "special benefit".

B. DISTRICT BENEFIT

The costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Improvements maintained by the District that are considered to provide general benefit (in whole and in part), are funded by the City and not included in the annual assessments. Property owners are assessed for special benefits only.

Each parcel within the District receives special benefits from the improvements due to the close proximity of the landscaping, masonry wall, and lighting improvements to each parcel. The improvements provide added beautification and aesthetic value to each developed property and property owner and an enhanced quality of life within the subdivision. In areas along Highway 111, where the property has not been developed, the City pays for parkway maintenance out of the general fund. As development occurs, it is anticipated



that the City will continue to require perimeter landscape maintenance along Highway 111 to be maintained by the individual developments.

The major arterials are the entryways into the City and provide beautification to the entire City. The City enjoys a reputation for beauty, and the parkway landscape improvements along major arterials enhance that reputation and provide an amount of benefit to all parcels in the City. This amount of benefit is estimated at 10% of the total benefit, and the City will contribute 10% of the landscaping costs to specified zones (A3, A5B, A8, A11A, C, D, E, and A20) that contain improvements along Highway 111.

C. METHODOLOGY

Pursuant to the Act and the provisions of Article XIID, the costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Improvements maintained by the District that are considered to provide general benefit (in whole and in part), are funded by the City and not included in the annual assessments. Property owners are assessed for special benefits only.

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A summary of EBU rates for all Zones except **A19-A26** is shown in the table below:

EQUIVALENT BENEFIT UNIT (EBU) FORMULA		
Land Use	BUF	Parcel EBU
Single Family Res. (SFR)	1.00	1 EBU/Unit
Vacant SFR Lot	0.30	0.30 EBU/Unit
Non-Residential	6.00	6.0 EBU/Acre
Vacant	1.80	1.80 EBU/Acre
Golf Courses	0.90	0.90 EBU/Acre

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{BUF Factor} \times (\text{Acres or Units}) = \text{Parcel EBU}$$

i.e. For Land Use Vacant – (3.70 acres x 1.80 BUF = 6.66 Parcel EBU)

For Zones **A19-A26**, each parcel is assigned 1 EBU regardless of development status.

The total number of Equivalent Benefit Units (EBUs) is the sum of all individual EBUs applied to the parcels within each zone that receives special benefit from the improvements. A levy per EBU (Levy Rate) for the zone is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs of all parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBUs} = \text{Levy Rate per EBU}$$

$$\text{Levy Rate per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

D. DEFINITIONS

Single Family Residential (SFR). Parcels zoned for single-family residential uses are assessed 1 EBU per benefit unit. Parcels designated as SFR land-use will be assessed 1 EBU per benefit unit.

Non-Residential. In converting non-residential properties to EBUs, the factor used is a typical standard single-family residential lot area within the City of Indian Wells and the number of lots that could be subdivided into an acre of land. All properties that are developed for non-residential uses are therefore assigned 6 EBUs per acre and include commercial, industrial, church, school, and other non-residential uses except golf courses.

Vacant. Conceptually, vacant properties within the district which have development potential receive special benefits from the improvements due to the increase in desirability of the parcels; usually, the special benefits are seen as being less than that of a developed parcel and often the value of the land is compared to the total value of a developed parcel to achieve a benefit ratio. Therefore, vacant property will be assessed 30% of a developed property.

Vacant Single Family Residential Lots. Parcels that are individual subdivided vacant residential lots are assessed at 30% of the developed single-family residential lot and are assigned 0.3 EBUs per parcel. This reduction in EBUs is based upon the reduced special benefits received by undeveloped parcels until such time as they are developed. In Zones **A19-A26** vacant single family residential lots are assigned 1 EBU.

Vacant Non-Subdivided Parcels. Vacant parcels that are not subdivided are assigned EBUs on the basis of parcel size. The parcels will be assessed at the rate of 30% of the developed equivalency. Therefore, vacant non-subdivided property is assessed $6 \times 30\% = 1.8$ EBU per acre.

Recreational/Golf Course Property. Recreational/golf course property closely resembles vacant property in that it has large land areas comprised of mostly park-like open space and only a few buildings, if any. However, because golf courses do not have the development potential that vacant land has and the value of the property is less, golf course property receives less special benefits than vacant property. Therefore, recreational/golf course property is assessed at 50% of a vacant property, or $1.8 \times 50\% = 0.90$ EBU per acre.

Public Property. Public property, which is developed and used for residential or business purposes will be assessed the same as private property with the same use. Vacant public property will be assessed as vacant private property.

Exempt. Excepted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, and parkways. Also exempted from assessment would be utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels, and small parcels vacated by the City as these parcels have little or no value and therefore do not benefit from the improvements.

E. INFLATION FACTOR

For All Zones Except for Zones A19 – A23 and A26 – By approval of the City Council, the maximum assessment rate that may be levied for each EBU may be increased in each year by the greater of the change in the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Area from February to February or three percent (3.0%). Such



assessment adjustments shall not be considered an increased in assessment. A proposed assessment that exceeds the adjusted maximum assessment rate will require property owner balloting approval before the increase may be imposed.

For fiscal year 2015/2016 the change in February CPI for the Los Angeles-Riverside-Orange County Area is 0.10 % therefore the maximum assessment rate will be adjusted by 3.00%.

For Zones A19 – A23 and A26 by approval of the City Council, the maximum assessment rate levied that may be levied for each EBU may be increased in each year (beginning with Fiscal Year 2000/2001 for A19, Fiscal Year 2001/2002 for A20 and A21, Fiscal Year 2004/2005 for A22 and A23, and Fiscal Year 2007/2009 for A26) by the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Area. The Engineer shall compute the percentage difference between the CPI for February of each year and the CPI for the previous February, and shall then adjust the existing assessment amount not to exceed such percentage for the following fiscal year. Such assessment adjustments shall not be considered an increased in assessment. A proposed assessment that exceeds the adjusted maximum assessment rate will require property owner balloting approval before the increase may be imposed.

For fiscal year 2015/2016, the maximum assessment rate for Zones A19-A23 and A26 will be adjusted by the Los Angeles-Riverside-Orange County Area February change in CPI of 0.10%.

IV. DISTRICT BUDGETS

A. DESCRIPTION OF BUDGET ITEMS

The following section describes the services and costs that are funded through the District, and shown in the District Budgets.

Maintenance Costs - Includes all contracted labor, material and equipment required to properly maintain the improvements within the District and Zones. The improvements include: street lighting; fencing; planting materials; hardscape; irrigation, lighting, and drainage systems; tree trimming; sidewalks; graffiti removal; entry monuments and ornamental structures; water features; and associated appurtenant facilities within the District. In Zones A3, A5B, E, A25, and A26 the improvements are serviced and maintained by an association or property manager acting as an Agent of the City. In all other Zones the City utilizes the services of landscape maintenance contractors for all regularly scheduled maintenance. All improvements within the District will be maintained and serviced on a regular basis.



Landscape and Lighting Materials - This includes all materials necessary during the landscape maintenance procedures, e.g., pipe, shrubs, fertilizer, etc. as well as to maintain and ensure the proper operating condition of all lighting including electricity.

Landscape Water and Electric - The furnishing of water and electricity required for the operation and maintenance of the landscaped areas and facilities.

Capital Replacement Costs/Renovation - This may include repairs that are unforeseen and not normally included in the yearly maintenance cost. Repairs may include replacement or refurbishing of damaged amenities due to vandalism, storms, die off, and frost. Planned upgrades of the improvements that provide a direct benefit to the district/zone could also be included in capital replacement/renovation costs. Examples of upgrades include planned replacement of plant materials and/or renovation of irrigation or lighting systems that are necessary or requested by property owners.

Special District Services - These may be contingency funds for additional costs beyond those normally budgeted, such as use of specialized equipment or pest control. These funds may also be for services requested by the property owners that are outside the normal maintenance services provided by the District. These costs and services may be for a specific group of parcels within a given Zone and not applied to all parcels within the Zone or District. These costs will be apportioned to only those parcels that receive benefit from the special service.

Personnel/Overhead - The cost to all particular departments and staff of the City for providing the coordination of District services, operations and maintenance of the improvements, response to public concerns and education, and procedures associated with the levy and collection of assessments.

Professional Fees - These are the costs of contracting with professionals to provide services specific to the levy administration, county administration fee, and county per parcel fee. Professional levy administration includes preparation of the Report, resolutions, and levy submittal to the County. These fees can also include any additional administrative, legal, or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing. County administration fee 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. County per parcel fee is the cost to the District for the County to collect assessments on the property tax bills. This charge is based on a per assessment basis, and is in addition to the County Administration Fee.

Miscellaneous - This item includes, but is not limited to, funds collected for the Reserve Fund, the Capital Improvement Fund, or any additional administrative costs such as printing or reproductions.



Reserve Fund - The Reserve Fund reflects funds being added or deleted from the Reserve Account for the current Fiscal Year. The Reserve Account provides for collection by the District of funds to operate the District from the time period of 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 Account reduces the need for the City to transfer funds from non-district accounts to pay for District charges during the first seven (7) months of the Fiscal Year.

Capital Improvement Fund - This provides for the collection of monies that are set aside for improvement upgrades and/or renovation not included in the annual direct costs. Money collected in this fund must be spent within a five-year period.

City Contribution - Any funds added to the District or Zone account by the City from the City's General Fund Account.

Other Revenue Sources - Additional funds designated for use by the District that are not District assessments. These funds are added to the District account and may be from either non-District or District sources.

Balance to Levy - This is the total amount to be levied to the parcels within the District for the current Fiscal Year. The Balance to Levy represents the sum of the Total Direct and Administration Costs, plus any revenue adjustments resulting from the Reserve Fund, Beginning Balance, City Contributions, Other Revenue Sources, or Capital Improvement Fund. This dollar amount represents the total funds to be collected from the parcels through assessments on the property tax bills.

Total Equivalent Benefit Unit (EBU) - The Equivalent Benefit Unit (EBU) is a numeric value calculated for each parcel based on the parcel's land use and size. The EBU shown in the District Budgets represent the sum total of all individual parcel EBUs that receive benefit from the improvements for that Zone. Please refer to Section III for a more detailed explanation of the Method of Apportionment.

Maximum Levy per EBU - This is the rate per EBU approved by property owners in FY 1997/1998 adjusted for inflation as described in the Method of Apportionment.

B. PERSONNEL OVERHEAD

Personnel overhead costs are set forth in the following table. The Finance Department's administrative costs have been budgeted at \$42,064 for Fiscal Year 2015/2016. These costs include, but are not limited to, time spent by Finance Personnel on budgets, payment of bills, and working with consultants to ensure the levy is placed on County tax rolls. Total Public Works costs for Fiscal Year 2015/2016 have been budgeted at \$160,886. These costs include, but are



not limited to, time spent by Public Works Personnel on everyday inspections of landscaping, replacement of light bulbs and broken sprinklers, electrical maintenance, and monitoring of landscaping workers to make sure grass is maintained and weeds are clear.

TABLE I – 2015/2016 PERSONNEL OVERHEAD

	Hours Spent	Loaded Hourly Rate ⁽¹⁾	Total Cost Allocation
FINANCE			
Payables Tech	125	\$61.34	\$7,668
Accountant	144	65.02	9,363
Senior Accountant	140	82.79	11,591
Finance Director	103	130.51	13,442
Total Finance	512		\$42,064
PUBLIC WORKS			
Landscape Specialist	1,480	\$67.41	\$99,767
Maintenance Worker 11	800	46.86	37,488
Superintendent	120	95.59	11,471
Public Works Admin Asst	90	47.19	4,247
Public Works Director	72	109.91	7,913
Total Public Works	2,562		\$160,886
Grand Total	3,074		\$202,950

⁽¹⁾ Loaded Hourly Rate includes benefits and salary.



C. DISTRICT BUDGETS

TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A1 (1)	A2 (1)	A3 (2)
	EL DORADO	MONTECITO/ STARDUST	CASA DORADO
DIRECT COSTS			
Contracted Maintenance Costs	\$17,200	\$8,400	\$21,300
Landscape Flowers & Lighting Materials	0	1,500	0
Utilities - Landscape Water & Electric	8,000	4,000	0
Direct Subtotal	\$25,200	\$13,900	\$21,300
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	2,000	320	700
Admin. Subtotal	\$13,938	\$12,258	\$12,638
Total Direct and Admin. Costs	\$39,138	\$26,158	\$33,938
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	(4,900)	\$0	\$0
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	0	(2,130)
City of Indian Wells Contribution and Subsidy Subtotal	(\$16,838)	(\$11,938)	(\$14,068)
Remaining Balance to Levy	\$22,300	\$14,220	\$19,870
DISTRICT STATISTICS			
Total Parcels	378	59	123
Total Parcels Levied	372	56	116
Total Equivalent Benefit Unit (EBU)	361.92	53.20	116.00
FY 2016/16 Levy Rate per EBU (projected)	\$61.62	\$267.29	\$171.29
Maximum Levy per EBU Allowed	\$177.99	\$374.44	\$171.93
FY 2014/15 Applied Levy Rate per EBU	\$69.42	\$256.64	\$166.26
Maximum Allowable Assessment	\$64,418	\$19,920	\$18,944
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	\$86,290	\$3,942	N/A
Reserve Fund Collection/(Deduction)	(4,900)	0	N/A
Ending Reserve Fund Balance 6/30/2015	\$81,390	\$3,942	\$0
Minimum 50% operating reserve Balance	\$18,569	\$13,079	\$16,969

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A6B (2)	A8 (2)	A11A (2)
	THE COVE	INDIAN WELLS GOLF RESORT	HWY 111/ CLUB DRIVE
DIRECT COSTS			
Contracted Maintenance Costs	\$17,600	\$98,550	\$15,300
Landscape Flowers & Lighting Materials	0	2,500	500
Utilities - Landscape Water & Electric	0	40,000	2,000
Direct Subtotal	\$17,600	\$141,050	\$17,800
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,480	\$2,474
Public Works Personnel Overhead	9,464	9,462	9,464
Professional Fees	400	1,000	100
Admin. Subtotal	\$12,338	\$12,942	\$12,038
Total Direct and Admin. Costs	\$29,938	\$163,992	\$29,838
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0	\$0	(3,375)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,942)	(11,938)
Annual City Operating Contribution	(1,760)	(14,105)	(1,780)
City of Indian Wells Contribution and Subsidy Subtotal	(\$13,698)	(\$26,047)	(\$17,093)
Remaining Balance to Levy	\$16,240	\$127,945	\$12,745
DISTRICT STATISTICS			
Total Parcels	64	16	11
Total Parcels Levied	64	14	9
Total Equivalent Benefit Unit (EBU)	61.90	438.90	160.86
FY 2015/16 Levy Rate per EBU (projected)	\$262.36	\$291.51	\$79.23
Maximum Levy per EBU Allowed	\$266.51	\$512.91	\$248.53
FY 2014/15 Applied Levy Rate per EBU	\$253.64	\$285.50	\$76.78
Maximum Allowable Assessment	\$16,497	\$225,116	\$39,979
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	\$289,804	\$51,260
Reserve Fund Collection/(Deduction)	N/A	0	(3,375)
Ending Reserve Fund Balance 6/30/2015	\$0	\$289,804	\$47,885
Minimum 50% operating reserve Balance	\$14,969	\$76,996	\$14,919

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A11C (1)	C (2)	D (2)
	CLUB DRIVE	THE COLONY	COLONY COVE ESTATES
DIRECT COSTS			
Contracted Maintenance Costs	\$3,450	\$41,250	\$7,650
Landscape Flowers & Lighting Materials	0	0	500
Utilities - Landscape Water & Electric	5,000	11,500	2,000
Direct Subtotal	\$8,450	\$52,750	\$10,150
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	100	350	100
Admin. Subtotal	\$12,038	\$12,288	\$12,038
Total Direct and Admin. Costs	\$20,488	\$65,038	\$22,188
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	(1,500)	(\$1,000)	(\$1,250)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	(5,275)	(1,015)
City of Indian Wells Contribution and Subsidy Subtotal	(\$13,438)	(\$18,213)	(\$14,203)
Remaining Balance to Levy	\$7,050	\$46,825	\$7,986
DISTRICT STATISTICS			
Total Parcels	8	64	13
Total Parcels Levied	6	64	11
Total Equivalent Benefit Unit (EBU)	54.96	64.00	11.00
FY 2015/16 Levy Rate per EBU (projected)	\$128.28	\$731.64	\$726.91
Maximum Levy per EBU Allowed	\$161.28	\$3,077.64	\$8,847.97
FY 2014/15 Applied Levy Rate per EBU	\$122.82	\$360.94	\$697.74
Maximum Allowable Assessment	\$8,864	\$196,969	\$97,328
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	\$10,815	\$31,843	\$55,118
Reserve Fund Collection/(Deduction)	(1,500)	(1,000)	(1,250)
Ending Reserve Fund Balance 6/30/2015	\$9,315	\$30,843	\$53,868
Minimum 60% operating reserve Balance	\$10,244	\$32,519	\$11,094

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	E (2)	A19 (1)	A20
	DESERT HORIZONS	MOUNTAIN GATE	MOUNTAIN GATE ESTATE
DIRECT COSTS			
Contracted Maintenance Costs	\$325,000	\$25,900	\$8,550
Landscape Flowers & Lighting Materials	0	2,000	1,000
Utilities - Landscape Water & Electric	0	6,000	2,500
Direct Subtotal	\$325,000	\$33,900	\$12,050
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	2,700	300	100
Admin. Subtotal	\$14,638	\$12,238	\$12,038
Total Direct and Admin. Costs	\$339,638	\$46,138	\$24,088
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution		(\$1,500)	(\$1,350)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	(32,500)	0	(1,205)
City of Indian Wells Contribution and Subsidy Subtotal	(\$44,438)	(\$13,438)	(\$14,493)
Remaining Balance to Levy	\$295,200	\$32,700	\$9,595
DISTRICT STATISTICS			
Total Parcels	535	51	18
Total Parcels Levied	521	50	14
Total Equivalent Benefit Unit (EBU)	631.53	50.00	14.00
FY 2015/16 Levy Rate per EBU (projected)	\$467.44	\$654.00	\$685.36
Maximum Levy per EBU Allowed	\$585.84	\$954.61	\$928.61
FY 2014/16 Applied Levy Rate per EBU	\$454.92	\$636.00	\$663.58
Maximum Allowable Assessment	\$369,976	\$47,731	\$13,001
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	\$74,623	\$36,536
Reserve Fund Collection/(Deduction)	N/A	(1,500)	(1,350)
Ending Reserve Fund Balance 8/30/2015	\$0	\$73,123	\$35,186
Minimum 50% operating reserve Balance	\$162,919	\$23,068	\$12,044

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A21 (1)	A22 (1)	A23 (1)
	VILLAGIO	VAIDYA	MONTELENA
DIRECT COSTS			
Contracted Maintenance Costs	\$69,500	\$2,650	\$46,200
Landscape Flowers & Lighting Materials	5,000	0	900
Utilities - Landscape Water & Electric	16,000	950	13,250
Direct Subtotal	\$90,500	\$3,600	\$60,350
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	550	100	400
Admin. Subtotal	\$12,488	\$12,038	\$12,338
Total Direct and Admin. Costs	\$102,988	\$15,638	\$72,688
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0	\$0	(\$1,000)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	0	0
City of Indian Wells Contribution and Subsidy Subtotal	(\$11,938)	(\$11,938)	(\$12,938)
Remaining Balance to Levy	\$91,050	\$3,700	\$59,750
DISTRICT STATISTICS			
Total Parcels	104	18	79
Total Parcels Levied	94	13	72
Total Equivalent Benefit Unit (EBU)	94.00	13.00	72.00
FY 2015/16 Levy Rate per EBU (projected)	\$968.62	\$284.62	\$829.86
Maximum Levy per EBU Allowed	\$1,953.89	\$734.57	\$1,049.46
FY 2014/15 Applied Levy Rate per EBU	\$963.30	\$278.08	\$790.28
Maximum Allowable Assessment	\$183,666	\$9,649	\$75,561
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2014 (estimated)	\$213,613	\$29,931	\$16,711
Reserve Fund Collection/(Deduction)	0	0	(1,000)
Ending Reserve Fund Balance 6/30/2015	\$213,613	\$29,931	\$15,711
Minimum 50% operating reserve Balance	\$51,494	\$7,819	\$36,344

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.

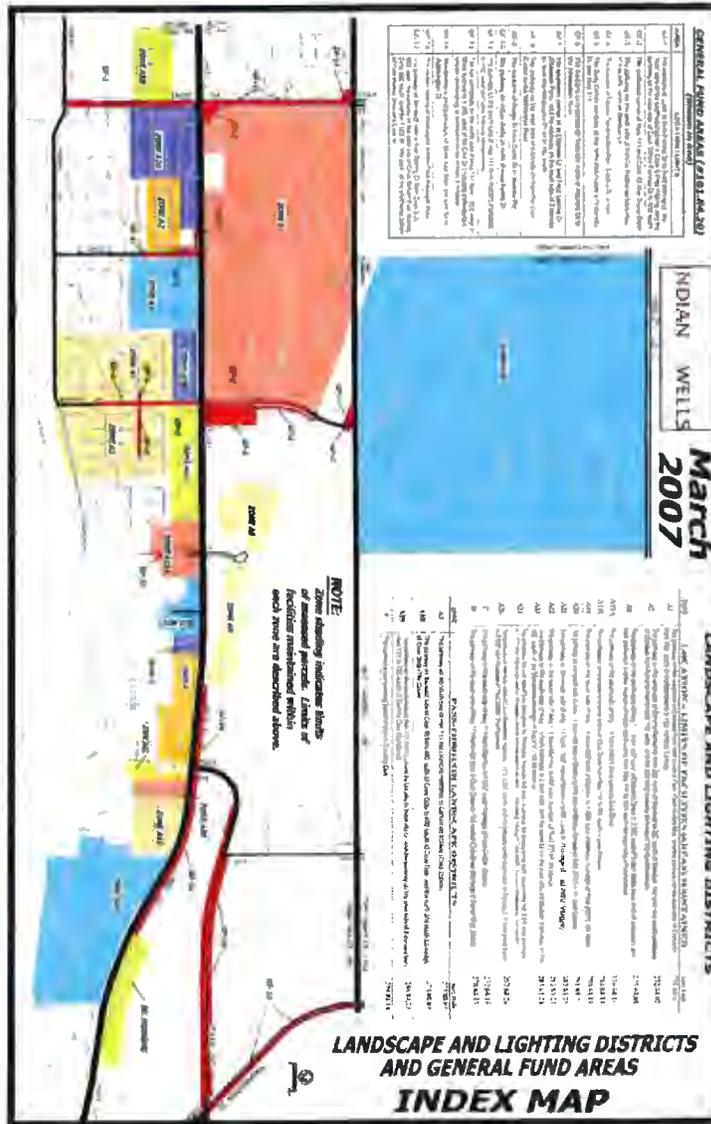


TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A25	A26	TOTAL
	SUNDANCE	PROVINCE	
DIRECT COSTS			
Contracted Maintenance Costs	\$40,577	\$159,500	\$908,677
Landscape Flowers & Lighting Materials	2,500	0	16,400
Utilities - Landscape Water & Electric	0	0	111,200
Direct Subtotal	\$43,077	\$159,500	\$1,036,177
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$42,064
Public Works Personnel Overhead	9,464	9,464	160,886
Professional Fees	250	650	10,120
Admin. Subtotal	\$12,188	\$12,588	\$213,070
Total Direct and Admin. Costs	\$55,265	\$172,088	\$1,249,247
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0		(\$15,875)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(202,950)
Annual City Operating Contribution	0	0	(69,770)
City of Indian Wells Contribution and Subsidy Subtotal	(\$11,938)	(\$11,938)	(\$278,595)
Remaining Balance to Levy	\$43,327	\$160,150	\$970,652
DISTRICT STATISTICS			
Total Parcels	48	151	1,744
Total Parcels Levied	45	133	1,654
Total Equivalent Benefit Unit (EBU)	45.00	133.00	2,375.27
FY 2015/16 Levy Rate per EBU (projected)	\$962.82	\$1,204.14	
Maximum Levy per EBU Allowed	\$1,131.40	\$1,205.91	
FY 2014/15 Applied Levy Rate per EBU	\$945.12	\$1,204.14	
Maximum Allowable Assessment	\$50,913	\$160,386	\$1,599,816.31
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	N/A	\$900,486
Reserve Fund Collection/(Deduction)	N/A	N/A	(15,875)
Ending Reserve Fund Balance 6/30/2015	\$0	\$0	\$884,611
Minimum 50% operating reserve Balance	\$27,632	\$86,044	\$624,623

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.

APPENDIX A – DISTRICT ASSESSMENT DIAGRAM





APPENDIX B – 2015/2016 COLLECTION ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land; public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas. These parcels will not be assessed.

A listing of parcels within the District and Zones, along with the proposed assessment amounts, have been submitted to the City Clerk, and by reference, are made part of this Report.

Upon approval of the Engineer's Annual Levy Report, and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in Fiscal Year 2015/2016. If the parcels or assessment numbers within the District and referenced in this Report, are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and levy amount approved in this Report by the City Council.

RESOLUTION BILL NO. 2015-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ANNUAL LEVY REPORT SETTING FORTH LANDSCAPE AND LIGHTING DISTRICT NO. 91-1 FOR FISCAL YEAR 2015-16 AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS RELATED THERETO

WHEREAS, the City Council of the City of Indian Wells, California (the "City Council") has by previous resolutions ordered the preparation of the Engineer's Annual Levy Report (the "Report") for said district known and designated as:

Indian Wells Landscape and Lighting District No. 91-1

(the "District") pursuant to the provisions of *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (the "Act"); and

WHEREAS, the Indian Wells Landscape and Lighting District No. 91-1 contains the following Zones: A23 Montelena; and

WHEREAS, there has now been presented to this City Council the Report as required by *Chapter 3, Section 22623* of said Act and as previously directed by resolution; and

WHEREAS, the proposed District assessments to be levied for Fiscal Year 2013-14, do not exceed the amount approved by the property owners and adopted by the City Council and are therefore in compliance with the provisions of California Constitution Article and XIID; and

WHEREAS, this City Council has examined and reviewed the Report as presented (or amended) and is satisfied with each and all of the items and documents as set forth therein and is satisfied that the levy has been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed as set forth in said Report; and

WHEREAS, the City Council has by previous resolutions initiated proceedings, approved the Report that describes the assessments against parcels of land within the District, and declared its intention to levy assessments for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 pursuant to the provisions of the Act to pay the costs and expenses of operating, maintaining and servicing landscaping, lighting and appurtenant facilities located within the District and its Zones; and

WHEREAS, Willdan Financial (the "Engineer") selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the Council,

the Report in connection with the proposed levy and collection of assessments upon eligible parcels of land within District, and the City Council has approved such Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 to pay the costs and expenses of operating, maintaining and servicing landscaping, lighting and appurtenant facilities located within public places in the City; and

WHEREAS, the City and its legal counsel have found that these assessments comply with applicable provisions of Section XIIIID of the California State Constitution.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the Report as presented or amended is hereby **APPROVED** and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the report and any amendments directed by the City Council and final approval of the Report as presented or amended.

SECTION 4. Following notice duly given, the City Council has held a full and fair Public Hearing regarding the District, the levy and collection of assessments, the Report prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

SECTION 5. Based upon its review (and amendments, as applicable) of the Report, a copy of which has been presented to the City Council and which has been ordered to be filed with the City Clerk, the City Council hereby **FINDS** and **DETERMINES** that:

- i) the land within the District will receive special benefit by the operation, maintenance and servicing of improvements located in public places within the boundaries of the District; and
- ii) the District includes all of the lands so benefited; and

iii) the net amount to be assessed upon the lands within the District in accordance with the fee for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated benefits to be received by each parcel from the improvements and services.

SECTION 6. The City Council hereby **ORDERS** the proposed improvements to be made, which improvements are briefly describes as follows: The maintenance, servicing, and operation of the landscape improvements that include planting materials such as turf, ground cover, trees and shrubs, automatic sprinkler systems, lighting and drainage systems, and all appurtenant materials for the ordinary and usual maintenance, operation, and servicing of the landscaping, lighting, and appurtenant facilities, including repair, providing for the life, growth, health, and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating for disease or injury; and the removal of trimmings, rubbish, debris, and other solid waste. Servicing means the furnishing of water for the irrigation of the landscaping and electricity for both the landscaping and lighting and the maintenance of any of the appurtenant facilities.

SECTION 7. The County Auditor of the County of Riverside shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy so apportioned by the formula and method outlined in the Report, and such levies shall be collected at the same time and in the same manner as the County taxes are collected pursuant to *Chapter 4, Article 2, Section 22646* of the Act. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

SECTION 8. The City Treasurer shall deposit all money representing assessments collected by the pCounty for the District to the credit of a fund known as "City of Indian Wells Landscape and Lighting District No. 91-1," and such money shall be expended only for the maintenance, operation and servicing of the landscaping, lighting and appurtenant facilities as described in Section 6.

SECTION 9. The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016.

SECTION 10. The City Clerk or the designate of the City Council is hereby **AUTHORIZED** and **DIRECTED** to file the levy with the County Auditor upon adoption of this Resolution pursuant to *Chapter 4, Article 1, Section 22641* of the Act.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL NO. 2015-28

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 21st day of May 2015, by the following vote:

AYES:
NOES:

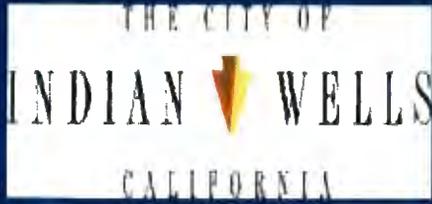
ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

EXHIBIT "A"



City of Indian Wells

**Landscape and Lighting District
No. 91-1**

2015/2016 ENGINEER'S REPORT

**Intent Meeting: May 7, 2015
Public Hearing: May 21, 2015**

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ENGINEER'S REPORT AFFIDAVIT

Indian Wells Landscaping and Lighting District No. 91-1

City of Indian Wells
Riverside County, State of California

This Report describes the District and all relevant zones therein including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2015/2016, 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 _____, 2015.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Indian Wells

By: _____
Susana Medina, Project Manager
District Administration Services

By: _____
Richard Kopecky
R. C. E. # 16742

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I. OVERVIEW

A. INTRODUCTION

The City of Indian Wells (City), annually levies and collects special assessments in order to provide and maintain the improvements within the Indian Wells Landscape and Lighting District No. 91-1 (District). The District was formed in 1991 through the consolidation of several individual landscape and lighting maintenance districts within the City. The District includes the original districts as separate benefit zones and sub-zones (Zones). In Fiscal Year 1997/1998, the District assessments were presented to the property owners and approved through a protest ballot proceeding in compliance with the provisions of Proposition 218. The District assessments described in this report are prepared and levied annually pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the Act) and Article XIIIID of the California Constitution which was enacted with the passage of Proposition 218 in November 1996.

The Engineer's Report (Report) describes the District; any changes to the District, and the proposed assessments for Fiscal Year 2015/2016. The assessments are based on the City's estimate of revenues and expenses to maintain the improvements that provide direct and special benefits to properties within the District and Zones. The improvements within the District and the corresponding costs and the annual levy are budgeted and assessed for each separate Zone, including all expenditures, deficits, surpluses, revenues, and reserves.

For the purposes of this Report, the word "parcel" refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

Following consideration of all public comments and written protests at a noticed public hearing, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council may order the levy and collection of assessments for Fiscal Year 2015/2016 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller and included on the property tax roll for each benefiting parcel in Fiscal Year 2015/2016.



B. HISTORICAL BACKGROUND AND LEGISLATION

Pursuant to the Act, the City Council annually conducts a public hearing to accept property owner and public comments and testimony, to review the Report and approve the annual assessments to be levied on the County tax roll for that fiscal year. All assessments approved by the City Council have been prepared in accordance with the Act and are in full compliance with the provisions of the California Constitution Article XIID.

In Fiscal Year 1997/1998 the improvements provided by the District, the costs associated with those improvements and the properties benefiting from those improvements, were closely reviewed and evaluated. Specific modifications were made to the District in response to the substantive and procedural requirements of Article XIID. The existing zones were reviewed for compliance and all applicable assessments were confirmed through property owner ballots. Changes to the District included:

- Revision of the assessment methodology in some zones.
- Boundary modifications were made to Zone A1 to more accurately reflect the benefit received.
- Zones A6-Sandpiper; A9-Chateau Estates; A11B-The Plaza At Club Drive; and A12-Painted Cove were eliminated. The improvements in these zones were considered non-public improvements and could no longer be assessed.
- Zone A11C-Club Drive was established to apportion the benefit for the maintenance of the eligible improvements along Club Drive south of Highway 111.

The assessments and method of apportionment described in this Report utilize commonly accepted assessment engineering practices and have been established pursuant to the Act and the provisions of the Article XIID. All new or increased assessments will be subject to the substantive and procedural requirements of Article XIID Section 4. Property owner ballot proceedings are not required if the proposed assessments are less than or equal to the maximum assessment rate previously approved for each of the various Zones within the District.

II. DESCRIPTION OF THE DISTRICT

A. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.



The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. IMPROVEMENTS WITHIN THE DISTRICT

The facilities and improvements which have been constructed within the District and which will be maintained and serviced using assessments generally include:

Landscaping and Appurtenant Facilities, including, but not limited to, landscaping, planting, shrubbery, trees, irrigation systems, hardscape fixtures, sidewalk maintenance resulting from landscape growth, and appurtenant facilities in public rights-of-way, parkways and dedicated easements within the boundaries of said District.

Lighting and Appurtenant Facilities, including, but not limited to, poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices, and appurtenant facilities as required to provide lighting in public rights-of-way, parkways, and dedicated easements within the boundaries of said District.

In Zones A3, A5B, E, A25 and A26 the improvements are serviced and maintained by the Home Owners Associations (HOA) acting as Agents of the City. The funds collected for the maintenance and servicing of the improvements in these Zones are passed-through to the respective Agent that contracts for the actual maintenance. The Funds received from the County less the administration costs are passed through immediately to the HOA for Zones A3, A5B, E, A25 and A26 and thus there is no need to hold a reserve fund. In all other Zones within the District, the City utilizes the services of landscape maintenance contractors for all regularly scheduled maintenance. The costs associated with all improvements in each Zone are collected through annual assessments from each parcel receiving special benefits. The funds collected for each Zone are dispersed and used for only the services and operation provided to that Zone.

C. DISTRICT ZONE BOUNDARIES AND SPECIFIC AREAS OF IMPROVEMENT

- Zone A1** **El Dorado** – Zone A1 consists of those parcels in Tracts 10262 and 10863 that front El Dorado Drive between Highway 111 and Fairway Drive. These parcels receive special benefits from the landscaped medians along El Dorado Drive. Parcels that use El Dorado Drive as the main access way to their properties are included in this Zone.
- Zone A2** **Montecito/Stardust** – Zone A2 contains all parcels within the Montecito/Stardust development (Rancho Palmeras Estates Unit No. 3). This zone consists of residential properties on Montecito Drive and Stardust Lane west of Rancho Palmeras Drive. The parcels receive special benefits from improvements within the parkway along Rancho Palmeras Drive, adjacent to the development, and the landscaped entryway to the development, on Stardust Lane and Montecito Drive.
- Zone A3** **Casa Dorado** – Zone A3 consists of all the parcels in Tracts 2752, 3097, and 4853 that are at the southeast corner of Highway 111 and Rancho Palmeras Drive. These parcels are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. These parcels receive special benefits from improvements along the frontage on the south side of Highway 111, from Rancho Palmeras Drive to the project's eastern boundary, a distance of approximately 1,300 feet.
- Zone A5B** **Cook Street/The Cove** – Zone A5B is the development known as "The Cove", and all parcels within the Zone are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance of the entrance to the Cove on Cook Street. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. Parcels in the Cove receive direct and special benefits from these improvements.
- Zone A8** **Entrance to Indian Wells Golf Resort** -- Zone A8 consists of three parcels south of the Coachella Valley Stormwater Channel along Highway 111 and east of El Dorado Drive. These three parcels are the Hyatt Grand Champions of Indian Wells, the Renaissance Esmeralda Hotel, and the parcel owned by the City of Indian Wells. These parcels receive



special benefit from the landscaping along the north side of Highway 111, west of Eldorado Drive, to the east side of the Renaissance Esmeralda Hotel. The parcels also receive special benefits from the improvements on Indian Wells Lane leading to the Hyatt Grand Champion and Renaissance Esmeralda Hotel.

Zone A11A Highway 111 South, at Club Drive – Zone A11A contains parcels located immediately south of Highway 111 near Indian Wells Lane and Club Drive including but not limited to the Miramonte Resort, the Indian Wells Country Club, and the Indian Wells Resort Hotel. These parcels receive special benefits from the parkway landscaping improvements on the south side of Highway 111 between Indian Wells Lane and Club Drive.

Zone A11C Club Drive – Zone A11C consists of all parcels along Club Drive between Highway 111 and Sandpiper. These parcels are part of Zone A11A, but receive additional special benefits from landscaped parkways along Club Drive not associated with other parcels in Zone A11A.

Zone C The Colony – Zone C lies generally south of Highway 111 and west of Manitou Drive and includes all parcels within Tract 24625, commonly known as "The Colony". These parcels receive special benefits from landscaped parkways along Highway 111 adjacent to the development.

Zone D Parcel Map 26494 – Zone D lies generally south of Highway 111 and east of Club Drive and includes all parcels within Tract 26494. These parcels receive special benefits from landscaped parkways along Highway 111 adjacent to the development.

Zone E Desert Horizons – Zone E lies generally north of Highway 111; west of El Dorado Drive; east of Cook Street; and south of Fred Waring Drive (44th Street) and the Whitewater River Channel. This Zone includes only parcels within the Desert Horizons Country Club gated community. These parcels are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. Parcels within the Zone receive special benefits from improvements within the easements and public rights-of-way that surround the perimeter of the gated community. The improvements



include the parkways along Highway 111, El Dorado Drive, Cook Street, Fred Waring Drive, and Whitewater River Channel.

- Zone A19 Mountain Gate** – Zone A19 is generally located south of Highway 111 and east of Manitou Drive and includes all parcels within Tract 26595 known as the Mountain Gate Development. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A20 Mountain Gate Estates** – Zone A20 lies generally south of Highway 111 and east of Manitou Drive and includes all parcels within Tract 27747-1 known as the Mountain Gate Development. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A21 Villagio** – Zone A21 lies generally south of Highway 111 and west of Mountain Gate Drive and includes all parcels within Tract 29502 known as the Villagio. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A22 Vaidya** – Zone A22 lies generally on the south side of Highway 111 and east of Manitou Drive and includes parcels within Tract 27747 known as Vaidya. Parcels within this Zone receive special benefits from landscaped improvements associated with the development.
- Zone A23 Montelena** – Zone A23 lies generally on the southeast corner of Highway 111 and El Dorado Drive. Parcels within this Zone receive special benefits from landscaped improvements and includes parcels within Tract 31200 known as Montelena associated with the development. The landscaping improvements for this District include the entry to the Montelena tract on east side of El Dorado Drive and along the south side of Highway 111.
- Zone A25 Tract 27104** – Zone A25 lies generally on the south of Highway 111, west of El Dorado Drive, east of Camino de Dorado and includes parcels within Tract 27104. Parcels within this Zone receive special benefits from landscaped



improvements associated with the development. The landscaping improvements for this District include the entry to the Sundance tract on west side of El Dorado Drive and along the south side of Highway 111.

Zone A26 Province – Zone A26 lies generally on the southeast corner of Cook Street and Highway 111. Parcels within this Zone receive special benefits from landscaped improvements such as landscaping, ornamental structures and appurtenant structures and includes parcels within Tract 32880 known as Province associated with the development.

III. METHOD OF APPORTIONMENT

A. PROPOSITION 218 BENEFIT ANALYSIS

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

This District was formed to establish and provide for the improvements that enhance the presentation of the surrounding properties and developments.



These improvements will directly benefit the parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used to construct and install landscape and lighting improvements within the existing District as well as provide for the annual maintenance of those improvements, and the assessment revenues generated by District will be used solely for such purposes.

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as an essential component and local amenity that provides a direct reflection and extension of the properties within the District which the property owners and residents have expressed a high level of support.

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the landscape and lighting improvements within the District, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either "general benefit" (not assessed) or "special benefit".

B. DISTRICT BENEFIT

The costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Improvements maintained by the District that are considered to provide general benefit (in whole and in part), are funded by the City and not included in the annual assessments. Property owners are assessed for special benefits only.

Each parcel within the District receives special benefits from the improvements due to the close proximity of the landscaping, masonry wall, and lighting improvements to each parcel. The improvements provide added beautification and aesthetic value to each developed property and property owner and an enhanced quality of life within the subdivision. In areas along Highway 111, where the property has not been developed, the City pays for parkway maintenance out of the general fund. As development occurs, it is anticipated



that the City will continue to require perimeter landscape maintenance along Highway 111 to be maintained by the individual developments.

The major arterials are the entryways into the City and provide beautification to the entire City. The City enjoys a reputation for beauty, and the parkway landscape improvements along major arterials enhance that reputation and provide an amount of benefit to all parcels in the City. This amount of benefit is estimated at 10% of the total benefit, and the City will contribute 10% of the landscaping costs to specified zones (A3, A5B, A8, A11A, C, D, E, and A20) that contain improvements along Highway 111.

C. METHODOLOGY

Pursuant to the Act and the provisions of Article XIID, the costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Improvements maintained by the District that are considered to provide general benefit (in whole and in part), are funded by the City and not included in the annual assessments. Property owners are assessed for special benefits only.

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A summary of EBU rates for all Zones except **A19-A26** is shown in the table below:

EQUIVALENT BENEFIT UNIT (EBU) FORMULA		
Land Use	BUF	Parcel EBU
Single Family Res. (SFR)	1.00	1 EBU/Unit
Vacant SFR Lot	0.30	0.30 EBU/Unit
Non-Residential	6.00	6.0 EBU/Acre
Vacant	1.80	1.80 EBU/Acre
Golf Courses	0.90	0.90 EBU/Acre

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{BUF Factor} \times (\text{Acres or Units}) = \text{Parcel EBU}$$

i.e. For Land Use Vacant – (3.70 acres x 1.80 BUF = 6.66 Parcel EBU)

For Zones **A19-A26**, each parcel is assigned 1 EBU regardless of development status.

The total number of Equivalent Benefit Units (EBUs) is the sum of all individual EBUs applied to the parcels within each zone that receives special benefit from the improvements. A levy per EBU (Levy Rate) for the zone is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs of all parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBUs} = \text{Levy Rate per EBU}$$

$$\text{Levy Rate per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

D. DEFINITIONS

Single Family Residential (SFR). Parcels zoned for single-family residential uses are assessed 1 EBU per benefit unit. Parcels designated as SFR land-use will be assessed 1 EBU per benefit unit.

Non-Residential. In converting non-residential properties to EBUs, the factor used is a typical standard single-family residential lot area within the City of Indian Wells and the number of lots that could be subdivided into an acre of land. All properties that are developed for non-residential uses are therefore assigned 6 EBUs per acre and include commercial, industrial, church, school, and other non-residential uses except golf courses.

Vacant. Conceptually, vacant properties within the district which have development potential receive special benefits from the improvements due to the increase in desirability of the parcels; usually, the special benefits are seen as being less than that of a developed parcel and often the value of the land is compared to the total value of a developed parcel to achieve a benefit ratio. Therefore, vacant property will be assessed 30% of a developed property.

Vacant Single Family Residential Lots. Parcels that are individual subdivided vacant residential lots are assessed at 30% of the developed single-family residential lot and are assigned 0.3 EBUs per parcel. This reduction in EBUs is based upon the reduced special benefits received by undeveloped parcels until such time as they are developed. In Zones **A19-A26** vacant single family residential lots are assigned 1 EBU.

Vacant Non-Subdivided Parcels. Vacant parcels that are not subdivided are assigned EBUs on the basis of parcel size. The parcels will be assessed at the rate of 30% of the developed equivalency. Therefore, vacant non-subdivided property is assessed $6 \times 30\% = 1.8$ EBU per acre.

Recreational/Golf Course Property. Recreational/golf course property closely resembles vacant property in that it has large land areas comprised of mostly park-like open space and only a few buildings, if any. However, because golf courses do not have the development potential that vacant land has and the value of the property is less, golf course property receives less special benefits than vacant property. Therefore, recreational/golf course property is assessed at 50% of a vacant property, or $1.8 \times 50\% = 0.90$ EBU per acre.

Public Property. Public property, which is developed and used for residential or business purposes will be assessed the same as private property with the same use. Vacant public property will be assessed as vacant private property.

Exempt. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, and parkways. Also exempted from assessment would be utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels, and small parcels vacated by the City as these parcels have little or no value and therefore do not benefit from the improvements.

E. INFLATION FACTOR

For All Zones Except for Zones A19 – A23 and A26 – By approval of the City Council, the maximum assessment rate that may be levied for each EBU may be increased in each year by the greater of the change in the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Area from February to February or three percent (3.0%). Such



assessment adjustments shall not be considered an increased in assessment. A proposed assessment that exceeds the adjusted maximum assessment rate will require property owner balloting approval before the increase may be imposed.

For fiscal year 2015/2016 the change in February CPI for the Los Angeles-Riverside-Orange County Area is 0.10 % therefore the maximum assessment rate will be adjusted by 3.00%.

For Zones A19 – A23 and A26 by approval of the City Council, the maximum assessment rate levied that may be levied for each EBU may be increased in each year (beginning with Fiscal Year 2000/2001 for A19, Fiscal Year 2001/2002 for A20 and A21, Fiscal Year 2004/2005 for A22 and A23, and Fiscal Year 2007/2009 for A26) by the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Area. The Engineer shall compute the percentage difference between the CPI for February of each year and the CPI for the previous February, and shall then adjust the existing assessment amount not to exceed such percentage for the following fiscal year. Such assessment adjustments shall not be considered an increased in assessment. A proposed assessment that exceeds the adjusted maximum assessment rate will require property owner balloting approval before the increase may be imposed.

For fiscal year 2015/2016, the maximum assessment rate for Zones A19-A23 and A26 will be adjusted by the Los Angeles-Riverside-Orange County Area February change in CPI of 0.10%.

IV. DISTRICT BUDGETS

A. DESCRIPTION OF BUDGET ITEMS

The following section describes the services and costs that are funded through the District, and shown in the District Budgets.

Maintenance Costs - Includes all contracted labor, material and equipment required to properly maintain the improvements within the District and Zones. The improvements include: street lighting; fencing; planting materials; hardscape; irrigation, lighting, and drainage systems; tree trimming; sidewalks; graffiti removal; entry monuments and ornamental structures; water features; and associated appurtenant facilities within the District. In Zones A3, A5B, E, A25, and A26 the improvements are serviced and maintained by an association or property manager acting as an Agent of the City. In all other Zones the City utilizes the services of landscape maintenance contractors for all regularly scheduled maintenance. All improvements within the District will be maintained and serviced on a regular basis.



Landscape and Lighting Materials - This includes all materials necessary during the landscape maintenance procedures, e.g., pipe, shrubs, fertilizer, etc. as well as to maintain and ensure the proper operating condition of all lighting including electricity.

Landscape Water and Electric - The furnishing of water and electricity required for the operation and maintenance of the landscaped areas and facilities.

Capital Replacement Costs/Renovation - This may include repairs that are unforeseen and not normally included in the yearly maintenance cost. Repairs may include replacement or refurbishing of damaged amenities due to vandalism, storms, die off, and frost. Planned upgrades of the improvements that provide a direct benefit to the district/zone could also be included in capital replacement/renovation costs. Examples of upgrades include planned replacement of plant materials and/or renovation of irrigation or lighting systems that are necessary or requested by property owners.

Special District Services - These may be contingency funds for additional costs beyond those normally budgeted, such as use of specialized equipment or pest control. These funds may also be for services requested by the property owners that are outside the normal maintenance services provided by the District. These costs and services may be for a specific group of parcels within a given Zone and not applied to all parcels within the Zone or District. These costs will be apportioned to only those parcels that receive benefit from the special service.

Personnel/Overhead - The cost to all particular departments and staff of the City for providing the coordination of District services, operations and maintenance of the improvements, response to public concerns and education, and procedures associated with the levy and collection of assessments.

Professional Fees - These are the costs of contracting with professionals to provide services specific to the levy administration, county administration fee, and county per parcel fee. Professional levy administration includes preparation of the Report, resolutions, and levy submittal to the County. These fees can also include any additional administrative, legal, or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing. County administration fee 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. County per parcel fee is the cost to the District for the County to collect assessments on the property tax bills. This charge is based on a per assessment basis, and is in addition to the County Administration Fee.

Miscellaneous - This item includes, but is not limited to, funds collected for the Reserve Fund, the Capital Improvement Fund, or any additional administrative costs such as printing or reproductions.



Reserve Fund - The Reserve Fund reflects funds being added or deleted from the Reserve Account for the current Fiscal Year. The Reserve Account provides for collection by the District of funds to operate the District from the time period of 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 Account reduces the need for the City to transfer funds from non-district accounts to pay for District charges during the first seven (7) months of the Fiscal Year.

Capital Improvement Fund - This provides for the collection of monies that are set aside for improvement upgrades and/or renovation not included in the annual direct costs. Money collected in this fund must be spent within a five-year period.

City Contribution - Any funds added to the District or Zone account by the City from the City's General Fund Account.

Other Revenue Sources - Additional funds designated for use by the District that are not District assessments. These funds are added to the District account and may be from either non-District or District sources.

Balance to Levy - This is the total amount to be levied to the parcels within the District for the current Fiscal Year. The Balance to Levy represents the sum of the Total Direct and Administration Costs, plus any revenue adjustments resulting from the Reserve Fund, Beginning Balance, City Contributions, Other Revenue Sources, or Capital Improvement Fund. This dollar amount represents the total funds to be collected from the parcels through assessments on the property tax bills.

Total Equivalent Benefit Unit (EBU) - The Equivalent Benefit Unit (EBU) is a numeric value calculated for each parcel based on the parcel's land use and size. The EBU shown in the District Budgets represent the sum total of all individual parcel EBUs that receive benefit from the improvements for that Zone. Please refer to Section III for a more detailed explanation of the Method of Apportionment.

Maximum Levy per EBU - This is the rate per EBU approved by property owners in FY 1997/1998 adjusted for inflation as described in the Method of Apportionment.

B. PERSONNEL OVERHEAD

Personnel overhead costs are set forth in the following table. The Finance Department's administrative costs have been budgeted at \$42,064 for Fiscal Year 2015/2016. These costs include, but are not limited to, time spent by Finance Personnel on budgets, payment of bills, and working with consultants to ensure the levy is placed on County tax rolls. Total Public Works costs for Fiscal Year 2015/2016 have been budgeted at \$160,886. These costs include, but are



not limited to, time spent by Public Works Personnel on everyday inspections of landscaping, replacement of light bulbs and broken sprinklers, electrical maintenance, and monitoring of landscaping workers to make sure grass is maintained and weeds are clear.

TABLE I – 2015/2016 PERSONNEL OVERHEAD

	Hours Spent	Loaded Hourly Rate ⁽¹⁾	Total Cost Allocation
FINANCE			
Payables Tech	125	\$61.34	\$7,668
Accountant	144	65.02	9,363
Senior Accountant	140	82.79	11,591
Finance Director	103	130.51	13,442
Total Finance	512		\$42,064
PUBLIC WORKS			
Landscape Specialist	1,480	\$67.41	\$99,767
Maintenance Worker 11	800	46.86	37,488
Superintendent	120	95.59	11,471
Public Works Admin Asst	90	47.19	4,247
Public Works Director	72	109.91	7,913
Total Public Works	2,562		\$160,886
Grand Total	3,074		\$202,950

⁽¹⁾ Loaded Hourly Rate includes benefits and salary.



C. DISTRICT BUDGETS

TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A1 (1)	A2 (1)	A3 (2)
	EL DORADO	MONTECITO/ STARDUST	CASA DORADO
DIRECT COSTS			
Contracted Maintenance Costs	\$17,200	\$8,400	\$21,300
Landscape Flowers & Lighting Materials	0	1,500	0
Utilities - Landscape Water & Electric	8,000	4,000	0
Direct Subtotal	\$25,200	\$13,900	\$21,300
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	2,000	320	700
Admin. Subtotal	\$13,938	\$12,258	\$12,638
Total Direct and Admin. Costs	\$39,138	\$26,158	\$33,938
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	(4,900)	\$0	\$0
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	0	(2,130)
City of Indian Wells Contribution and Subsidy Subtotal	(\$16,838)	(\$11,938)	(\$14,068)
Remaining Balance to Levy	\$22,300	\$14,220	\$19,870
DISTRICT STATISTICS			
Total Parcels	378	59	123
Total Parcels Levied	372	56	116
Total Equivalent Benefit Unit (EBU)	361.92	53.20	116.00
FY 2015/16 Levy Rate per EBU (projected)	\$61.62	\$267.29	\$171.29
Maximum Levy per EBU Allowed	\$177.99	\$374.44	\$171.93
FY 2014/15 Applied Levy Rate per EBU	\$59.42	\$255.64	\$166.26
Maximum Allowable Assessment	\$64,418	\$18,920	\$19,944
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	\$86,290	\$3,942	N/A
Reserve Fund Collection/(Deduction)	(4,900)	0	N/A
Ending Reserve Fund Balance 6/30/2015	\$81,390	\$3,942	\$0
Minimum 60% operating reserve Balance	\$19,569	\$13,079	\$16,969

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A6B (2)	A8 (2)	A11A (2)
	THE COVE	INDIAN WELLS GOLF RESORT	HWY 111/ CLUB DRIVE
DIRECT COSTS			
Contracted Maintenance Costs	\$17,600	\$98,550	\$15,300
Landscape Flowers & Lighting Materials	0	2,500	500
Utilities - Landscape Water & Electric	0	40,000	2,000
Direct Subtotal	\$17,600	\$141,050	\$17,800
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,480	\$2,474
Public Works Personnel Overhead	9,464	9,462	9,464
Professional Fees	400	1,000	100
Admin. Subtotal	\$12,338	\$12,942	\$12,038
Total Direct and Admin. Costs	\$29,938	\$153,992	\$29,838
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0	\$0	(3,375)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,942)	(11,938)
Annual City Operating Contribution	(1,760)	(14,105)	(1,780)
City of Indian Wells Contribution and Subsidy Subtotal	(\$13,698)	(\$26,047)	(\$17,093)
Remaining Balance to Levy	\$16,240	\$127,945	\$12,745
DISTRICT STATISTICS			
Total Parcels	64	16	11
Total Parcels Levied	64	14	9
Total Equivalent Benefit Unit (EBU)	61.90	438.90	160.86
FY 2016/16 Levy Rate per EBU (projected)	\$262.36	\$291.51	\$79.23
Maximum Levy per EBU Allowed	\$266.51	\$512.91	\$248.53
FY 2014/15 Applied Levy Rate per EBU	\$253.64	\$285.50	\$76.78
Maximum Allowable Assessment	\$16,497	\$225,116	\$39,979
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	\$289,804	\$51,260
Reserve Fund Collection/(Deduction)	N/A	0	(3,375)
Ending Reserve Fund Balance 6/30/2015	\$0	\$289,804	\$47,885
Minimum 50% operating reserve Balance	\$14,969	\$76,996	\$14,919

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A11C (1)	C (2)	D (2)
	CLUB DRIVE	THE COLONY	COLONY COVE ESTATES
DIRECT COSTS			
Contracted Maintenance Costs	\$3,450	\$41,250	\$7,650
Landscape Flowers & Lighting Materials	0	0	500
Utilities - Landscape Water & Electric	5,000	11,500	2,000
Direct Subtotal	\$8,450	\$52,750	\$10,150
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	100	350	100
Admin. Subtotal	\$12,038	\$12,288	\$12,038
Total Direct and Admin. Costs	\$20,488	\$65,038	\$22,188
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	(1,500)	(\$1,000)	(\$1,250)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	(5,275)	(1,015)
City of Indian Wells Contribution and Subsidy Subtotal	(\$13,438)	(\$18,213)	(\$14,203)
Remaining Balance to Levy	\$7,050	\$46,825	\$7,985
DISTRICT STATISTICS			
Total Parcels	8	64	13
Total Parcels Levied	6	64	11
Total Equivalent Benefit Unit (EBU)	54.96	64.00	11.00
FY 2015/16 Levy Rate per EBU (projected)	\$128.28	\$731.64	\$725.91
Maximum Levy per EBU Allowed	\$161.28	\$3,077.64	\$8,847.97
FY 2014/15 Applied Levy Rate per EBU	\$122.82	\$360.94	\$697.74
Maximum Allowable Assessment	\$8,864	\$196,968	\$97,328
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	\$10,815	\$31,843	\$55,118
Reserve Fund Collection/(Deduction)	(1,500)	(1,000)	(1,250)
Ending Reserve Fund Balance 6/30/2015	\$9,315	\$30,843	\$53,868
Minimum 50% operating reserve Balance	\$10,244	\$32,518	\$11,094

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	E (2)	A19 (1)	A20
	DESERT HORIZONS	MOUNTAIN GATE	MOUNTAIN GATE ESTATE
DIRECT COSTS			
Contracted Maintenance Costs	\$325,000	\$25,900	\$8,550
Landscape Flowers & Lighting Materials	0	2,000	1,000
Utilities - Landscape Water & Electric	0	6,000	2,500
Direct Subtotal	\$325,000	\$33,900	\$12,050
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	2,700	300	100
Admin. Subtotal	\$14,638	\$12,238	\$12,038
Total Direct and Admin. Costs	\$339,638	\$46,138	\$24,088
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution		(\$1,500)	(\$1,350)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	(32,500)	0	(1,205)
City of Indian Wells Contribution and Subsidy Subtotal	(\$44,438)	(\$13,438)	(\$14,493)
Remaining Balance to Levy	\$295,200	\$32,700	\$9,595
DISTRICT STATISTICS			
Total Parcels	535	51	18
Total Parcels Levied	521	50	14
Total Equivalent Benefit Unit (EBU)	631.53	50.00	14.00
FY 2015/16 Levy Rate per EBU (projected)	\$467.44	\$654.00	\$685.36
Maximum Levy per EBU Allowed	\$585.84	\$954.61	\$928.61
FY 2014/15 Applied Levy Rate per EBU	\$454.92	\$636.00	\$663.58
Maximum Allowable Assessment	\$369,976	\$47,731	\$13,001
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	\$74,623	\$36,536
Reserve Fund Collection/(Deduction)	N/A	(1,500)	(1,350)
Ending Reserve Fund Balance 6/30/2015	\$0	\$73,123	\$35,186
Minimum 50% operating reserve Balance	\$162,819	\$23,069	\$12,044

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A21 (1)	A22 (1)	A23 (1)
	VILLAGIO	VAIDYA	MONTELENA
DIRECT COSTS			
Contracted Maintenance Costs	\$69,500	\$2,650	\$46,200
Landscape Flowers & Lighting Materials	5,000	0	900
Utilities - Landscape Water & Electric	16,000	950	13,250
Direct Subtotal	\$90,500	\$3,600	\$60,350
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	550	100	400
Admin. Subtotal	\$12,488	\$12,038	\$12,338
Total Direct and Admin. Costs	\$102,988	\$15,638	\$72,688
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0	\$0	(\$1,000)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	0	0
City of Indian Wells Contribution and Subsidy Subtotal	(\$11,938)	(\$11,938)	(\$12,938)
Remaining Balance to Levy	\$91,050	\$3,700	\$59,750
DISTRICT STATISTICS			
Total Parcels	104	18	79
Total Parcels Levied	94	13	72
Total Equivalent Benefit Unit (EBU)	94.00	13.00	72.00
FY 2015/16 Levy Rate per EBU (projected)	\$968.62	\$284.62	\$829.86
Maximum Levy per EBU Allowed	\$1,963.89	\$734.57	\$1,049.46
FY 2014/15 Applied Levy Rate per EBU	\$963.30	\$278.08	\$790.28
Maximum Allowable Assessment	\$183,666	\$9,549	\$75,561
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2014 (estimated)	\$213,613	\$29,931	\$16,711
Reserve Fund Collection/(Deduction)	0	0	(1,000)
Ending Reserve Fund Balance 6/30/2015	\$213,613	\$29,931	\$15,711
Minimum 50% operating reserve Balance	\$51,494	\$7,819	\$36,344

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A25	A26	TOTAL
	SUNDANCE	PROVINCE	
DIRECT COSTS			
Contracted Maintenance Costs	\$40,577	\$159,500	\$908,577
Landscape Flowers & Lighting Materials	2,500	0	16,400
Utilities - Landscape Water & Electric	0	0	111,200
Direct Subtotal	\$43,077	\$159,500	\$1,036,177
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$42,064
Public Works Personnel Overhead	9,464	9,464	160,886
Professional Fees	250	650	10,120
Admin. Subtotal	\$12,188	\$12,588	\$213,070
Total Direct and Admin. Costs	\$55,265	\$172,088	\$1,249,247
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0		(\$15,875)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(202,950)
Annual City Operating Contribution	0	0	(59,770)
City of Indian Wells Contribution and Subsidy Subtotal	(\$11,938)	(\$11,938)	(\$278,595)
Remaining Balance to Levy	\$43,327	\$160,150	\$970,652
DISTRICT STATISTICS			
Total Parcels	48	151	1,744
Total Parcels Levied	45	133	1,654
Total Equivalent Benefit Unit (EBU)	45.00	133.00	2,375.27
FY 2015/16 Levy Rate per EBU (projected)	\$962.82	\$1,204.14	
Maximum Levy per EBU Allowed	\$1,131.40	\$1,205.91	
FY 2014/15 Applied Levy Rate per EBU	\$945.12	\$1,204.14	
Maximum Allowable Assessment	\$50,913	\$160,386	\$1,599,816.31
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	N/A	\$900,486
Reserve Fund Collection/(Deduction)	N/A	N/A	(15,875)
Ending Reserve Fund Balance 6/30/2015	\$0	\$0	\$884,611
Minimum 50% operating reserve Balance	\$27,632	\$86,044	\$624,623

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.

APPENDIX A – DISTRICT ASSESSMENT DIAGRAM



APPENDIX B – 2015/2016 COLLECTION ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land; public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas. These parcels will not be assessed.

A listing of parcels within the District and Zones, along with the proposed assessment amounts, have been submitted to the City Clerk, and by reference, are made part of this Report.

Upon approval of the Engineer's Annual Levy Report, and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in Fiscal Year 2015/2016. If the parcels or assessment numbers within the District and referenced in this Report, are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and levy amount approved in this Report by the City Council.

RESOLUTION BILL NO. 2015-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, AMENDING AND/OR APPROVING THE FINAL ANNUAL LEVY REPORT SETTING FORTH LANDSCAPE AND LIGHTING DISTRICT NO. 91-1 FOR FISCAL YEAR 2015-16 AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS RELATED THERETO

WHEREAS, the City Council of the City of Indian Wells, California (the "City Council") has by previous resolutions ordered the preparation of the Engineer's Annual Levy Report (the "Report") for said district known and designated as:

Indian Wells Landscape and Lighting District No. 91-1

(the "District") pursuant to the provisions of *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (the "Act"); and

WHEREAS, the Indian Wells Landscape and Lighting District No. 91-1 contains the following Zones: A1 Eldorado; and

WHEREAS, there has now been presented to this City Council the Report as required by *Chapter 3, Section 22623* of said Act and as previously directed by resolution; and

WHEREAS, the proposed District assessments to be levied for Fiscal Year 2013-14, do not exceed the amount approved by the property owners and adopted by the City Council and are therefore in compliance with the provisions of California Constitution Article and XIID; and

WHEREAS, this City Council has examined and reviewed the Report as presented (or amended) and is satisfied with each and all of the items and documents as set forth therein and is satisfied that the levy has been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed as set forth in said Report; and

WHEREAS, the City Council has by previous resolutions initiated proceedings, approved the Report that describes the assessments against parcels of land within the District, and declared its intention to levy assessments for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 pursuant to the provisions of the Act to pay the costs and expenses of operating, maintaining and servicing landscaping, lighting and appurtenant facilities located within the District and its Zones; and

WHEREAS, Willdan Financial (the "Engineer") selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the Council,

the Report in connection with the proposed levy and collection of assessments upon eligible parcels of land within District, and the City Council has approved such Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 to pay the costs and expenses of operating, maintaining and servicing landscaping, lighting and appurtenant facilities located within public places in the City; and

WHEREAS, the City and its legal counsel have found that these assessments comply with applicable provisions of Section XIIID of the California State Constitution.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the Report as presented or amended is hereby **APPROVED** and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the report and any amendments directed by the City Council and final approval of the Report as presented or amended.

SECTION 4. Following notice duly given, the City Council has held a full and fair Public Hearing regarding the District, the levy and collection of assessments, the Report prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

SECTION 5. Based upon its review (and amendments, as applicable) of the Report, a copy of which has been presented to the City Council and which has been ordered to be filed with the City Clerk, the City Council hereby **FINDS** and **DETERMINES** that:

- i) the land within the District will receive special benefit by the operation, maintenance and servicing of improvements located in public places within the boundaries of the District; and
- ii) the District includes all of the lands so benefited; and

iii) the net amount to be assessed upon the lands within the District in accordance with the fee for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated benefits to be received by each parcel from the improvements and services.

SECTION 6. The City Council hereby **ORDERS** the proposed improvements to be made, which improvements are briefly describes as follows: The maintenance, servicing, and operation of the landscape improvements that include planting materials such as turf, ground cover, trees and shrubs, automatic sprinkler systems, lighting and drainage systems, and all appurtenant materials for the ordinary and usual maintenance, operation, and servicing of the landscaping, lighting, and appurtenant facilities, including repair, providing for the life, growth, health, and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating for disease or injury; and the removal of trimmings, rubbish, debris, and other solid waste. Servicing means the furnishing of water for the irrigation of the landscaping and electricity for both the landscaping and lighting and the maintenance of any of the appurtenant facilities.

SECTION 7. The County Auditor of the County of Riverside shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy so apportioned by the formula and method outlined in the Report, and such levies shall be collected at the same time and in the same manner as the County taxes are collected pursuant to *Chapter 4, Article 2, Section 22646* of the Act. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

SECTION 8. The City Treasurer shall deposit all money representing assessments collected by the pCounty for the District to the credit of a fund known as "City of Indian Wells Landscape and Lighting District No. 91-1," and such money shall be expended only for the maintenance, operation and servicing of the landscaping, lighting and appurtenant facilities as described in Section 6.

SECTION 9. The adoption of this Resolution constitutes the District levy for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016.

SECTION 10. The City Clerk or the designate of the City Council is hereby **AUTHORIZED** and **DIRECTED** to file the levy with the County Auditor upon adoption of this Resolution pursuant to *Chapter 4, Article 1, Section 22641* of the Act.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL NO. 2015-29

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 21st day of May 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

EXHIBIT "A"



City of Indian Wells

**Landscape and Lighting District
No. 91-1**

2015/2016 ENGINEER'S REPORT

**Intent Meeting: May 7, 2015
Public Hearing: May 21, 2015**

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ENGINEER'S REPORT AFFIDAVIT

Indian Wells Landscaping and Lighting District No. 91-1

City of Indian Wells
Riverside County, State of California

This Report describes the District and all relevant zones therein including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2015/2016, 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 _____, 2015.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Indian Wells

By: _____
Susana Medina, Project Manager
District Administration Services

By: _____
Richard Kopecky
R. C. E. # 16742

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I. OVERVIEW

A. INTRODUCTION

The City of Indian Wells (City), annually levies and collects special assessments in order to provide and maintain the improvements within the Indian Wells Landscape and Lighting District No. 91-1 (District). The District was formed in 1991 through the consolidation of several individual landscape and lighting maintenance districts within the City. The District includes the original districts as separate benefit zones and sub-zones (Zones). In Fiscal Year 1997/1998, the District assessments were presented to the property owners and approved through a protest ballot proceeding in compliance with the provisions of Proposition 218. The District assessments described in this report are prepared and levied annually pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the Act) and Article XIIIID of the California Constitution which was enacted with the passage of Proposition 218 in November 1996.

The Engineer's Report (Report) describes the District; any changes to the District, and the proposed assessments for Fiscal Year 2015/2016. The assessments are based on the City's estimate of revenues and expenses to maintain the improvements that provide direct and special benefits to properties within the District and Zones. The improvements within the District and the corresponding costs and the annual levy are budgeted and assessed for each separate Zone, including all expenditures, deficits, surpluses, revenues, and reserves.

For the purposes of this Report, the word "parcel" refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

Following consideration of all public comments and written protests at a noticed public hearing, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council may order the levy and collection of assessments for Fiscal Year 2015/2016 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller and included on the property tax roll for each benefiting parcel in Fiscal Year 2015/2016.

B. HISTORICAL BACKGROUND AND LEGISLATION

Pursuant to the Act, the City Council annually conducts a public hearing to accept property owner and public comments and testimony, to review the Report and approve the annual assessments to be levied on the County tax roll for that fiscal year. All assessments approved by the City Council have been prepared in accordance with the Act and are in full compliance with the provisions of the California Constitution Article XIID.

In Fiscal Year 1997/1998 the improvements provided by the District, the costs associated with those improvements and the properties benefiting from those improvements, were closely reviewed and evaluated. Specific modifications were made to the District in response to the substantive and procedural requirements of Article XIID. The existing zones were reviewed for compliance and all applicable assessments were confirmed through property owner ballots. Changes to the District included:

- Revision of the assessment methodology in some zones.
- Boundary modifications were made to Zone A1 to more accurately reflect the benefit received.
- Zones A6-Sandpiper; A9-Chateau Estates; A11B-The Plaza At Club Drive; and A12-Painted Cove were eliminated. The improvements in these zones were considered non-public improvements and could no longer be assessed.
- Zone A11C-Club Drive was established to apportion the benefit for the maintenance of the eligible improvements along Club Drive south of Highway 111.

The assessments and method of apportionment described in this Report utilize commonly accepted assessment engineering practices and have been established pursuant to the Act and the provisions of the Article XIID. All new or increased assessments will be subject to the substantive and procedural requirements of Article XIID Section 4. Property owner ballot proceedings are not required if the proposed assessments are less than or equal to the maximum assessment rate previously approved for each of the various Zones within the District.

II. DESCRIPTION OF THE DISTRICT

A. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.



The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. IMPROVEMENTS WITHIN THE DISTRICT

The facilities and improvements which have been constructed within the District and which will be maintained and serviced using assessments generally include:

Landscaping and Appurtenant Facilities, including, but not limited to, landscaping, planting, shrubbery, trees, irrigation systems, hardscape fixtures, sidewalk maintenance resulting from landscape growth, and appurtenant facilities in public rights-of-way, parkways and dedicated easements within the boundaries of said District.

Lighting and Appurtenant Facilities, including, but not limited to, poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices, and appurtenant facilities as required to provide lighting in public rights-of-way, parkways, and dedicated easements within the boundaries of said District.

In Zones A3, A5B, E, A25 and A26 the improvements are serviced and maintained by the Home Owners Associations (HOA) acting as Agents of the City. The funds collected for the maintenance and servicing of the improvements in these Zones are passed-through to the respective Agent that contracts for the actual maintenance. The Funds received from the County less the administration costs are passed through immediately to the HOA for Zones A3, A5B, E, A25 and A26 and thus there is no need to hold a reserve fund. In all other Zones within the District, the City utilizes the services of landscape maintenance contractors for all regularly scheduled maintenance. The costs associated with all improvements in each Zone are collected through annual assessments from each parcel receiving special benefits. The funds collected for each Zone are dispersed and used for only the services and operation provided to that Zone.

C. DISTRICT ZONE BOUNDARIES AND SPECIFIC AREAS OF IMPROVEMENT

- Zone A1** **El Dorado** – Zone A1 consists of those parcels in Tracts 10262 and 10863 that front El Dorado Drive between Highway 111 and Fairway Drive. These parcels receive special benefits from the landscaped medians along El Dorado Drive. Parcels that use El Dorado Drive as the main access way to their properties are included in this Zone.
- Zone A2** **Montecito/Stardust** – Zone A2 contains all parcels within the Montecito/Stardust development (Rancho Palmeras Estates Unit No. 3). This zone consists of residential properties on Montecito Drive and Stardust Lane west of Rancho Palmeras Drive. The parcels receive special benefits from improvements within the parkway along Rancho Palmeras Drive, adjacent to the development, and the landscaped entryway to the development, on Stardust Lane and Montecito Drive.
- Zone A3** **Casa Dorado** – Zone A3 consists of all the parcels in Tracts 2752, 3097, and 4853 that are at the southeast corner of Highway 111 and Rancho Palmeras Drive. These parcels are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. These parcels receive special benefits from improvements along the frontage on the south side of Highway 111, from Rancho Palmeras Drive to the project's eastern boundary, a distance of approximately 1,300 feet.
- Zone A5B** **Cook Street/The Cove** – Zone A5B is the development known as "The Cove", and all parcels within the Zone are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance of the entrance to the Cove on Cook Street. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. Parcels in the Cove receive direct and special benefits from these improvements.
- Zone A8** **Entrance to Indian Wells Golf Resort** -- Zone A8 consists of three parcels south of the Coachella Valley Stormwater Channel along Highway 111 and east of El Dorado Drive. These three parcels are the Hyatt Grand Champions of Indian Wells, the Renaissance Esmeralda Hotel, and the parcel owned by the City of Indian Wells. These parcels receive



special benefit from the landscaping along the north side of Highway 111, west of Eldorado Drive, to the east side of the Renaissance Esmeralda Hotel. The parcels also receive special benefits from the improvements on Indian Wells Lane leading to the Hyatt Grand Champion and Renaissance Esmeralda Hotel.

- Zone A11A Highway 111 South, at Club Drive** – Zone A11A contains parcels located immediately south of Highway 111 near Indian Wells Lane and Club Drive including but not limited to the Miramonte Resort, the Indian Wells Country Club, and the Indian Wells Resort Hotel. These parcels receive special benefits from the parkway landscaping improvements on the south side of Highway 111 between Indian Wells Lane and Club Drive.

- Zone A11C Club Drive** – Zone A11C consists of all parcels along Club Drive between Highway 111 and Sandpiper. These parcels are part of Zone A11A, but receive additional special benefits from landscaped parkways along Club Drive not associated with other parcels in Zone A11A.

- Zone C The Colony** – Zone C lies generally south of Highway 111 and west of Manitou Drive and includes all parcels within Tract 24625, commonly known as "The Colony". These parcels receive special benefits from landscaped parkways along Highway 111 adjacent to the development.

- Zone D Parcel Map 26494** – Zone D lies generally south of Highway 111 and east of Club Drive and includes all parcels within Tract 26494. These parcels receive special benefits from landscaped parkways along Highway 111 adjacent to the development.

- Zone E Desert Horizons** – Zone E lies generally north of Highway 111; west of El Dorado Drive; east of Cook Street; and south of Fred Waring Drive (44th Street) and the Whitewater River Channel. This Zone includes only parcels within the Desert Horizons Country Club gated community. These parcels are part of a homeowners association (HOA). The HOA, acting as an Agent of the City, contracts for landscape maintenance. The District collects assessments from parcels within the Zone to reimburse the HOA for the contracted maintenance. Parcels within the Zone receive special benefits from improvements within the easements and public rights-of-way that surround the perimeter of the gated community. The improvements



include the parkways along Highway 111, El Dorado Drive, Cook Street, Fred Waring Drive, and Whitewater River Channel.

- Zone A19 Mountain Gate** – Zone A19 is generally located south of Highway 111 and east of Manitou Drive and includes all parcels within Tract 26595 known as the Mountain Gate Development. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A20 Mountain Gate Estates** – Zone A20 lies generally south of Highway 111 and east of Manitou Drive and includes all parcels within Tract 27747-1 known as the Mountain Gate Development. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A21 Villagio** – Zone A21 lies generally south of Highway 111 and west of Mountain Gate Drive and includes all parcels within Tract 29502 known as the Villagio. Parcels within this Zone receive special benefits from landscaped improvements associated with the development located in the parkway on the south side of Highway 111 adjacent to the development.
- Zone A22 Vaidya** – Zone A22 lies generally on the south side of Highway 111 and east of Manitou Drive and includes parcels within Tract 27747 known as Vaidya. Parcels within this Zone receive special benefits from landscaped improvements associated with the development.
- Zone A23 Montelena** – Zone A23 lies generally on the southeast corner of Highway 111 and El Dorado Drive. Parcels within this Zone receive special benefits from landscaped improvements and includes parcels within Tract 31200 known as Montelena associated with the development. The landscaping improvements for this District include the entry to the Montelena tract on east side of El Dorado Drive and along the south side of Highway 111.
- Zone A25 Tract 27104** – Zone A25 lies generally on the south of Highway 111, west of El Dorado Drive, east of Camino de Dorado and includes parcels within Tract 27104. Parcels within this Zone receive special benefits from landscaped



improvements associated with the development. The landscaping improvements for this District include the entry to the Sundance tract on west side of El Dorado Drive and along the south side of Highway 111.

Zone A26 Province – Zone A26 lies generally on the southeast corner of Cook Street and Highway 111. Parcels within this Zone receive special benefits from landscaped improvements such as landscaping, ornamental structures and appurtenant structures and includes parcels within Tract 32880 known as Province associated with the development.

III. METHOD OF APPORTIONMENT

A. PROPOSITION 218 BENEFIT ANALYSIS

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

This District was formed to establish and provide for the improvements that enhance the presentation of the surrounding properties and developments.



These improvements will directly benefit the parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used to construct and install landscape and lighting improvements within the existing District as well as provide for the annual maintenance of those improvements, and the assessment revenues generated by District will be used solely for such purposes.

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as an essential component and local amenity that provides a direct reflection and extension of the properties within the District which the property owners and residents have expressed a high level of support.

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the landscape and lighting improvements within the District, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either "general benefit" (not assessed) or "special benefit".

B. DISTRICT BENEFIT

The costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Improvements maintained by the District that are considered to provide general benefit (in whole and in part), are funded by the City and not included in the annual assessments. Property owners are assessed for special benefits only.

Each parcel within the District receives special benefits from the improvements due to the close proximity of the landscaping, masonry wall, and lighting improvements to each parcel. The improvements provide added beautification and aesthetic value to each developed property and property owner and an enhanced quality of life within the subdivision. In areas along Highway 111, where the property has not been developed, the City pays for parkway maintenance out of the general fund. As development occurs, it is anticipated



that the City will continue to require perimeter landscape maintenance along Highway 111 to be maintained by the individual developments.

The major arterials are the entryways into the City and provide beautification to the entire City. The City enjoys a reputation for beauty, and the parkway landscape improvements along major arterials enhance that reputation and provide an amount of benefit to all parcels in the City. This amount of benefit is estimated at 10% of the total benefit, and the City will contribute 10% of the landscaping costs to specified zones (A3, A5B, A8, A11A, C, D, E, and A20) that contain improvements along Highway 111.

C. METHODOLOGY

Pursuant to the Act and the provisions of Article XIID, the costs of the District are apportioned by a formula or method, which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each such parcel from the improvements. Improvements maintained by the District that are considered to provide general benefit (in whole and in part), are funded by the City and not included in the annual assessments. Property owners are assessed for special benefits only.

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A summary of EBU rates for all Zones except **A19-A26** is shown in the table below:

EQUIVALENT BENEFIT UNIT (EBU) FORMULA		
Land Use	BUF	Parcel EBU
Single Family Res. (SFR)	1.00	1 EBU/Unit
Vacant SFR Lot	0.30	0.30 EBU/Unit
Non-Residential	6.00	6.0 EBU/Acre
Vacant	1.80	1.80 EBU/Acre
Golf Courses	0.90	0.90 EBU/Acre

The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{BUF Factor} \times (\text{Acres or Units}) = \text{Parcel EBU}$$

i.e. For Land Use Vacant – (3.70 acres x 1.80 BUF = 6.66 Parcel EBU)

For Zones **A19-A26**, each parcel is assigned 1 EBU regardless of development status.

The total number of Equivalent Benefit Units (EBUs) is the sum of all individual EBUs applied to the parcels within each zone that receives special benefit from the improvements. A levy per EBU (Levy Rate) for the zone is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs of all parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBUs} = \text{Levy Rate per EBU}$$

$$\text{Levy Rate per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

D. DEFINITIONS

Single Family Residential (SFR). Parcels zoned for single-family residential uses are assessed 1 EBU per benefit unit. Parcels designated as SFR land-use will be assessed 1 EBU per benefit unit.

Non-Residential. In converting non-residential properties to EBUs, the factor used is a typical standard single-family residential lot area within the City of Indian Wells and the number of lots that could be subdivided into an acre of land. All properties that are developed for non-residential uses are therefore assigned 6 EBUs per acre and include commercial, industrial, church, school, and other non-residential uses except golf courses.



Vacant. Conceptually, vacant properties within the district which have development potential receive special benefits from the improvements due to the increase in desirability of the parcels; usually, the special benefits are seen as being less than that of a developed parcel and often the value of the land is compared to the total value of a developed parcel to achieve a benefit ratio. Therefore, vacant property will be assessed 30% of a developed property.

Vacant Single Family Residential Lots. Parcels that are individual subdivided vacant residential lots are assessed at 30% of the developed single-family residential lot and are assigned 0.3 EBUs per parcel. This reduction in EBUs is based upon the reduced special benefits received by undeveloped parcels until such time as they are developed. In Zones **A19-A26** vacant single family residential lots are assigned 1 EBU.

Vacant Non-Subdivided Parcels. Vacant parcels that are not subdivided are assigned EBUs on the basis of parcel size. The parcels will be assessed at the rate of 30% of the developed equivalency. Therefore, vacant non-subdivided property is assessed $6 \times 30\% = 1.8$ EBU per acre.

Recreational/Golf Course Property. Recreational/golf course property closely resembles vacant property in that it has large land areas comprised of mostly park-like open space and only a few buildings, if any. However, because golf courses do not have the development potential that vacant land has and the value of the property is less, golf course property receives less special benefits than vacant property. Therefore, recreational/golf course property is assessed at 50% of a vacant property, or $1.8 \times 50\% = 0.90$ EBU per acre.

Public Property. Public property, which is developed and used for residential or business purposes will be assessed the same as private property with the same use. Vacant public property will be assessed as vacant private property.

Exempt. Excepted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, and parkways. Also exempted from assessment would be utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels, and small parcels vacated by the City as these parcels have little or no value and therefore do not benefit from the improvements.

E. INFLATION FACTOR

For All Zones Except for Zones A19 – A23 and A26 – By approval of the City Council, the maximum assessment rate that may be levied for each EBU may be increased in each year by the greater of the change in the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Area from February to February or three percent (3.0%). Such



assessment adjustments shall not be considered an increased in assessment. A proposed assessment that exceeds the adjusted maximum assessment rate will require property owner balloting approval before the increase may be imposed.

For fiscal year 2015/2016 the change in February CPI for the Los Angeles-Riverside-Orange County Area is 0.10 % therefore the maximum assessment rate will be adjusted by 3.00%.

For Zones A19 – A23 and A26 by approval of the City Council, the maximum assessment rate levied that may be levied for each EBU may be increased in each year (beginning with Fiscal Year 2000/2001 for A19, Fiscal Year 2001/2002 for A20 and A21, Fiscal Year 2004/2005 for A22 and A23, and Fiscal Year 2007/2009 for A26) by the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Area. The Engineer shall compute the percentage difference between the CPI for February of each year and the CPI for the previous February, and shall then adjust the existing assessment amount not to exceed such percentage for the following fiscal year. Such assessment adjustments shall not be considered an increased in assessment. A proposed assessment that exceeds the adjusted maximum assessment rate will require property owner balloting approval before the increase may be imposed.

For fiscal year 2015/2016, the maximum assessment rate for Zones A19-A23 and A26 will be adjusted by the Los Angeles-Riverside-Orange County Area February change in CPI of 0.10%.

IV. DISTRICT BUDGETS

A. DESCRIPTION OF BUDGET ITEMS

The following section describes the services and costs that are funded through the District, and shown in the District Budgets.

Maintenance Costs - Includes all contracted labor, material and equipment required to properly maintain the improvements within the District and Zones. The improvements include: street lighting; fencing; planting materials; hardscape; irrigation, lighting, and drainage systems; tree trimming; sidewalks; graffiti removal; entry monuments and ornamental structures; water features; and associated appurtenant facilities within the District. In Zones A3, A5B, E, A25, and A26 the improvements are serviced and maintained by an association or property manager acting as an Agent of the City. In all other Zones the City utilizes the services of landscape maintenance contractors for all regularly scheduled maintenance. All improvements within the District will be maintained and serviced on a regular basis.



Landscape and Lighting Materials - This includes all materials necessary during the landscape maintenance procedures, e.g., pipe, shrubs, fertilizer, etc. as well as to maintain and ensure the proper operating condition of all lighting including electricity.

Landscape Water and Electric - The furnishing of water and electricity required for the operation and maintenance of the landscaped areas and facilities.

Capital Replacement Costs/Renovation - This may include repairs that are unforeseen and not normally included in the yearly maintenance cost. Repairs may include replacement or refurbishing of damaged amenities due to vandalism, storms, die off, and frost. Planned upgrades of the improvements that provide a direct benefit to the district/zone could also be included in capital replacement/renovation costs. Examples of upgrades include planned replacement of plant materials and/or renovation of irrigation or lighting systems that are necessary or requested by property owners.

Special District Services - These may be contingency funds for additional costs beyond those normally budgeted, such as use of specialized equipment or pest control. These funds may also be for services requested by the property owners that are outside the normal maintenance services provided by the District. These costs and services may be for a specific group of parcels within a given Zone and not applied to all parcels within the Zone or District. These costs will be apportioned to only those parcels that receive benefit from the special service.

Personnel/Overhead - The cost to all particular departments and staff of the City for providing the coordination of District services, operations and maintenance of the improvements, response to public concerns and education, and procedures associated with the levy and collection of assessments.

Professional Fees - These are the costs of contracting with professionals to provide services specific to the levy administration, county administration fee, and county per parcel fee. Professional levy administration includes preparation of the Report, resolutions, and levy submittal to the County. These fees can also include any additional administrative, legal, or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing. County administration fee 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. County per parcel fee is the cost to the District for the County to collect assessments on the property tax bills. This charge is based on a per assessment basis, and is in addition to the County Administration Fee.

Miscellaneous - This item includes, but is not limited to, funds collected for the Reserve Fund, the Capital Improvement Fund, or any additional administrative costs such as printing or reproductions.



Reserve Fund - The Reserve Fund reflects funds being added or deleted from the Reserve Account for the current Fiscal Year. The Reserve Account provides for collection by the District of funds to operate the District from the time period of 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 Account reduces the need for the City to transfer funds from non-district accounts to pay for District charges during the first seven (7) months of the Fiscal Year.

Capital Improvement Fund - This provides for the collection of monies that are set aside for improvement upgrades and/or renovation not included in the annual direct costs. Money collected in this fund must be spent within a five-year period.

City Contribution - Any funds added to the District or Zone account by the City from the City's General Fund Account.

Other Revenue Sources - Additional funds designated for use by the District that are not District assessments. These funds are added to the District account and may be from either non-District or District sources.

Balance to Levy - This is the total amount to be levied to the parcels within the District for the current Fiscal Year. The Balance to Levy represents the sum of the Total Direct and Administration Costs, plus any revenue adjustments resulting from the Reserve Fund, Beginning Balance, City Contributions, Other Revenue Sources, or Capital Improvement Fund. This dollar amount represents the total funds to be collected from the parcels through assessments on the property tax bills.

Total Equivalent Benefit Unit (EBU) - The Equivalent Benefit Unit (EBU) is a numeric value calculated for each parcel based on the parcel's land use and size. The EBU shown in the District Budgets represent the sum total of all individual parcel EBUs that receive benefit from the improvements for that Zone. Please refer to Section III for a more detailed explanation of the Method of Apportionment.

Maximum Levy per EBU - This is the rate per EBU approved by property owners in FY 1997/1998 adjusted for inflation as described in the Method of Apportionment.

B. PERSONNEL OVERHEAD

Personnel overhead costs are set forth in the following table. The Finance Department's administrative costs have been budgeted at \$42,064 for Fiscal Year 2015/2016. These costs include, but are not limited to, time spent by Finance Personnel on budgets, payment of bills, and working with consultants to ensure the levy is placed on County tax rolls. Total Public Works costs for Fiscal Year 2015/2016 have been budgeted at \$160,886. These costs include, but are



not limited to, time spent by Public Works Personnel on everyday inspections of landscaping, replacement of light bulbs and broken sprinklers, electrical maintenance, and monitoring of landscaping workers to make sure grass is maintained and weeds are clear.

TABLE I – 2015/2016 PERSONNEL OVERHEAD

	Hours Spent	Loaded Hourly Rate ⁽¹⁾	Total Cost Allocation
FINANCE			
Payables Tech	125	\$61.34	\$7,668
Accountant	144	65.02	9,363
Senior Accountant	140	82.79	11,591
Finance Director	103	130.51	13,442
Total Finance	512		\$42,064
PUBLIC WORKS			
Landscape Specialist	1,480	\$67.41	\$99,767
Maintenance Worker 11	800	46.86	37,488
Superintendent	120	95.59	11,471
Public Works Admin Asst	90	47.19	4,247
Public Works Director	72	109.91	7,913
Total Public Works	2,562		\$160,886
Grand Total	3,074		\$202,950

⁽¹⁾ Loaded Hourly Rate includes benefits and salary.



C. DISTRICT BUDGETS

TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A1 (1) EL DORADO	A2 (1) MONTECITO/ STARDUST	A3 (2) CASA DORADO
DIRECT COSTS			
Contracted Maintenance Costs	\$17,200	\$8,400	\$21,300
Landscape Flowers & Lighting Materials	0	1,500	0
Utilities - Landscape Water & Electric	8,000	4,000	0
Direct Subtotal	\$26,200	\$13,900	\$21,300
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	2,000	320	700
Admin. Subtotal	\$13,938	\$12,258	\$12,638
Total Direct and Admin. Costs	\$39,138	\$26,158	\$33,938
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	(4,900)	\$0	\$0
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	0	(2,130)
City of Indian Wells Contribution and Subsidy Subtotal	(\$16,838)	(\$11,938)	(\$14,068)
Remaining Balance to Levy	\$22,300	\$14,220	\$19,870
DISTRICT STATISTICS			
Total Parcels	378	59	123
Total Parcels Levied	372	56	116
Total Equivalent Benefit Unit (EBU)	361.92	53.20	116.00
FY 2015/16 Levy Rate per EBU (projected)	\$61.62	\$267.29	\$171.29
Maximum Levy per EBU Allowed	\$177.99	\$374.44	\$171.93
FY 2014/15 Applied Levy Rate per EBU	\$59.42	\$255.64	\$166.26
Maximum Allowable Assessment	\$64,418	\$19,920	\$19,944
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	\$86,290	\$3,942	N/A
Reserve Fund Collection/(Deduction)	(4,900)	0	N/A
Ending Reserve Fund Balance 6/30/2015	\$81,390	\$3,942	\$0
Minimum 50% operating reserve Balance	\$19,569	\$13,079	\$16,969

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A5B (2)	A8 (2)	A11A (2)
	THE COVE	INDIAN WELLS GOLF RESORT	HWY 111/ CLUB DRIVE
DIRECT COSTS			
Contracted Maintenance Costs	\$17,600	\$98,550	\$15,300
Landscape Flowers & Lighting Materials	0	2,500	500
Utilities - Landscape Water & Electric	0	40,000	2,000
Direct Subtotal	\$17,600	\$141,050	\$17,800
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,480	\$2,474
Public Works Personnel Overhead	9,464	9,462	9,464
Professional Fees	400	1,000	100
Admin. Subtotal	\$12,338	\$12,942	\$12,038
Total Direct and Admin. Costs	\$29,938	\$153,992	\$29,838
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0	\$0	(3,375)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,942)	(11,938)
Annual City Operating Contribution	(1,760)	(14,105)	(1,780)
City of Indian Wells Contribution and Subsidy Subtotal	(\$13,698)	(\$26,047)	(\$17,093)
Remaining Balance to Levy	\$16,240	\$127,945	\$12,745
DISTRICT STATISTICS			
Total Parcels	64	16	11
Total Parcels Levied	64	14	9
Total Equivalent Benefit Unit (EBU)	61.90	438.90	160.86
FY 2015/16 Levy Rate per EBU (projected)	\$262.36	\$291.51	\$79.23
Maximum Levy per EBU Allowed	\$266.51	\$512.91	\$248.53
FY 2014/15 Applied Levy Rate per EBU	\$253.64	\$285.50	\$76.78
Maximum Allowable Assessment	\$16,497	\$226,116	\$39,979
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	\$289,804	\$51,260
Reserve Fund Collection/(Deduction)	N/A	0	(3,375)
Ending Reserve Fund Balance 6/30/2015	\$0	\$289,804	\$47,885
Minimum 50% operating reserve Balance	\$14,969	\$76,996	\$14,919

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A11C (1)	C (2)	D (2)
	CLUB DRIVE	THE COLONY	COLONY COVE ESTATES
DIRECT COSTS			
Contracted Maintenance Costs	\$3,450	\$41,250	\$7,850
Landscape Flowers & Lighting Materials	0	0	500
Utilities - Landscape Water & Electric	5,000	11,500	2,000
Direct Subtotal	\$8,450	\$52,750	\$10,150
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	100	350	100
Admin. Subtotal	\$12,038	\$12,288	\$12,038
Total Direct and Admin. Costs	\$20,488	\$65,038	\$22,188
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	(1,500)	(\$1,000)	(\$1,250)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	(5,275)	(1,015)
City of Indian Wells Contribution and Subsidy Subtotal	(\$13,438)	(\$18,213)	(\$14,203)
Remaining Balance to Levy	\$7,050	\$46,825	\$7,985
DISTRICT STATISTICS			
Total Parcels	8	64	13
Total Parcels Levied	6	64	11
Total Equivalent Benefit Unit (EBU)	54.96	64.00	11.00
FY 2015/16 Levy Rate per EBU (projected)	\$128.28	\$731.64	\$725.91
Maximum Levy per EBU Allowed	\$161.28	\$3,077.64	\$8,847.97
FY 2014/16 Applied Levy Rate per EBU	\$122.82	\$360.94	\$697.74
Maximum Allowable Assessment	\$8,864	\$196,969	\$97,328
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	\$10,815	\$31,843	\$55,118
Reserve Fund Collection/(Deduction)	(1,500)	(1,000)	(1,250)
Ending Reserve Fund Balance 6/30/2015	\$9,315	\$30,843	\$53,868
Minimum 50% operating reserve Balance	\$10,244	\$32,518	\$11,094

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	E (2)	A19 (1)	A20
	DESERT HORIZONS	MOUNTAIN GATE	MOUNTAIN GATE ESTATE
DIRECT COSTS			
Contracted Maintenance Costs	\$325,000	\$25,900	\$8,550
Landscape Flowers & Lighting Materials	0	2,000	1,000
Utilities - Landscape Water & Electric	0	6,000	2,500
Direct Subtotal	\$325,000	\$33,900	\$12,050
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	2,700	300	100
Admin. Subtotal	\$14,638	\$12,238	\$12,038
Total Direct and Admin. Costs	\$339,638	\$46,138	\$24,088
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution		(\$1,500)	(\$1,350)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	(32,500)	0	(1,205)
City of Indian Wells Contribution and Subsidy Subtotal	(\$44,438)	(\$13,438)	(\$14,493)
Remaining Balance to Levy	\$295,200	\$32,700	\$9,595
DISTRICT STATISTICS			
Total Parcels	535	51	18
Total Parcels Levied	521	50	14
Total Equivalent Benefit Unit (EBU)	631.53	50.00	14.00
FY 2015/16 Levy Rate per EBU (projected)	\$467.44	\$654.00	\$685.36
Maximum Levy per EBU Allowed	\$585.84	\$954.61	\$928.61
FY 2014/15 Applied Levy Rate per EBU	\$454.92	\$636.00	\$663.58
Maximum Allowable Assessment	\$369,976	\$47,731	\$13,001
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	\$74,623	\$36,536
Reserve Fund Collection/(Deduction)	N/A	(1,500)	(1,350)
Ending Reserve Fund Balance 6/30/2015	\$0	\$73,123	\$35,186
Minimum 50% operating reserve Balance	\$162,919	\$23,069	\$12,044

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

(2) City Contribution = Minimum of 5% of Total Costs.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.



TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A21 (1)	A22 (1)	A23 (1)
	VILLAGIO	VAIDYA	MONTELENA
DIRECT COSTS			
Contracted Maintenance Costs	\$69,500	\$2,650	\$46,200
Landscape Flowers & Lighting Materials	5,000	0	900
Utilities - Landscape Water & Electric	16,000	950	13,250
Direct Subtotal	\$90,500	\$3,600	\$60,350
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$2,474
Public Works Personnel Overhead	9,464	9,464	9,464
Professional Fees	550	100	400
Admin. Subtotal	\$12,488	\$12,038	\$12,338
Total Direct and Admin. Costs	\$102,988	\$15,638	\$72,688
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0	\$0	(\$1,000)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(11,938)
Annual City Operating Contribution	0	0	0
City of Indian Wells Contribution and Subsidy Subtotal	(\$11,938)	(\$11,938)	(\$12,938)
Remaining Balance to Levy	\$91,050	\$3,700	\$69,750
DISTRICT STATISTICS			
Total Parcels	104	18	79
Total Parcels Levied	94	13	72
Total Equivalent Benefit Unit (EBU)	94.00	13.00	72.00
FY 2015/16 Levy Rate per EBU (projected)	\$968.62	\$284.62	\$829.86
Maximum Levy per EBU Allowed	\$1,953.89	\$734.57	\$1,049.46
FY 2014/16 Applied Levy Rate per EBU	\$963.30	\$278.08	\$790.28
Maximum Allowable Assessment	\$183,666	\$9,549	\$75,561
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2014 (estimated)	\$213,613	\$29,931	\$16,711
Reserve Fund Collection/(Deduction)	0	0	(1,000)
Ending Reserve Fund Balance 8/30/2015	\$213,613	\$29,931	\$16,711
Minimum 50% operating reserve Balance	\$51,494	\$7,819	\$38,344

(1) City Contribution = Exempt due to no public benefit findings per original Engineer's Report.

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.

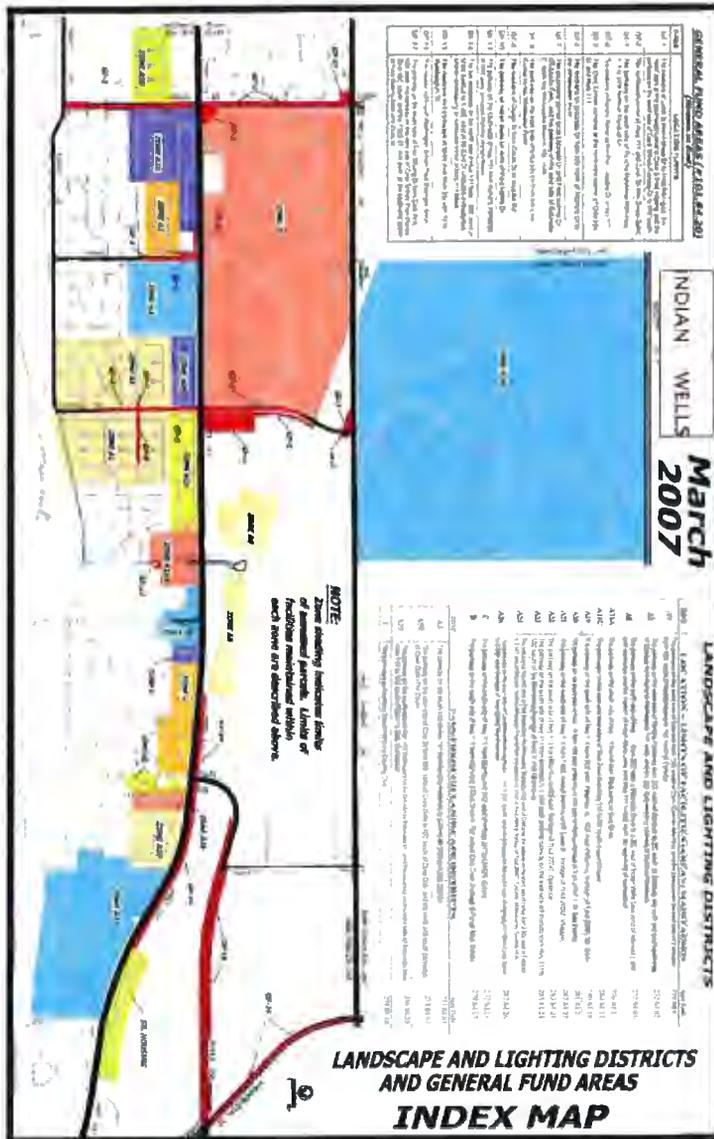


TABLE II – 2015/2016 DISTRICT BUDGETS

Zone Description	A25		A26
	SUNDANCE	PROVINCE	TOTAL
DIRECT COSTS			
Contracted Maintenance Costs	\$40,577	\$159,500	\$908,577
Landscape Flowers & Lighting Materials	2,500	0	16,400
Utilities - Landscape Water & Electric	0	0	111,200
Direct Subtotal	\$43,077	\$159,500	\$1,036,177
ADMINISTRATION COSTS			
Administrative Personnel Overhead	\$2,474	\$2,474	\$42,064
Public Works Personnel Overhead	9,464	9,464	160,886
Professional Fees	250	650	10,120
Admin. Subtotal	\$12,188	\$12,588	\$213,070
Total Direct and Admin. Costs	\$55,265	\$172,088	\$1,249,247
CITY CONTRIBUTIONS AND OPERATING SUBSIDIES			
Reserve Fund Contribution	\$0		(\$15,875)
Personnel/Overhead - City of Indian Wells Subsidy	(11,938)	(11,938)	(202,950)
Annual City Operating Contribution	0	0	(59,770)
City of Indian Wells Contribution and Subsidy Subtotal	(\$11,938)	(\$11,938)	(\$278,595)
Remaining Balance to Levy	\$43,327	\$160,150	\$970,652
DISTRICT STATISTICS			
Total Parcels	48	151	1,744
Total Parcels Levied	45	133	1,654
Total Equivalent Benefit Unit (EBU)	45.00	133.00	2,376.27
FY 2015/16 Levy Rate per EBU (projected)	\$962.82	\$1,204.14	
Maximum Levy per EBU Allowed	\$1,131.40	\$1,205.91	
FY 2014/15 Applied Levy Rate per EBU	\$946.12	\$1,204.14	
Maximum Allowable Assessment	\$50,913	\$160,386	\$1,599,816.31
FUND BALANCE INFORMATION			
Beginning Reserve Balance 2015 (estimated)	N/A	N/A	\$900,486
Reserve Fund Collection/(Deduction)	N/A	N/A	(15,875)
Ending Reserve Fund Balance 6/30/2015	\$0	\$0	\$884,611
Minimum 60% operating reserve Balance	\$27,632	\$86,044	\$624,623

Note: Projected Applied Levy Rate and Maximum Levy Rate in this budget are rounded up to the nearest pennies. Actual Applied Levy Rate and Assessment amount are rounded down to the nearest even pennies.

APPENDIX A – DISTRICT ASSESSMENT DIAGRAM





APPENDIX B – 2015/2016 COLLECTION ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Riverside County Assessor Parcel Maps and/or the Riverside County Secured Tax Roll for the year in which this Report is prepared.

Non-assessable lots or parcels may include government owned land; public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas. These parcels will not be assessed.

A listing of parcels within the District and Zones, along with the proposed assessment amounts, have been submitted to the City Clerk, and by reference, are made part of this Report.

Upon approval of the Engineer's Annual Levy Report, and confirmation of the assessments, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll in Fiscal Year 2015/2016. If the parcels or assessment numbers within the District and referenced in this Report, are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and levy amount approved in this Report by the City Council.

CC/MA ACTION _____ MTG. DATE: 5-21-15
 APPROVED DENIED _____ REC/FILE _____ CONT. _____
 OTHER _____
 VOTE: YES 5 NO 0 ABSTAIN _____

Indian Wells City Council

May 21, 2015

Staff Report – Public Works

Approve Supplemental Appropriation in the Amount of \$78,187 for September, 2014 Storm Damage Repair Costs

RECOMMENDED ACTION:

Council **APPROVES** Supplemental Appropriation in the amount of \$78,187 for September 8, 2014 storm damage repair costs.

DISCUSSION:

Background

The City experienced a significant rainstorm event, on September 8, 2014 that caused localized flooding and damage to City infrastructure as well as damage to private property. The excessive amount of water runoff deposited mud and debris along Fred Waring, Warner Trail, Miles Avenue, and throughout the Villages community.

The storm also damaged infrastructure at various locations throughout the Tennis Garden area of the City. The damage included a fallen retaining wall on Elkhorn Trail, undermined curbs and sidewalks along Warner Trail, two sinkholes on Warner Trail, and damage to the Indian Wells Golf Resort, Players Course.

The following is a summary of the September 2014 storm damage repair costs:

Location	Cost
Elkhorn Trail Retaining Wall	35,840
Warner Trail Sink Holes	14,994
Golf Course Repair	29,671
Warner & Dakota Trail Sidewalk and Curb Repair	4,975
Debris Removal, Sand Bags & Traffic Control	32,147
Total Cost	\$117,627

There is one outstanding storm related repair project; the repair of the pedestrian bridge over the Deep Canyon Channel on Highway 111 is proposed for the FY 2015/16 Capital Improvement Program budget. Staff estimates the repair to the pedestrian bridge and associated drainage improvements to be \$150,000.

JPIA Claim Reimbursement

Staff has submitted an insurance claim to the California Joint Powers Insurance Authority ("JPIA") in the amount \$117,627 for the damages suffered by the September 2014 storm. The JPIA has accepted the claim, is reviewing the documents submitted by the City for reimbursement, and will process payment minus the \$5,000 deductible.

The Deep Canyon pedestrian bridge repair costs will also be submitted to the JPIA for reimbursement under a separate claim.

FISCAL IMPACT:

To date, the City has spent \$117,627 from the regular Public Works' operating budget on storm recovery efforts. The Council approved a supplemental appropriation in the amount of \$35,840 for the Elkhorn Trail retaining wall repair in November 2014. A supplemental appropriation for the remaining \$78,187 is necessary to reimburse the Public Works Operating budget so regular infrastructure maintenance can be performed to the close of this fiscal year.

Indian Wells City Council

May 21, 2015

Staff Report – Public Works

Adopt Resolution Approving Parcel Map No. 36780 Located on Pepperwood Drive and Finding Map in Substantial Conformance

RECOMMENDED ACTIONS:

Council **ADOPTS** Resolution Bill No. 2015-26 approving Parcel Map No. 36780 located on Pepperwood Drive and finding said map in substantial conformance with the approved Tentative Map; and

DIRECTS the Chief Deputy City Clerk and the City Engineer/Public Works Director to execute Parcel Map No. 36780.

DISCUSSION:

Tentative Parcel Map No. 36780 located on within the Vintage Club, was approved by the Planning Commission on December 17, 2014 and was subsequently approved by City Council on February 5, 2015. The Applicant, The Vintage Club, has fulfilled the terms of the Conditions of Approval as established by Council, therefore Parcel Map No. 36780 is now ready for Council approval.

Parcel Map No. 36780 will create one new single family residential lot from an adjoining surplus portion of a golf course parcel. The new 0.79-acre residential lot will be similar in size and configuration to adjacent residential lots, and will exceed the minimum lot size requirement of 12,000 square feet for the City's RVLD Zone.

Aerial View of Parcel Map 36780



ENVIRONMENTAL REVIEW:

An Initial Study and Mitigated Negative Declaration (IS/MND) was prepared for this parcel map in accordance with the California Environmental Quality Act (CEQA) and the City Rules to Implement CEQA. The IS/MND determined that the Project will result in less than significant impacts on the environment with the implementation of mitigation measures set forth in the IS/MND.

FISCAL IMPACT:

There is no direct financial impact to the City as a result of this Parcel Map. The applicant has paid the fees required to process the map. Grading and Building permit fees will be collected as each lot is developed.

ATTACHMENT:

1. Resolution Bill No. 2015-26

RESOLUTION BILL NO. 2015-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, APPROVING PARCEL MAP NO. 36780, AND FINDING SUCH MAP IN SUBSTANTIAL CONFORMANCE WITH THE APPROVED TENTATIVE MAP.

WHEREAS, Tentative Parcel Map No. 36780 had been previously approved with conditions by the City of Indian Wells (City); and

WHEREAS, the City has received a request to approve Parcel Map No. 36780 based upon the approved Tentative Parcel Map No. 36780; and

WHEREAS, pursuant to the City of Indian Wells Subdivision Code Section 20.24.120(a), the City Engineer/Public Works Director found the submitted Parcel Map No. 36780 to be correct in form and sufficient; and

WHEREAS, on February 5, 2015 a duly noticed public hearing to consider Tentative Parcel Map No. 36780 was held by the City Council; and

WHEREAS, the City Council has considered the Staff Report and all of the information, testimony, and evidence provided during the City Council's meeting on February 5, 2015.

NOW, THEREFORE, the City Council of the City of Indian Wells **RESOLVES** as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Parcel Map No. 36780 is **APPROVED**, as shown in Exhibit "A", attached hereto and by this reference incorporated herein.

SECTION 3. Parcel Map No. 36780 shall be subject to those conditions as approved by Tentative Parcel Map No. 36780 by this reference incorporated herein.

SECTION 4. This Resolution shall take effect upon adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May, 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL NO. 2015-26

I, Wade G. McKinney, City Clerk of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular adjourned meeting of the City Council of the City of Indian Wells on the 21st day of May, 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

WADE G. MCKINNEY
CITY MANAGER/CITY CLERK

STEPHEN P. DEITSCH
CITY ATTORNEY

IN THE CITY OF INDIAN WELLS, RIVERSIDE COUNTY, STATE OF CALIFORNIA

PARCEL MAP 36780

BEING A SUBDIVISION OF LOT 51 OF TRACT NO. 14968-1
RECORDED IN MD 112, PAGES 7 THROUGH 14 INCLUSIVE OF MAPS,
RECORDS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
ALLAN LEVIN ASSOCIATES - APRIL 2015

SHEET 1 OF 2 SHEETS

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION SHOWN HEREON; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID LAND; THAT WE CONSENT TO THE MAKING AND RECORDING OF THIS PARCEL MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

THE VINTAGE CLUB
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

STEVE CENTICOLA, GENERAL MANAGER/CHIEF OPERATING OFFICER DATED _____

SIGNATURE OMISSIONS

PURSUANT TO SECTION 66436 OF THE SUBDIVISION MAP ACT THE SIGNATURES OF THE FOLLOWING OWNERS OF EASEMENTS AND/OR OTHER INTERESTS HAVE BEEN OMITTED:

THE UNITED STATES OF AMERICA, BY RESERVATION, OWNER OF CERTAIN RIGHTS RECORDED AUGUST 22, 1922 IN BOOK 0 PAGE 272, JANUARY 27, 1923 IN BOOK 0 PAGE 298, DECEMBER 26, 1924 IN BOOK 9 PAGE 71, OCTOBER 9, 1926 IN BOOK 9 PAGE 173, ALL OF PATENTS, AND MAY 12, 1975 AS INSTRUMENT NO 54303, O.R.

NOTARY ACKNOWLEDGEMENT

NOTARY CONSUMER DISCLOSURE:
A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF _____

ON _____, 2015, BEFORE ME _____, NOTARY PUBLIC PERSONALLY APPEARED _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/they EXECUTED THE SAME IN HIS/HER/their AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/their SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

PRINCIPAL COUNTY OF BUSINESS: _____

COMMISSION EXPIRES: _____

NOTARY PUBLIC IN AND FOR THE STATE

COMMISSION NUMBER: _____

TAX BOND CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ _____ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES, WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE, AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATED: _____, 2015

CASH TAX BOND
DON KENT
COUNTY TAX COLLECTOR
KESHIA HARPER-IHEM
CLERK OF THE BOARD OF SUPERVISORS

BY: _____ DEPUTY
BY: _____ DEPUTY

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITHIN MAP FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES, OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOW A LIEN, BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$ _____.

DATED: _____, 2015

DON KENT, COUNTY TAX COLLECTOR

BY: _____ DEPUTY

RECORDER'S STATEMENT

FILED THIS _____ DAY _____, 2015, AT _____ AM/PM IN BOOK _____ OF PARCEL MAPS, AT PAGES _____, AT THE REQUEST OF THE CITY CLERK, CITY OF INDIAN WELLS.

NO.: _____
FEE: _____

PETER ALDANA
ASSESSOR-COUNTY CLERK-RECORDER

BY: _____ DEPUTY

SUBDIVISION GUARANTEE: FIDELITY NATIONAL TITLE COMPANY

ENGINEER'S STATEMENT

I HEREBY STATE THAT I AM A LICENSED CIVIL ENGINEER OF THE STATE OF CALIFORNIA AND THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION BASED UPON A FIELD SURVEY AT THE REQUEST OF WREN PARTNERS I LLC DURING JANUARY OF 2015. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR WILL BE SET WITHIN ONE YEAR OF THE FILING OF THIS MAP WITH THE COUNTY RECORDER, AND THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP. THIS SURVEY IS TRUE AND COMPLETE AS SHOWN.

ALLAN R. LEVIN, RCE 27122 EXP 3/31/17 DATED _____

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND IT CONFORMS WITH MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT AND IS SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS.

KEN A. SELWALD, RCE 56915 EXP 6/30/15 DATED _____
CITY ENGINEER

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND I AM SATISFIED SAID MAP IS TECHNICALLY CORRECT.

ERIC NELSON, PLS 5563 EXP 9/31/15 DATED _____
ACTING CITY SURVEYOR

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, BY A MOTION DULY SECONDED AND PASSED, APPROVED THIS MAP ON THE _____ DAY OF _____, 2015.

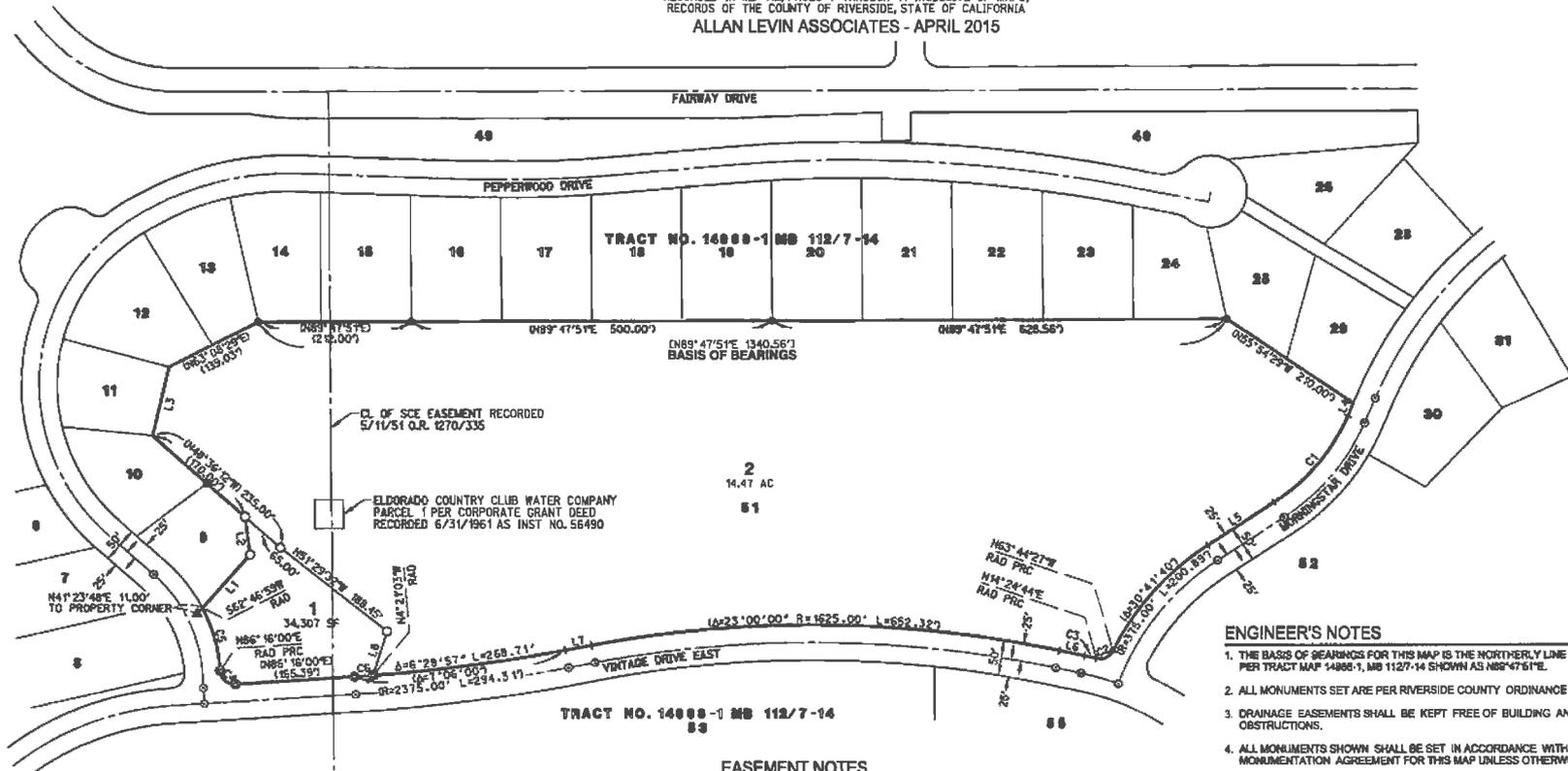
DATED: _____, 2015

ANNA GRANDYS, CHIEF DEPUTY CITY CLERK

BY: _____ DEPUTY

IN THE CITY OF INDIAN WELLS, RIVERSIDE COUNTY, STATE OF CALIFORNIA
PARCEL MAP 36780

BEING A SUBDIVISION OF LOT 51 OF TRACT NO. 14968-1
 RECORDED IN MB 112, PAGES 7 THROUGH 14 INCLUSIVE OF MAPS,
 RECORDS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
 ALLAN LEVIN ASSOCIATES - APRIL 2015



ENGINEER'S NOTES

1. THE BASIS OF BEARINGS FOR THIS MAP IS THE NORTHERLY LINE OF LOT 51 PER TRACT MAP 14868-1, MB 1127-14 SHOWN AS N86°47'51"E.
2. ALL MONUMENTS SET ARE PER RIVERSIDE COUNTY ORDINANCE 401.10.
3. DRAINAGE EASEMENTS SHALL BE KEPT FREE OF BUILDING AND OBSTRUCTIONS.
4. ALL MONUMENTS SHOWN SHALL BE SET IN ACCORDANCE WITH THE MONUMENTATION AGREEMENT FOR THIS MAP UNLESS OTHERWISE NOTED.
5. THIS MAP CONTAINS 15.263 ACRES GROSS AND NUMBERED PARCELS 1 AND 2.
6. (XXX°XX'XX"E XXX.XXX) INDICATES RECORD AND MEASURED DATA PER TRACT 14868-1 MB 1127-14.
7. (000°00'00"E 000.000) INDICATES RECORD DATA PER TRACT 14968-1 MB 1127-14.
8. ● INDICATES FOUND 3/4" IP TAGGED "RCE 8720" PER TRACT 14968-1 MB 1127-14.
9. ▲ INDICATES FOUND NAIL AND BRASS TAG STAMPED "RCE 8720" PER TRACT 14968-1 MB 1127-14.
10. ⊕ INDICATES SET LEAD AND DISC STAMPED "RCE 27122" FLUSH (RIV. CO. STD. "E") IN TOP OF CURB AT PROLONGATION OF SIDE LOT LINES UNLESS OTHERWISE INDICATED.
11. ○ INDICATES SET 1" IRON PIPE WITH PLASTIC PLUG STAMPED "RCE 27122" FLUSH (RIV. CO. STD. "A") AT ALL REAR LOT CORNERS AND ANGLE POINTS IN LOT LINES UNLESS OTHERWISE INDICATED.
12. ⊖ INDICATES SEARCHED, AND FOUND NOTHING

EASEMENT NOTES

1. COVENANTS, CONDITIONS, AND RESTRICTIONS PER INSTRUMENT NO. 14183, RECORDED AUGUST 6, 1980, MODIFICATIONS OF SAID COVENANTS, CONDITIONS, AND RESTRICTIONS PER INSTRUMENT NO. 132742, RECORDED AUGUST 3, 1982, INSTRUMENT NO. 72346, RECORDED MARCH 17, 1987, O.R. BLANKET IN NATURE.
2. AN EASEMENT FOR PUBLIC UTILITIES PUBLIC UTILITIES IN FAVOR OF COACHELLA VALLEY COUNTY WATER DISTRICT RECORDED APRIL 6, 1984 AS INSTRUMENT NO 42116, O.R. BLANKET IN NATURE.

No.	BEARING	DISTANCE
L1	(N 41°23'48" E	100.49'
L2	(N 7°26'02" W	53.15'
L3	(N 13°44'31" E	88.65'
L4	(N 23°28'20" W	19.11'
L5	(N 56°57'13" W	109.17'
L6	(N 77°50'00" W	35.59'
L7	(N 79°10'00" E	37.17'
L8	(N 17°28'02" E	55.11'

No.	DELTA	RADIUS	LENGTH
CC1	(33°27'53" W	275.00'	160.62'
CC2	(78°09'11" W	20.00'	27.28'
CC3	(12°14'44" W	425.00'	16.65'
CC4	(90°00'00" W	20.00'	31.42'
CC5	(23°29'01" W	225.00'	82.22'
CC6	(10°37'03" W	2375.00'	25.60'

Indian Wells City Council
Staff Report – Public Works

May 21, 2015

Adopt Resolution Approving Parcel Map No. 36834 Located on Wren Drive and finding Map in Substantial Conformance

RECOMMENDED ACTIONS:

Council **ADOPTS** Resolution Bill No. 2015-25 approving Parcel Map No. 36834 located on Wren Drive and finding said map in substantial conformance with the approved Tentative Map; and

DIRECTS the Chief Deputy City Clerk and the City Engineer/Public Works Director to execute Parcel Map No. 36834.

DISCUSSION:

Tentative Parcel Map No. 36834 located on Wren Drive in the Vintage Club, was approved by the Planning Commission on January 29, 2015 and was subsequently approved by City Council on February 19, 2015. The Applicant, Wren Partners I LLC, has fulfilled the terms of the Conditions of Approval as established by Council, therefore Parcel Map No. 36834 is now ready for Council approval.

Parcel Map No. 36834 will subdivide a 1.3 acre residential lot into two (2) new single family residential lots consisting of .83 and .49 acres, respectively. The new lots will be similar in size and configuration to adjacent lots and will meet the minimum lot size requirements of 12,000 square feet for the City’s RVLD Zone.

Aerial View of Parcel Map 36834



ENVIRONMENTAL REVIEW:

This parcel map has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the environmental regulations of the City. The proposed lot split will have no significant effect on the environment and qualifies as being Categorically Exempt from CEQA pursuant to Section 15315, Minor Land Divisions.

FISCAL IMPACT:

There is no direct financial impact to the City as a result of this Parcel Map. The applicant has paid the fees required to process the map. Grading and Building permit fees will be collected as each lot is developed.

ATTACHMENT:

1. Resolution Bill No. 2015-25

RESOLUTION BILL NO. 2015-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, APPROVING PARCEL MAP NO. 36834, AND FINDING SUCH MAP IN SUBSTANTIAL CONFORMANCE WITH THE APPROVED TENTATIVE MAP

WHEREAS, Tentative Parcel Map No. 36834 had been previously approved with conditions by the City of Indian Wells (City); and

WHEREAS, the City has received a request to approve Parcel Map No. 36834 based upon the approved Tentative Parcel Map No. 36834; and

WHEREAS, pursuant to the City of Indian Wells Subdivision Code Section 20.24.120(a), the City Engineer/Public Works Director found the submitted Parcel Map No. 36834 to be correct in form and sufficient; and

WHEREAS, on February 19, 2015 a duly noticed public hearing to consider Tentative Parcel Map No. 36834 was held by the City Council; and

WHEREAS, the City Council has considered the Staff Report and all of the information, testimony, and evidence provided during the City Council's meeting on February 19, 2015.

NOW, THEREFORE, the City Council of the City of Indian Wells **RESOLVES** as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Parcel Map No. 36834 is **APPROVED**, as shown in Exhibit "A", attached hereto and by this reference incorporated herein.

SECTION 3. Parcel Map No. 36834 shall be subject to those conditions as approved by Tentative Parcel Map No. 36834 by this reference incorporated herein.

SECTION 4. This Resolution shall take effect upon adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May, 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL NO. 2015-25

I, Wade G. McKinney, City Clerk of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular adjourned meeting of the City Council of the City of Indian Wells on the 21st day of May, 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

WADE G. MCKINNEY
CITY MANAGER/CITY CLERK

STEPHEN P. DEITSCH
CITY ATTORNEY

IN THE CITY OF INDIAN WELLS, RIVERSIDE COUNTY, STATE OF CALIFORNIA
PARCEL MAP 36834

BEING A SUBDIVISION OF PARCEL 1 OF PARCEL MAP 23555, RECORDED IN BOOK 153, PAGES 38 THROUGH 39 INCLUSIVE, OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.
ALLAN LEVIN ASSOCIATES - MARCH 2015

SHEET 1 OF 2 SHEETS

RECORDER'S STATEMENT

FILED THIS _____ DAY _____, 2015, AT _____ AM/PM IN BOOK _____ OF PARCEL MAPS, AT PAGES _____, AT THE REQUEST OF THE CITY CLERK, CITY OF INDIAN WELLS.

NO.: _____
FEE: _____

PETER ALDANA
ASSESSOR-COUNTY CLERK-RECORDER

BY: _____
DEPUTY

SUBDIVISION GUARANTEE: FIDELITY NATIONAL TITLE COMPANY

ENGINEER'S STATEMENT

I HEREBY STATE THAT I AM A LICENSED CIVIL ENGINEER OF THE STATE OF CALIFORNIA AND THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION BASED UPON A FIELD SURVEY AT THE REQUEST OF WREN PARTNERS I LLC DURING JANUARY OF 2015. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR WILL BE SET WITHIN ONE YEAR OF THE FILING OF THIS MAP WITH THE COUNTY RECORDER, AND THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP. THIS SURVEY IS TRUE AND COMPLETE AS SHOWN.

ALLAN R. LEVIN, RCE 27122 EXP 3/31/17 DATED _____

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND IT CONFORMS WITH MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT AND IS SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS.

KEN A. SEUMALO, RCE 56915 EXP 6/30/15 DATED _____
CITY ENGINEER

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND I AM SATISFIED SAID MAP IS TECHNICALLY CORRECT.

ERIC NELSON, PLS 5563 EXP 9/31/15 DATED _____
ACTING CITY SURVEYOR

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, BY A MOTION DULY SECONDED AND PASSED, APPROVED THIS MAP ON THE _____ DAY OF _____, 2015.

DATED: _____, 2015
ANNA GRANDYS, CHIEF DEPUTY CITY CLERK

BY: _____
DEPUTY

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION SHOWN HEREON; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID LAND; THAT WE CONSENT TO THE MAKING AND RECORDING OF THIS PARCEL MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

WREN PARTNERS I LLC
A WASHINGTON LIMITED LIABILITY COMPANY

EDWARD L. MALETIS, WREN PARTNERS I LLC DATED _____

SIGNATURE OMISSIONS

PURSUANT TO SECTION 66436 OF THE SUBDIVISION MAP ACT THE SIGNATURES OF THE FOLLOWING OWNERS OF EASEMENTS AND/OR OTHER INTERESTS HAVE BEEN OMITTED:

THE UNITED STATES OF AMERICA, BY RESERVATION, OWNER OF CERTAIN RIGHTS RECORDED AUGUST 22, 1922 IN BOOK 8 PAGE 272 OF PATENTS.

NOTARY ACKNOWLEDGEMENT

NOTARY CONSUMER DISCLOSURE:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF _____

ON _____, 2015, BEFORE ME _____, NOTARY PUBLIC PERSONALLY APPEARED _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACIT(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.
PRINCIPAL COUNTY OF BUSINESS: _____
COMMISSION EXPIRES: _____
NOTARY PUBLIC IN AND FOR THE STATE COMMISSION NUMBER: _____

TAX BOND CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ _____ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES, WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE, AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATED: _____, 2015

CASH TAX BOND DON KENT KESHIA HARPER-IHEM
COUNTY TAX COLLECTOR CLERK OF THE BOARD OF SUPERVISORS

BY: _____ DEPUTY BY: _____ DEPUTY

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITHIN MAP FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES, OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOW A LIEN, BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$ _____

DATED: _____, 2015

DON KENT, COUNTY TAX COLLECTOR

BY: _____
DEPUTY

IN THE CITY OF INDIAN WELLS, RIVERSIDE COUNTY, STATE OF CALIFORNIA
PARCEL MAP 36834

SHEET 2 OF 2 SHEETS

BEING A SUBDIVISION OF PARCEL 1 OF PARCEL MAP 23555, RECORDED IN BOOK 153, PAGES 38 THROUGH 39 INCLUSIVE, OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

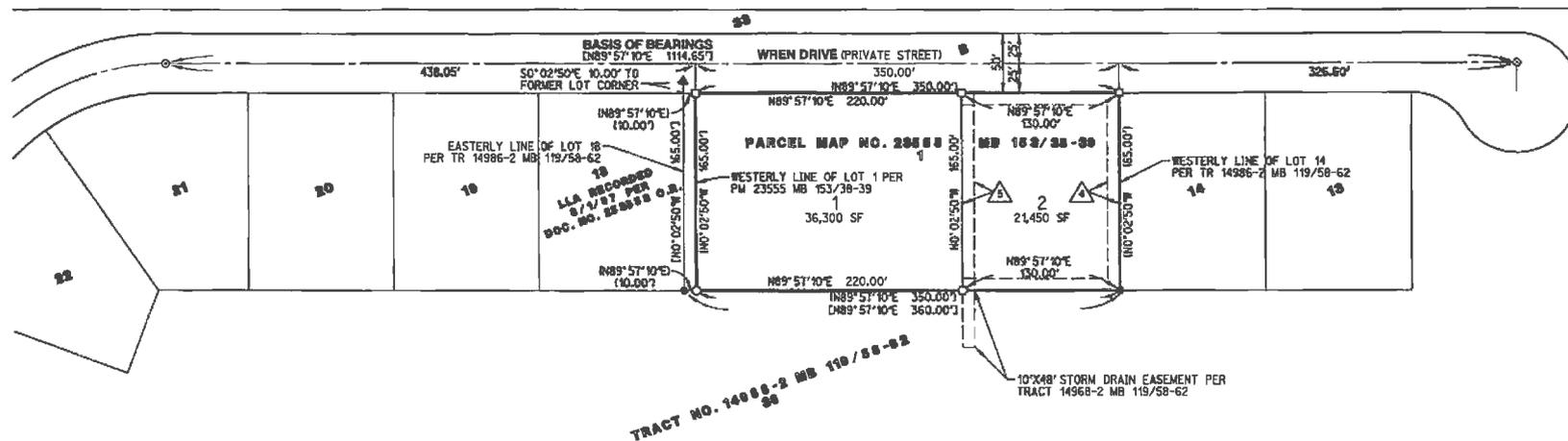
ALLAN LEVIN ASSOCIATES - MARCH 2015

EASEMENT NOTES

- 1 PRIVATE UTILITY EASEMENTS INSTRUMENT NO. 141863, RECORDED AUGUST 6, 1980, EXTENSIONS PER INSTRUMENT NO. 63083, RECORDED APRIL 9, 1981, INSTRUMENT NO. 164623, RECORDED AUGUST 31, 1981, MODIFICATIONS PER INSTRUMENT NO. 164623 AND 194982, RECORDED AUGUST 31, 1981, INSTRUMENT NO. 132742, RECORDED AUGUST 3, 1982, INSTRUMENT NO. 207914, RECORDED DECEMBER 1, 1982, BLANKET IN NATURE.
- 2 PRIVATE UTILITY EASEMENTS PER INSTRUMENT NO. 141864, RECORDED AUGUST 6, 1980, EXTENSIONS PER INSTRUMENT NO. 164624, RECORDED AUGUST 31, 1981, MODIFICATIONS PER INSTRUMENT NO. 207914, RECORDED DECEMBER 1, 1982, BLANKET IN NATURE.
- 3 EASEMENTS FOR STORM DRAINS, SEWER, WATER LINES AND PUBLIC UTILITIES, INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES TO THE CITY OF INDIAN WELLS AS SHOWN ON TRACT NO. 14988-2 MB 119/58-62
- 4 EASEMENTS FOR STORM DRAIN PURPOSES TO THE CITY OF INDIAN WELLS AS SHOWN ON PARCEL MAP NO. 23555 MB 153/38-39
- 5 EASEMENT FOR OPERATING PURPOSES TO THE CITY OF INDIAN WELLS AS SHOWN ON PARCEL MAP NO. 23555 MB 153/38-39

ENGINEER'S NOTES

1. THE BASIS OF BEARINGS FOR THIS MAP IS THE CENTERLINE OF WREN DRIVE PER TRACT MAP 14988-2, MB 119/58-62 SHOWN AS N89°57'10"E.
2. ALL MONUMENTS SET ARE PER RIVERSIDE COUNTY ORDINANCE 461.10.
3. DRAINAGE EASEMENTS SHALL BE KEPT FREE OF BUILDING AND OBSTRUCTIONS.
4. ALL MONUMENTS SHOWN SHALL BE SET IN ACCORDANCE WITH THE MONUMENTATION AGREEMENT FOR THIS MAP UNLESS OTHERWISE NOTED.
5. THIS MAP CONTAINS 1.328 ACRES GROSS AND NUMBERED PARCELS 1 AND 2.
6. {NXX°XXX'X"E XXX'XX"} INDICATES RECORD AND MEASURED DATA PER TRACT 14988-2 MB 119/58-62.
7. {NXX°XXX'X"E XXX'XX"} INDICATES RECORD DATA PER TRACT 14988-2 MB 119/58-62.
8. {NXX°XXX'X"E XXX'XX"} INDICATES RECORD DATA PER PARCEL MAP 23555 MB 153/38-39.
9. ● INDICATES FOUND 3/4" IP TAGGED "RCE 8720" PER TRACT 14988-2 MB 119/58-62.
10. ▲ INDICATES FOUND NAIL AND BRASS TAG STAMPED "RCE 8720" PER TRACT 14988-2 MB 119/58-62.
11. ⊙ INDICATES FOUND SPIKE AND FLASH, FLUSH PER TRACT 14988-2 MB 119/58-62.
12. □ INDICATES SET LEAD AND DISC STAMPED "RCE 27122" FLUSH (RIV. CO. STD. "E") ON TOP OF CURB AT PROLONGATION OF SIDE LOT LINES UNLESS OTHERWISE INDICATED.
13. ○ INDICATES SET 1" IRON PIPE WITH PLASTIC PLUG STAMPED "RCE 27122" FLUSH (RIV. CO. STD. "A") AT ALL REAR LOT CORNERS AND ANGLE POINTS IN LOT LINES UNLESS OTHERWISE INDICATED.



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**FIRE ACCESS MAINTENANCE DISTRICT (FAMD)
05/21/2015 MEETING WARRANT LIST**

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
	5/21/2015		UNIVERSAL PROTECTION SERVICE		
		14772118	FAMD SECURITY SVCS CYCOP & VEHICLES FOR MAR 27-APR 30, 2015	72,476.59	
	5/21/2015		UNIVERSAL PROTECTION SERVICE		
		1466099	FAMD SECURITY SERVICES FUEL REIMBURSEMENT FOR APR, 2015	722.95	
		1455479	FAMD SECURITY SERVICES FOR APR 17-APR 23, 2015	555.36	73,754.90
	5/21/2015		BEST, BEST & KRIEGER, L.L.P.		
		747856	FAMD LEGAL SERVICES FOR APR, 2015	8,080.56	8,080.56
	5/21/2015		DESERT RESORT MANAGEMENT INC.		
		DRM017734	FAMD MANAGEMENT SERVICES FOR MAY, 2015	5,768.00	5,768.00
	5/21/2015		COASTAL CLEAR POOLS, LLC		
		11405	FAMD CLUB FOUNTAIN SPRAY RING NOZZLE & VALVE INSTALLATION REPAIR SERVICE	645.00	
		7704	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR JUL, 2014	150.00	
		8221	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR AUG, 2014	150.00	
		10730	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR JAN, 2015	150.00	
		11290	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR FEB, 2015	150.00	
		11794	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR MAR, 2015	150.00	
		12259	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR APR, 2015	150.00	
		8761	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR SEPT, 2014	75.00	
		9272	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR OCT, 2014	75.00	
		9790	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR NOV, 2014	75.00	
		10299	FAMD CLUB/MANITOU FOUNTAINS MAINTENANCE FOR DEC, 2014	75.00	1,845.00
	5/21/2015		CONSERVE LANDCARE		
		9933	FAMD LANDSCAPE MAINTENANCE FOR MAY, 2015	1,840.00	1,840.00
	5/21/2015		WALLACE & ASSOCIATES, INC.		
		2015-04-FAMD	FAMD ANNUAL CAPE/SLURRY SEAL & MANITOU BRIDGE ENGINEERING SVCS MAR 30 TO MAY 3	1,515.00	1,515.00
	5/21/2015		SOUTHERN CALIFORNIA EDISON CO.		
		2-37-568-4123	FAMD UTILITIES DEPOSIT FOR ACCOUNT #2-04-020-2624	1,430.00	1,430.00

**FIRE ACCESS MAINTENANCE DISTRICT (FAMD)
05/21/2015 MEETING WARRANT LIST**

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
	5/21/2015		AMS		
		10090	FAMD SECURITY COMPUTER SOFTWARE MONTHLY SUPPORT FOR APR, 2015	1,200.00	1,200.00
	5/21/2015		DONCO ELECTRIC		
		470	FAMD QUAIL RUN SERVICE PEDESTAL INSTALLATION FOR DEC, 2014	885.00	885.00
	5/21/2015		APPLICATIONS BY DESIGN, INC.		
		27327	FAMD ACCESS CONTROL SYSTEM HOSTING FOR MAY, 2015	625.00	625.00
	5/21/2015		STAPLES		
		1292809881	FAMD GUARDHOUSE OFFICE SUPPLIES	571.70	
		1292713731	FAMD GUARDHOUSE OFFICE SUPPLIES	39.67	611.37
	5/21/2015		COACHELLA VALLEY WATER DIST.		
		313223-844958	FAMD 45065 MANITOU UTILITIES FOR APR, 2015	174.68	
		152597-419098	FAMD 45-301 CLUB DR UTILITIES FOR APR, 2015	98.34	
		155649-422592	FAMD 45-105 MANITOU UTILITIES FOR APR, 2015	47.98	321.00
	5/21/2015		DESERT PROPERTIES LIGHT MAINT.		
		15578	FAMD CLUB & MANITOU ENTRIES LIGHTING INSPECTION & MONTHLY MAINT FOR APR, 2015	274.73	274.73
	5/21/2015		VERIZON CALIFORNIA		
		345-1306	FAMD CLUB GUARD GATE PHONE SERVICE FOR APR 16-MAY 15, 2015	223.52	223.52
	5/21/2015		SOUTHERN CALIFORNIA EDISON CO.		
		2-01-570-2145	FAMD 45301 CLUB DR GATE UTILITIES FOR MAR 19-APR 20, 2015	218.56	218.56
	5/21/2015		FLAGS "A" FLYING		
		504346	(2) FAMD 5X8 NYLON AMERICAN FLAGS	135.00	135.00
	5/21/2015		PETE'S DESERT PLUMBING, INC.		
		6510	FAMD CLUB DR GUARDHOUSE RESTROOM PLUMBING REPAIRS ON SEPT 12, 2014	125.00	125.00

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FIRE ACCESS MAINTENANCE DISTRICT (FAMD)
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
	5/21/2015		SPARKLETTS DRINKING WATER		
		14583030050115	FAMD CLUB/MANITOU GATEHOUSE FILTRATION SYSTEM RENTALS FOR MAY, 2015	124.48	124.48
	5/21/2015		POWERFUL PEST		
		100425	FAMD CLUB & MANITOU GATEHOUSE PEST CONTROL SERVICE FOR MAY, 2015	61.80	61.80
19 checks in this report					
				TOTAL FAMD WARRANTS: 47321-47339	99,038.92

CC/MA ACTION _____ MTG. DATE: 5-21-15
 APPROVED DENIED REC/FILE _____ CONT. _____
 OTHER _____
 VOTE: YES _____ NO 4 ABSTAIN 1
Reed

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CITY OF ILLINOIS IN WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
47266	4/30/2015		PLATINUM PLUS FOR BUSINESS		
				7,374.17	
		2000	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS		
		1566	RESIDENT SPECIAL FARM TOUR ADMISSION COST ON MAR 24, 2015	1,900.00	
		1864	CREDIT 109TH ANNUAL GFOA CONFERENCE REGISTRATION FOR K.MCCARTHY	-575.00	
		1566	RESIDENT FARM TOUR EVENT ADMISSION COST BALANCE DUE FOR MAR 24, 2015	1,450.00	
		1566	2015 BNP PARIBAS OPEN TENNIS TOURNAMENT GIVEAWAYS-PEDOMETERS, TUMBLERS & CAPS	999.87	
		1566	(8) CUSTOM ENGRAVED GLASS VASES FOR RESIDENT GOLF TOURNAMENT TROPHIES	845.00	
		1566	BNP PARIBAS OPEN RESIDENT TENNIS SOCIAL FOOD & BEVERAGE COST ON MAR 12, 2015	829.71	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	688.22	
		7384	(1) A/C COMPRESSOR FOR PUBLIC WORKS MAINTENANCE BUILDING	648.46	
		7384	2015 PUBLIC WORKS OFFICER INSTITUTE & EXPO HOTEL EXPENSE FOR K.SEUMALO ON MAR 24	613.32	
		2000	CALIFORNIA CONTRACT CITIES SEMINAR REGISTRATION FOR D.REED ON MAY 14-17, 2015	575.00	
		2000	CALIFORNIA CONTRACT CITIES SEMINAR REGISTRATION FOR R.BALOCCO ON MAY 14-17, 2015	575.00	
		1566	(8) BRANDED SHIRTS FOR 2015 BNP TENNIS TOURNAMENT CITY BOOTH WORKERS	404.35	
		7384	PROJECT MANAGEMENT WORKSHOP REGISTRATION FOR L.BURR & R.BOWEN ON JUN 3, 2015	398.00	
		4964	AMAZON WEB OFFSITE BACKUP SERVICES FOR MAR, 2015	386.76	
		5493	LCC PLANNING COMMISSIONERS ACADEMY HOTEL EXPENSE FOR LORELEE WILLIAMS ON MAR 4-5	382.16	
		4964	IT PREMIUM ANNUAL TRAINING LICENSE FEE FOR MAR 10, 2015-MAR 9, 2016	375.00	
		1566	STATE OF THE CITY BALLROOM RESERVATION DEPOSIT FOR APRIL 16, 2015	368.28	
		4964	(1) SHARP T.V. FOR OFFSITE COUNCIL MEETINGS RECORDINGS	361.39	
		2000	LCC MAYORS & COUNCIL MEMBERS EXECUTIVE FORUM REGISTRATION FOR D.HANSON JUN 24-26	350.00	
		2000	LCC MAYORS & COUNCIL MEMBERS EXECUTIVE FORUM REGISTRATION FOR T.MERTENS JUN 24-26	350.00	
		1566	BNP PARIBAS RESIDENT TENNIS SOCIAL FOOD & BEVERAGE COST ON MAR 12, 2015	254.83	
		2000	COMMITTEE/COMMISSIONERS RECOGNITION DINNER INVITATIONS	235.44	
		5493	CITY CLERKS ASSOC OF CA ANNUAL CONF FLIGHT EXPENSE FOR S.HAPNER ON APR 21-24	231.70	
		5493	2015-2016 CLASS I CALIFORNIA BUILDING OFFICIALS MEMBERSHIP DUES FOR W.MORELION	215.00	
		5493	2015 LCC PLANNING COMMISSIONERS ACADEMY HOTEL EXPENSE FOR W.MORELION ON MAR 4	211.08	
		7384	IMSA WORK ZONE TEMP TRAFFIC CONTROL TECHNICIAN STUDY GUIDE FOR C.WIGGINS	164.78	
		1566	(4) BRANDED SHIRTS FOR 2015 BNP TENNIS TOURNAMENT CITY BOOTH WORKERS	144.72	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	113.56	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	101.76	
		4964	(2) FAST CHARGER & SYNCING DOCK FOR COUNCIL CHAMBER IPADS	85.24	
		7384	(2) 2015 SUBDIVISION MAP ACT REFERENCE BOOKS FOR K.SEUMALO, & B.BAKER	62.75	
		4964	ADOBE CREATIVE CLOUD MONTHLY FEE FOR MAR, 2015	49.99	
		7384	IMSA CERTIFICATION RENEWAL FOR TRAFFIC SIGNAL INSPECTOR I M.DAN	40.00	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	39.90	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	38.18	
		2000	(20) WHITE SATIN PULL BOWS FOR CITY GIFT WRAPPING SUPPLIES	32.76	
		4964	1-YEAR UNLIMITED US & CANADA SKYPE TELECONFERENCE SERVICES FOR COUNCIL MEETING	30.50	
		2000	SATIN AWARD RIBBONS & BLANK CERTIFICATE SEAL SUPPLIES FOR CITY PROCLAMATIONS	30.40	

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CITY OF INDIAN WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
		2000	(3) BLACK MOURNING RIBBONS FOR CITY FLAGS	26.80	
		2000	CITY COUNCIL MEETING EDIBLES FOR MAR 19, 2015	25.05	
		2000	(1) STRENGTHS FINDER 2.0. TRAINING BOOK FOR D.GASSAWAY	22.02	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	20.36	
		5493	MONTHLY FORECLOSURE COMPLETE PROPERTY PROFILE SEARCH SERVICE FOR APR, 2014	20.00	
		5493	MONTHLY FORECLOSURE COMPLETE PROPERTY PROFILE SEARCH SERVICE FOR MAR, 2014	20.00	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	19.90	
		1864	CALIFORNIA DEMOGRAPHICS STARTER REPORT FOR INDIAN WELLS BUDGET PREPARATION	19.00	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	11.98	
		5061	DIGITAL ACCESS OF THE DESERT SUN FOR MAR, 2015	10.00	
		4964	AUDIO VISUAL EQUIPMENT SUPPLIES FOR OFFSITE COUNCIL MEETING RECORDINGS	9.83	
		4964	CITY MANAGER'S OFFICE CONFERENCE CALL ON FEB 22, 2015	1.52	
		4964	3% INTERNATIONAL TRANSACTION FEE FROM SKYPE.COM	0.92	
		4964	CREDIT ADOBE CREATIVE CLOUD MONTHLY FEE FOR FEB, 2015	-49.99	
		4964	CREDIT ADOBE CREATIVE CLOUD MONTHLY FEE FOR MAR, 2015	-49.99	21,489.68
47310	5/21/2015		TENNIS MEDIA CO. LLC, THE		
		2377A	TENNIS MAGAZINE 50TH ANNIVERSARY CONGRATULATORY ADVERTISEMENT FOR MAY/JUN	10,000.00	10,000.00
47271	5/21/2015		BURRTEC WASTE & RECYCLING		
		ABS2015Q2	RECYCLING COORDINATOR SERVICES FOR APR-JUN 2015	8,750.00	8,750.00
47313	5/21/2015		TROON RESTAURANT HOLDINGS, LLC		
		03003078	RESIDENT GOLF TOURNAMENT FOOD & BEVERAGE FOR APR 8, 2015	3,750.22	
		05378903	(64) GREEN FEES & EVENT SET-UP FEES FOR RESIDENT GOLF TOURNAMENT ON APR 8, 2015	3,200.00	
		03003072	SPECIAL COUNCIL MEETING FOOD & BEVERAGE COST FOR STAFF & PUBLIC ON APR 1, 2015	1,189.13	
		05378878	(14) GIFT CARDS FOR RESIDENT GOLF TOURNAMENT WINNERS ON APR 8, 2015	550.00	8,689.35
47277	5/21/2015		COACHELLA VALLEY ASSOC OF GOVT		
		APR15	TUMF COLLECTED FOR APR, 2015	7,349.76	7,349.76
47276	5/21/2015		CLEANSTREET		
		77991	CITYWIDE STREET SWEEPING FOR APR, 2015	3,702.43	3,702.43
47301	5/21/2015		RA STRUCTURAL ENGINEERING		
		B00-012-012-1	75-400 QUAIL COVE DR PLAN CHECK SERVICES FOR DEC 20,2014, JAN 23 & JAN 30,2015	1,755.00	
		B00-012-234-1	76447 SHOSHONE DR PLAN CHECK SERVICES FOR MAR 28-APR 13, 2015	585.00	
		B00-012-266-1	46300 JACARANDA CT PLAN CHECK SERVICES FOR APR 27, 2015	390.00	
		B00-011-544-1	45-940 PARADISE VALLEY ROAD PLAN CHECK SERVICES FOR JUL 1, 2014	325.00	3,055.00
47308	5/21/2015		SOUTHWEST NETWORKS		
		15-5501	UPGRADED WINDOWS STANDARD LICENSES, REMOTE USERS & MEMORY STICKS	2,780.20	2,780.20
47287	5/21/2015		GRAPHTEK INTERACTIVE		
		9735-1	NEWSLETTER DESIGN, LAYOUT & PROJECT MANAGEMENT SERVICES FOR MAY-JUN, 2015 ISSUE	2,500.00	

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**CITY OF INDIAN WELLS
05/21/2015 MEETING WARRANT LIST**

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
		9743-1	REFORMAT UNITED WAY "I WISH" ADVERTISEMENT	135.00	
47278	5/21/2015	9729-1	DESIGN 2-SIDED FULL COLOR REALTOR FLYER	25.00	2,660.00
		APR15	COACHELLA VALLEY CONSERVATION MSHCP COLLECTED FOR APR, 2015	2,558.16	2,558.16
47316	5/21/2015	282	VACATION RENTAL COMPLIANCE,LLC VACATION RENTAL COMPLIANCE MONTHLY SERVICES FOR APR, 2015	2,280.00	2,280.00
47319	5/21/2015	40707747	WEX BANK CITY FLEET VEHICLES FUEL SUPPLY FOR APR, 2015	1,892.02	1,892.02
47275	5/21/2015	CT/15/4854	CIRCLE TAKE MEDIA, INC. VETERANS DAY AUDIO/VISUAL RENTAL EQUIPMENT AND SVCS FOR MEMORIAL DAY	1,655.00	1,655.00
47286	5/21/2015	1120601-1 0011	GHA ENTERPRISES, INC. DUST CONTROL/GRADING PERMIT #11-748 DEPOSIT REFUND FOR 49353 HIDDEN VALLEY	1,640.00	1,640.00
47298	5/21/2015	2776	PROPER SOLUTIONS RECEPTIONIST, COMMUNITY DEVELOPMENT & CITY CLERK TEMP SVCS FOR APR 20-23, 2015	950.40	
		2743	RECEPTIONIST, COMMUNITY DEVELOPMENT & CITY CLERK TEMP SVC FOR APR 15-17, 2015	396.00	1,346.40
47311	5/21/2015	DTD 5/3/15	THARP, STEVEN G. IWTV MONTHLY RETAINER & VOICE OVER RECORDING SVC FOR STATE OF THE CITY APR, 2015	1,125.00	1,125.00
47265	5/8/2015	ROHNERT PARK	AVILA, ANGELICA CITY CLERKS ASSOC OF CAL ANNUAL CONFERENCE TRAVEL EXPENSE REIMB FOR APR 21-24	1,041.49	1,041.49
47279	5/21/2015	313547-845300	COACHELLA VALLEY WATER DIST. MILES AVE EAST OF WARNER TRL UTILITIES FOR APR, 2015	506.62	
		155581-422504	COOK ST CENTER MEDIAN UTILITIES FOR APR, 2015	148.92	
		155805-422752	4/15 CITYWIDE UTILITIES-84.17 (HWY 111	123.16	
		314309-846198	75420 MANSFIELD DR UTILITIES FOR APR, 2015	84.94	
		314511-846428	44500 INDIAN WELLS LN UTILITIES FOR APR, 2015	49.10	
		152575-419066	45200 CLUB DR UTILITIES FOR APR, 2015	37.90	
		134443-394192	44010 SUPERIOR COURT UTILITIES FOR APR, 2015	35.00	
		155641-422578	44980 COOK ST UTILITIES FOR APR, 2015	30.20	
		281233-740500	76625 HWY 111 UTILITIES FOR APR, 2015	23.50	1,039.34
47297	5/21/2015	2030132168	PARKHOUSE TIRE, INC. (4) NEW FORD F250 TIRES FOR C.WIGGINS CITY VEHICLE	987.12	987.12
47288	5/21/2015	ROHNERT PARK	HAPNER, SONIA CITY CLERKS ASSOC OF CAL ANNUAL CONFERENCE TRAVEL EXPENSE REIMB FOR APR 21-24	980.31	980.31

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CITY OF INTERTON WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
47312	5/21/2015		TIME WARNER CABLE		
		8448410760148720	CITY HALL INTERNET SERVICES FOR MAY 6-JUN 5, 2015	889.00	
		8448410760152292	CITY MANAGERS OFFICE CABLE TELEVISION SERVICE FOR MAY 14-JUN 13, 2015	82.27	971.27
47269	5/21/2015		BATTERY SYSTEMS, INC.		
		3119171	(4) TRAFFIC SIGNAL BACK UP BATTERIES AT MOUNTAIN COVE & HWY 111	827.96	827.96
47280	5/21/2015		CORELOGIC INFORMATION		
		81474213	REALQUEST ONLINE REAL ESTATE DATA FOR APR, 2015	825.00	825.00
47300	5/21/2015		PUBLIC RECORD		
		17055	CITY CLERK DEPT LEGAL NOTICES SHORT-TERM RENTALS URGENCY ORDINANCE APR 14, 2015	618.00	
		17054	CITY CLERK DEPT LEGAL NOTICES-NOTICE OF PUBLIC HEARING ON APR 14, 2015	156.00	774.00
47292	5/21/2015		J.P. STRIPING, INC.		
		B1392	HWY 111 & COOK STREET SIGNING AND STRIPING MODIFICATIONS RETENTION RELEASE	640.00	640.00
47283	5/21/2015		DESERT PIPE & SUPPLY		
		0014775280	(1) 40-GALLON GAS WATER HEATER FOR CITY EMERGENCY OPERATIONS CENTER	504.04	
		0014778330	GASFLEX VALVE, BRAIDED WATER HEATER CONNECTOR & COPPER ELL FOR EOC WATER HEATER	54.22	
		0014775270	COPPER COUPLING & VALVES FOR PW MAINTENANCE BUILDING WATER HEATER REPAIR SVC	21.59	579.85
47293	5/21/2015		JOHN DEERE LANDSCAPES		
		71347001	CITY GENERAL FUND LANDSCAPE MAINTENANCE SUPPLIES	341.12	
		71448432	CITY GENERAL FUND LANDSCAPE MAINTENANCE SUPPLIES	168.34	509.46
47284	5/21/2015		EVENTENTERTAINMENT, LLC		
		6621	MEMORIAL DAY EVENT ENTERTAINMENT-AZHIA VELAZQUEZ SOLO VOCALIST FOR MAY 25, 2015	500.00	500.00
47296	5/21/2015		MUNISERVICES, LLC		
		0000037132	2014 SALES TAX REPORTING SYSTEM SERVICES FOR 4TH QUARTER	500.00	500.00
47315	5/21/2015		UNITED WAY OF THE DESERT		
		DTD 4/14/15	UNITED WAY SILVER BALL GALA FULL PAGE ADVERTISEMENT	500.00	500.00
47290	5/21/2015		IBOSS NETWORK SECURITY		
		875915	IBOSS ENTERPRISE INTERNET FILTER SUBSCRIPTION FOR MAY 24, 2015-MAY 23, 2016	475.00	475.00
47273	5/21/2015		CANON FINANCIAL SERVICES, INC		
		14866083	CW300 & SCEXPN WIDE FORMAT COPIER/SCANNER LEASE FOR MAY, 2015	447.12	447.12
47285	5/21/2015		FULTON DISTRIBUTING		
		351091	JANITORIAL SUPPLIES FOR MAY, 2015	345.86	345.86
47309	5/21/2015		STAPLES		
		3263577981	COPY PAPER, FOLDERS, NOTEBOOK & SHEET PROTECTORS	314.02	
		3263577982	(1) DYMO LABEL CARTRIDGE FOR PLANNING DEPT	20.29	334.31

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CITY OF INTERTAN WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
47263	5/8/2015	00370351-360	EMPLOYMENT DEVELOPMENT DEPT PAYROLL-T.PEABODY 5/8/2015	325.22	325.22
47281	5/21/2015	008896	COSTCO-HSBC BANK USA RESIDENT GOLF TOURNAMENT GIVEAWAYS ON APR 8, 2015	309.67	309.67
47304	5/21/2015	15200502 15200501	SHARK POOLS, INC. ARROWHEAD (CITY HALL FLAGPOLE) FOUNTAIN MAINTENANCE FOR MAY, 2015 CITY HALL ENTRANCE FOUNTAIN MAINTENANCE FOR MAY, 2015	140.00 140.00	280.00
47306	5/21/2015	2-10-366-7440 2-10-366-7580 2-36-295-8456 2-35-530-3157	SOUTHERN CALIFORNIA EDISON CO. 44-210 1/2 COOK & 76-105 1/2 FRED WARING UTILITIES FOR APR, 2015 44-950 ELDORADO, 45-826 IW LN, ELDORADO/FW & PORTOLA/VINTAGE UTILITIES FOR APR MILES AVE & WARNER TRL UTILITIES FOR APR, 2015 FAIRWAY DR & WILLIAMS RD STREET LIGHT UTILITIES FOR APR, 2015	123.93 80.55 44.78 11.22	260.48
47299	5/21/2015	22043669 22040233	PRUDENTIAL OVERALL SUPPLY CITY TOWEL, MATS & AIR FRESHENER SUPPLIES FOR APR 29, 2015 CITY TOWEL, MATS & AIR FRESHENER SUPPLIES FOR APR 22, 2015	140.72 112.63	253.35
47295	5/21/2015	12036	LASR-INK (2) PRINTER CARTRIDGES-TECHNOLOGY DEPT	221.97	221.97
47314	5/21/2015	21524	TROPICAL PLANT SERVICES INDOOR PLANT MAINTENANCE SERVICE FOR APR, 2015	205.00	205.00
47320	5/21/2015	1430701-2 0009	WILLIAM A MALIS FOUNDATION SVC BUILDING PERMIT CONSTRUCTION FEE REFUND FOR BP00-011-915 AT 46241 PAPAGO CIRCLE	181.25	181.25
47270	5/21/2015	30318	BIO-TOX LABORATORIES IW POLICE DRUG TESTING SVCS FOR MAR 16, 2015	180.00	180.00
47291	5/21/2015	18551	INTERNATIONAL INSTITUTE OF ANNUAL MEMBERSHIP RENEWAL FOR AGRANDYS CITY CLERK THROUGH JUN 30, 2016	180.00	180.00
47302	5/21/2015	MAR15	RIVERSIDE COUNTY AUDITOR/ CITY CITATION COLLECTIONS REIMBURSEMENT FOR MAR, 2015	175.00	175.00
47317	5/21/2015	341-3179	VERIZON CALIFORNIA CITY HALL FIRE/ALARM PHONE LINE SERVICE FOR APR 25-MAY 24, 2015	164.78	164.78
47268	5/21/2015	REIMB	AVILA, ANGELICA CALIFORNIA NOTARY BOND, ERRORS & OMISSIONS POLICY & SECRETARY OF STATE FEE REIMB	134.60	134.60

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CITY OF INTERTON WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
47318	5/21/2015	9744609218	VERIZON WIRELESS CITY, CSO & BURGLARY SUPPRESSION UNIT CELLULAR PHONES FOR MAR 26-APR 25, 2015	117.50	117.50
47289	5/21/2015	8014458	HOME DEPOT CORDLESS ROTARY TOOL & DIAMOND TAPER WHEELS MAINTENANCE TOOLS	109.76	109.76
47294	5/21/2015	5259	JUDICIAL DATA SYSTEMS CORP. PARKING CITATIONS REVIEWS/HEARING PROCESSING ADMINISTRATION FEES FOR MAR, 2015	100.00	100.00
47303	5/21/2015	SH0000025974	RIVERSIDE COUNTY SHERIFF DEPT. TRAFFIC MOTORCYCLE FUEL FOR FEB 25-MAR 19,2015	90.12	90.12
47307	5/21/2015	16102760622 15892760008 16312760008 16102760622	SOUTHERN CALIFORNIA GAS CO. 44900 ELDORADO DRIVE FIRE STATION UTILITIES FOR APR 2-MAY 1, 2015 44860 ELDORADO CORP YARD UTILITIES FOR APR 2-MAY 1, 2015 44950 ELDORADO DRIVE CITY HALL UTILITIES FOR APR 2-MAY 1, 2015 CREDIT 44900 ELDORADO DRIVE FIRE STATION UTILITIES FOR MAR 4-APR 2, 2015	58.55 40.12 26.28 -48.25	76.70
47272	5/21/2015	67812	CAM STONE'S AUTOMOTIVE 2008 FORD F150 LUBE, OIL, AIR FILTER, TIRE ROTATION, & ENGINE OIL VEHICLE MAINTENANCE	62.56	62.56
47267	5/21/2015	111867	ARMSTRONG GROWERS ASSORTED FLOWERS FOR CITY HALL LANDSCAPE MAINTENANCE	54.59	54.59
47305	5/21/2015	208047145	SIMPLOT PARTNERS (2) 50-LB BAGS OF EVERGREEN STANDARD LANDSCAPE SUPPLIES	42.13	42.13
47264	5/8/2015	352000006506	UNITED WAY OF THE DESERT PAYROLL EMPLOYEE CONTRIBUTIONS FOR MAY 8, 2015	27.00	27.00
47274	5/21/2015	988441568	CANON SOLUTIONS AMERICA, INC. COLORWAVE 300 COLOR PRINTER USAGE & MAINTENANCE FOR MAR, 2015	22.32	22.32
47282	5/21/2015	S2189043.001	DESERT ELECTRIC SUPPLY BUS SHELTER LIGHTING REPAIR SUPPLIES	7.12	7.12

58 checks in this report

TOTAL CITY WARRANTS 47143-47245: 96,832.21

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CITY OF INDIAN WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
Wires :					
1555	5/12/2015		INTERNAL REVENUE SERVICE		
		95-2489139	FWT, FICA & MEDICARE FOR MAY 8, 2015	36,147.27	36,147.27
1556	5/8/2015		CALPERS RETIREMENT SYSTEM		
		6392517834	PAYROLL CONTRIBUTIONS FOR MAY 8, 2015	8,793.58	8,793.58
1554	5/8/2015		ICMA		
			CONTRIBUTIONS 401A, 457 & ROTH IRA FOR MAY 8, 2015	8,774.43	8,774.43
1557	5/8/2015		CALIFORNIA, STATE OF		
		925-0060-2	SDI & SWT DEPOSIT FOR MAY 8, 2015	6,980.14	6,980.14
2893	5/7/2015		INDIAN WELLS EMPLOYEE ASSOC.		
		2379795	PAYROLL EE DUES FOR MAY 8, 2015	210.00	210.00
TOTAL PAYROLL WIRE DISBURSEMENTS 1554-1557 & 2893:					60,905.42

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CITY OF INDIAN WELLS
05/21/2015 MEETING WARRANT LIST

CHECK #	DATE	INVOICE #	VENDOR NAME/DESCRIPTION	INVOICE AMT	CHECK TOTAL
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EFT 13908-13941	80,050.90
2894	975.65
Total Net Payroll 05/08/15	81,026.55

TOTAL CITY DISBURSEMENTS: 238,764.18

Note: Warrants 47263-47320 were issued prior to City Council approval.

Note: Warrant 47062 was voided on 5/1/15 & Warrant 47176 was voided on 5/7/15.

CC/IA ACTION _____ MTG. DATE: 5-21-15
 APPROVED DENIED _____ REC/FILE _____ CONT. _____
 OTHER _____
 VOTE: YES 3 NO _____ ABSTAIN 2
Resed
Hawson

CC/MA ACTION _____ MTG. DATE: 5-21-15
APPROVED DENIED _____ REC/FILE _____ CONT. _____
OTHER Introduced Ordinance
VOTE: YES _____ NO _____ ABSTAIN _____

Indian Wells City Council
Staff Report – City Manager’s Office

May 21, 2015
as Revised at this

Introduce Ordinance Modifying Chapter 5.20 of the Indian Wells Municipal Code Related to Short-term Residential Rentals

RECOMMENDED ACTION:

Council **INTRODUCES** Ordinance No. 2015-06 modifying Chapter 5.20 of the Indian Wells Municipal Code related to short-term residential rentals.

DISCUSSION:

Background:

On April 1, 2015, Council directed Staff to introduce an ordinance at the April 16, 2015 Council meeting modifying Chapter 5.20 of the Indian Wells Municipal Code. That ordinance included a number of provisions that modified the Municipal Code to allow Vacation Rentals under certain specific conditions.

At the April 16, 2015 regular meeting of the City Council, Council voted unanimously to table the ordinance. On May 7, 2016, Mayor Peabody provided the City Manager with a Summary of Proposed Ordinance Changes (**Attachment 1**).

Summary of New Changes to Ordinance:

Ordinance 2015-06 (**Attachment 2**) modifies Chapter 5.20 of the Indian Wells Municipal Code based on the Summary provided by the Mayor. Specifically:

1. Allows “grandfathered” Vacation Rentals to rent for a minimum stay of seven (7) days and seven (7) nights;
2. Requires non-grandfathered Vacation Rentals to rent for a minimum stay of twenty-nine (29) days;
3. Allows all licensed and permitted Vacation Rentals (not just grandfathered properties) to rent their property for a minimum stay of seven (7) days and seven (7) nights during the one (1) week preceding, and three (3) days after conclusion, of the annual BNP Paribas Tennis Tournament;

4. Creates a thirty (30) day registration period for any property owner not currently registered to become "grandfathered," during a period commencing the day the ordinance goes into effect and ending the first normal business day thirty (30) calendar days after commencing;
5. Revokes any Vacation Rental permit upon delinquency of Transient Occupancy Tax (TOT) payments by a property owner;
6. Sunsets the operation of all Vacation Rentals, including "grandfathered" rentals after two years of enactment of the ordinance;
7. Terminates any Vacation Rental permit upon sale of subject property;
8. Prohibits any licensee from renting for a period less than twenty-nine (29) days if they do not renew their license and permit during the annual renewal period (January through March of each calendar year);
9. Automatically revokes any Vacation Rental permit upon a third (3rd) administrative citation.
10. Allows Common Interest Developments (CIDs) to set their own rules on Vacation Rentals, as already allowed by State law, as long as the CIDs provisions are more strict than the City's Chapter 5.20:

For example, a CID can set a minimum stay period for 30 days, but is solely responsible for enforcement of the minimum stay requirement.

In addition to the changes proposed in the Mayor's Summary, Ordinance No. 2015-06, maintains the following provisions previously agreed upon by Council at the April 1, 2015 Study Session, and discussed during the April 16, 2015 Regular Meeting:

11. Increase a property owner's emergency contact response time from forty-five (45) minutes to one hour;
12. Reduces penalties for property owners whose renters violate Chapter 5.20:
 - a. First Offense – no change – written warning;
 - b. Second Offense – reduce administrative fine from \$2,000 to \$1,000 for any second offense within a twelve (12) month period;
 - c. Third Offense – reduce administrative fine from \$5,000 to \$1,500 and possible revocation of the Vacation Rental Permit;
 - d. Any Offense during suspension of a permit – reduction in administrative fine from \$5,000 to \$2,500;

13. Removes requirement to notify neighbors within two hundred (200) feet of a property registered as a Vacation Rental; and
14. Removes the limitation on maximum daytime occupancy.

TIMEFRAME:

Ordinance No. 2015-06 requires two public readings, introduction and adoption, and a thirty (30) day challenge period. If Council votes to introduce Ordinance No. 2015-06 at the May 21, 2015, Regular Meeting, the schedule would be:

- June 3, 2015 Regular Council Meeting – second reading and vote for adoption;
- Saturday, July 4, 2015 – Ordinance goes into effect and opens the thirty (30) day grandfathering registration period;
- Monday, August 3, 2015 – close of business at City Hall ends the grandfathering period;
- Tuesday, July 4, 2017 – Ordinance No. 2015-06 sunsets making all Vacation Rentals less than twenty-nine (29) days illegal.

ATTACHMENTS:

1. Summary of Proposed Ordinance Changes
2. Ordinance No. 2015-06

Summary of Proposed Ordinance Changes

Short Term Rentals

There shall be no rentals less than 29 days in the City of Indian Wells

EXCEPT during the Tennis Tournament (1-week minimum)

EXCEPT for currently licensed short-term renters (1-week minimum rental) who continue to renew their license and are in good standing with the city (TOT paid in full) **AND** newly licensed short-term renters who obtain a license during the 30-day registration period; both for a period of no more than 2-years after this ordinance is enacted

UNLESS the property is sold

UNLESS non-renewal of existing license

UNLESS failure to timely and completely pay all TOT due

UNLESS a 3rd violation of Ordinance 684 or 685

EXCEPT for residences subject to CC&Rs and an established HOA

UNLESS that HOA opts in

Advertisement in any form of a residence that fails to state the minimum rental period of 29-days (7-days for qualified properties) constitutes an immediate violation

Following are points for incorporation into the City of Indian Wells existing Ordinances 684 and 685, the city's noise and short term rental ordinances. The substantive portions of the proposed ordinance below are to be incorporated into the existing city ordinance, not in lieu of existing ordinances, except where the language below conflicts with the existing city ordinances. If amenable to three or more council members, the city attorney should be directed to promptly incorporate the points below and return the revised ordinances to council for review and approval.

In the City of Indian Wells, it shall be unlawful to rent, let or license for compensation in any form the use of any residential property or portion thereof for a period of less than 29 days, except for the time that corresponds to the annual Indian Wells Tennis Tournament, so long as same shall continue, except for residential properties that properly registered with the City prior to the July 2014 [CONFIRM THIS DATE] registration cutoff date previously set by the City or who register with the City during a 30 day window that shall become effective on enactment of this ordinance, but even as to all of said properties, not past the sooner of: a) the date of a sale of said residence after enactment of this ordinance; b) non-renewal of an existing annual business license or operating permit; c) failure to timely pay all Transient Occupancy Taxes due from the rental of said residence; d) a third violation of Ordinance 684 or 685; or e) two years from enactment of this ordinance, and except for residences subject to CC&Rs and an established Homeowners Association, unless that Homeowners Association notifies the City it wishes to be subject to this ordinance, and in all cases subject to the City's Noise Ordinance. Subject to the exceptions set forth herein, advertising in any form or medium of a residence or any portion thereof for rental purposes that fails to state a minimum rental period of 29 days (seven days in the case of qualifying properties registered with the city prior to the July 2014) shall be *prima facie* evidence the property in question is in violation of the minimum rental period as described herein.

ORDINANCE BILL NO. 2015-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, AMENDING CHAPTER 5.20 (TITLE 5 BUSINESS LICENSES AND REGULATIONS) OF THE INDIAN WELLS MUNICIPAL CODE, RELATING TO SHORT-TERM RESIDENTIAL RENTALS

WHEREAS, the City of Indian Wells ("City") has the authority under Article 11, Section 5 of the California Constitution and the City Charter to make and enforce all ordinances and regulations with respect to municipal affairs; and

WHEREAS, the City has the authority to regulate land uses and businesses operating within the City; and

WHEREAS, short-term rentals of private residences within the City are business ventures subject to the City's business licensing ordinance; and

WHEREAS, the City has authorized use of private residences for short-term rentals as a business consistent with the General Plan and Zoning Code; and

WHEREAS, short-term occupancies of private residences within the City are subject to the City's transient occupancy tax; and

WHEREAS, it is the intent of the City Council that the moratorium set forth in Urgency Ordinance No. 688 be terminated by amendments to Chapter 5.20 of the Indian Wells Municipal Code specifically set forth in Ordinance No. 685 and this Ordinance; and

WHEREAS, the City wishes to enhance and maintain the residential character of its residential zones; and

WHEREAS, the City desires and intends to amend the Indian Wells Municipal Code to tighten and clarify provisions concerning short-term residential rentals, promote accurate collection of the transient occupancy tax, and enhance and maintain the residential character of its residential zones by providing regulations for short-term residential rentals within the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDIAN WELLS DOES ORDAIN AS FOLLOWS:

SECTION 1. The table of contents of Chapter 5.20 of Title 5 of the Indian Wells Municipal Code is amended to read as follows:

**“Chapter 5.20
SHORT-TERM RESIDENTIAL RENTALS**

Sections:

- 5.20.010** **Violation; nuisance; applicability.**
- 5.20.020** **Short-term residential rental, definitions.**
- 5.20.030** **Conditions of operation.**
- 5.20.040** **Business license.**
- 5.20.050** **Registration.**
- 5.20.060** **Personal availability.**
- 5.20.070** **Notice to occupants.**
- 5.20.080** **Transient occupancy tax.**
- 5.20.090** **Statement of occupancies**
- 5.20.100** **Signs/Advertisement.**
- 5.20.110** **Noise.**
- 5.20.120** **Occupancy.**
- 5.20.130** **Maintenance of residential character.**
- 5.20.140** **Minimum duration of occupancy.**
- 5.20.150** **Parking.**
- 5.20.160** **Revocation of Short-term Vacation Rental Permit and business license.**
- 5.20.170** **Administrative citation.**
- 5.20.180** **Limited Registration Period.**
- 5.20.190** **Tennis Tournament Exception.**
- 5.20.200** **Ordinance Sunset”**

SECTION 2. Section 5.20.020 of the Indian Wells Municipal Code is amended to read as follows:

“5.20.020 Short-term residential rental, definitions.

“Local Contact Person” means the person designated by the Owner, or Owner’s authorized agent, who shall be available twenty-four (24) hours per day, seven (7) days per week for the purpose of: (1) responding within one (1) hour ~~(45) minutes~~ to complaints regarding the condition, operation, or conduct of occupants of the Short-Term Residential Rental unit; and (2) taking any remedial action necessary to resolve any such complaints.”

SECTION 3. Section 5.20.050 of the Indian Wells Municipal Code is amended to read as follows:

"5.20.050 Registration.

On a written form prepared by the Community Development Director of the City, the Owner shall register with the City as the point of contact for the Short-term Residential Rental Premises and shall be responsible for all requirements of this Chapter. However, such registration is deemed satisfied if accomplished by a Managing Agency or Agent on behalf of the Owner. The Owner of the Premises shall retain primary responsibility for all requirements of this Code related to Short-term Residential Rentals, notwithstanding registration by a Managing Agency or Agent. There shall be no subleasing of any Premises for short-term rental purposes; instead, only a rental agreement executed by the Owner shall be permitted for any Premises when used for Short-term Residential Rentals. A fee may be established by resolution of the City Council to cover costs of processing the registration. Either the Owner of the Premises or a Managing Agency or Agent shall provide all of the following information to the City at the time of registration, and shall promptly upon change of any such information update such information to maintain accuracy:

- (a) Full legal name of the Owner of the Premises and if a business entity or trust, the individual who has responsibility to oversee its ownership of the Premises; and
- (b) Street and mailing addresses of the Owner of the Premises; and
- (c) Telephone number of the Owner of the Premises; and
- (d) Email address of the Owner of the Premises; and
- (e) Full legal name or business name of a Managing Agency or Agent, if any; and
- (f) Street and mailing addresses of a Managing Agency or Agent, if any; and
- (g) Telephone number of a Managing Agency or Agent, if any; and
- (h) Street and mailing addresses of the Short-term Residential Rental Premises; and
- (i) Telephone number of the Short-term Residential Rental Premises; and
- (j) List of all online websites used to advertise Premises for Short-term Vacation Rental along with all listing numbers; and
- (k) Full name and telephone number of 24 hour emergency Local Contact Person; and
- (l) Submit a Transit Occupancy Tax (TOT) registration fee as set by Resolution of the Indian Wells City Council; and
- (m) Submit a Short-term rental registration fee as set by Resolution of the Indian Wells City Council; and
- (n) Any other contact information the City may reasonably require.

~~During the ongoing operation of the Short term Residential Rental, the Owner or Managing Agency or Agent shall register the name and contact information for all responsible persons (as lessees) renting their Premises, through a City run online database, along with dates of stay, no later than forty eight (48) hours prior to occupant arrival. The City shall have the authority to conduct random inspections of Premises to ensure compliance with provisions of this Chapter.~~

A current business license, TOT registration and Good Neighbor Brochure shall be hung and/or placed in a conspicuous location within the Premises at all times of the Short-term Residential Rental business operation. In addition, each Responsible Person for the Premises shall be provided with a copy of the City's Good Neighbor Brochure by the Owner or Managing Agency or Agent.

The Owner or Managing Agency or Agent shall provide language in their rental agreement allowing for immediate termination of the rental contract, and immediate eviction upon any violation of the Municipal Code by any occupant. The Responsible Person shall acknowledge understanding of all Indian Wells Short-term Residential Rental rules and their liability for any fines incurred by occupants."

SECTION 4. Section 5.20.060 of the Indian Wells Municipal Code is amended to read in its entirety as follows:

"5.20.060 Personal availability.

(a) For each Short-term Residential Rental, a Local Contact Person shall be available by telephone on a seven (7) day per week, twenty-four (24) hour per day basis to respond to public safety calls, nuisances, or other complaints regarding the use, condition, operation, or conduct of occupants on the Premises. The Local Contact Person shall respond within ~~one (1) hour 45 minutes~~ to satisfactorily correct any alleged nuisance or violation of this Chapter by occupants occurring at the Premises. If the Local Contact Person does not respond within ~~one (1) hour 45 minutes~~ or does not satisfactorily correct the alleged nuisance or violation pertaining to the call, the Owner shall be subject to citation pursuant to Section 5.20.170 of this Code.

(b) Local Contact Person shall be physically present within the geographical limits of the City during the term of the Short-term Residential Rental or be otherwise physically available to respond by visiting the Premises in person, at the request of the City or the City's police authority, within ~~one (1) hour 45 minutes~~ of contact concerning any alleged nuisance or violation of this Chapter."

SECTION 5. Section 5.20.080 of the Indian Wells Municipal Code is amended to read in its entirety as follows:

"5.20.080 Transient occupancy Tax.

All short-term Residential Rentals shall be subject to the City's Transient Occupancy Tax (TOT) as required by Chapter 3.12 of this Code. The Owner or Managing Agency or Agent shall remit TOT to the City, once per quarter, on or before the 30th day following the dates of March 31, June 30, September 30, and December 31 of each year, on a form prepared by the City or in a manner otherwise acceptable to the City. Any Owner(s), or Managing Agency or Agent on behalf of Owner(s), who fail to remit TOT, concerning a Premises with a registered operating permit, subject to Section 5.20.040 of this Code, within three (3) days of written notification of delinquency from the City, will have their operating permit for the subject Premises revoked. Such written notification will be mailed by Certified U.S. Mail to the address(es) provided to the City pursuant to Section 5.20.050 of this Code.

SECTION 6. Section 5.20.120 of the Indian Wells Municipal Code is amended to read in its entirety as follows:

"5.20.120 Occupancy.

The maximum overnight occupancy on the Premises of the Short-term Residential Rental, from the hours of 11:00 p.m. through 6:00 a.m. on the following morning, shall not exceed two (2) persons per bedroom with an exception for children under the age of six who may additionally occupy the Premises, and no additional occupants ~~on the Premises~~ shall be permitted on the Premises during such hours. ~~The maximum daytime occupancy on the Premises of the Short-term Residential Rental, from the hours of 6:00 a.m. through 11:00 p.m. on the same day, shall not exceed the maximum overnight occupancy, plus an additional one (1) person per bedroom.~~ The Owner or Managing Agency or Agent shall only advertise available maximum overnight occupancy up to the maximum occupancy set forth above."

SECTION 7. Section 5.20.140 of the Indian Wells Municipal Code is amended to read in its entirety as follows:

"5.20.140 Minimum duration of rental.

~~(a) Upon the expiration of Ordinance No. 678 or any ordinance extending all or part of the moratorium thereunder, t~~The duration of any lease or rental of Premises as a Short-term Residential Rental registered pursuant to Section 5.20.180(a) of this Code shall be for a minimum of ~~three~~ seven consecutive ~~(367)~~ nights and seven (7) consecutive days during which time there shall be no overlapping leases or rental of the Premises. The Owner or Managing Agency or Agent shall not advertise availability of the Premises for rent for less than the minimum number of rental nights and days set forth in this Section 5.20.140(a). ~~above.~~

~~(b) The duration of any lease or rental of Premises as a Short-term Residential Rental registered pursuant to Section 5.20.180(b) of this Code shall be for a minimum of twenty-eight~~ nine (28 29) consecutive nights and twenty-nine (29) consecutive days during which time there shall be no overlapping leases or rental of the Premises. The Owner or Managing Agency or Agent shall not advertise availability of the Premises for rent less than the minimum number of rental nights set forth in this Section 5.20.140(b)."

SECTION 8. Section 5.20.170 of the Indian Wells Municipal Code is amended to read in its entirety as follows:

"5.20.170 Administrative citation.

(a) The City, or the City's police authority as that term is defined by Section 11.08.060 of this Code, may issue an administrative citation to any occupant, invitee, renter, lessee or Owner of the Premises, or Managing Agency or Agent, for a violation of any provision of this Chapter.

(b) All complaints against a Short-term Residential Rental for any violation of this Code may be handled by the City's police authority on a 24-hour basis. Any police report where the City's police authority has concluded that a violation of this Chapter has occurred, may be submitted to the City's Code Enforcement Department for review, processing and issuance of an administrative citation. Each and every day, or portion thereof, that a violation of this Chapter exists constitutes a separate and distinct violation for which an administrative citation may be issued. Such an administrative citation shall be issued, notice given, and any appeals heard by the processes and in the manner prescribed by Sections 8.08.040 through 8.08.190 of this Code, as amended from time to time.

In addition or in the alternative, any violation of this Chapter ~~shall~~ may constitute a misdemeanor which may be subject to the maximum punishment therefor as allowed by law.

Responsible Person (Renter):

The City may issue and the Responsible Person for each Short-term Vacation Rentals may receive an administrative citation for any violation of the short-term rental ordinance, including without limitation violation of the City's noise ordinance, as follows:

1. First offense – Warning by City's police authority;
2. Second offense within any sixty (60) day period - \$500 fine;
3. Third and subsequent offenses within sixty (60) day period - \$1,000 fine.

Owner:

The City may issue and the Owner may receive an administrative citation for any violation of the Municipal Code, including without limitation the City's noise ordinance, by the Owner or Short Term Vacation Rental occupant as follows:

4. First offense - Warning by City's police authority;
5. Second offense within any twelve (12) month period - ~~\$21,000~~ \$1,500 fine;
6. Third and subsequent offences within any twelve (12) month period - ~~\$5,000~~ \$1,500 fine and revocation of their license to operate pursuant to Chapter 5.20.160 of this Code. ~~revocation of the vacation rental permit for a period of twelve (12) months effective immediately;~~
7. Any offense occurring during any permit revocation period - ~~\$5,000~~ \$2,500 fine."

SECTION 9. Chapter 5.20 of the Indian Wells Municipal Code is amended by adding Section 5.20.180 to read as follows:

5.20.180 Limited Registration Period

(a) Owner(s), or Managing Agency or Agent on behalf of Owner(s), may register their Premises for operation as a Short-term Residential Rental, pursuant to requirements of Section 5.20.050, between the dates of July 6, 2015 and August 3, 2015 (the "Limited Registration Period"). The Owner of a particular Premises, or the Managing Agency or Agent of that Owner for that Premises, who registers the Premises as described above during the Limited Registration Period, may rent the Premises for the minimum stay duration set forth in Section 5.20.140(a), and the same Owner of such Premises (or such Owner's Managing Agency or Agent thereof) shall be grandfathered into future renewals for registration of such Premises annually.

(b) Owner(s), or Managing Agency or Agent on behalf of Owner(s), may register their Premises for operation as a Short-term Residential Rental, pursuant to requirements of Section 5.20.050 after August 3, 2015, and shall then be subject to the minimum stay duration set forth in Section 5.20.140(b)."

SECTION 10. Chapter 5.20 of the Indian Wells Municipal Code is amended by adding Section 5.20.190 to read as follows:

"5.20.190 Tennis Tournament Exception

Owner(s), or Managing Agency or Agent on behalf of Owner(s), who register their Premises for operation as a Short-term Residential Rental pursuant to Chapter 5.20.180(b) may rent their property for a period of no less than ~~six~~seven (6 7) consecutive nights and seven (7) days in accordance with Section 5.20.140(a), during the period commencing one week preceding and ending three (3) days after conclusion of the annual professional tennis tournament held each March at the Indian Wells Tennis Garden ~~annual professional tennis players tournament conducted at the Indian Wells Tennis Garden.~~"

SECTION 11. Chapter 5.20 of the Indian Wells Municipal Code is amended by adding Section 5.20.200 to read as follows:

"5.20.200 Ordinance Sunset

Notwithstanding any provisions in this Code to the contrary, beginning July 5, 2017, all Short-term Residential Rentals subject to this Chapter 5.20 shall no longer be permitted for less than twenty-nine (29) consecutive nights.

SECTION 12. Urgency Ordinance No. ~~678~~688. Ordinance No. 6788, and any ordinance extending all or part of the moratorium set forth therein, ~~shall remain in full force and effect except as hereby terminated in its entirety and~~ –superseded by amendments to Chapter 5.20 of the Code specifically set forth in Ordinance No. 685 and this Ordinance ~~which conflict with specific provisions of Ordinance No. 678 or any such successor ordinance.~~

SECTION 13. CEQA. This Ordinance does not commit the City to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 14. SEVERABILITY. If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance, which can be given effect without the invalid provision or application and, to this end, the provisions of this Ordinance are hereby declared to be severable. This Ordinance amends, adds to and deletes (as applicable) sections of the Indian Wells Municipal Code.

SECTION 15. EFFECTIVE DATE. This Ordinance shall take effect and be in force 30 days after passage.

SECTION 16. PUBLICATION. The City Clerk is directed to publish this Ordinance within the manner and in the time prescribed by law. **PASSED APPROVED, AND ADOPTED** by the City Council of the City of Indian Wells, California, at a special meeting held on the 3rd day of June, 2015.

**TY PEABODY
MAYOR**

**STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF INDIAN WELLS)**

CERTIFICATION FOR ORDINANCE BILL NO. 2015-06

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that Ordinance Bill No. 2015-06, having been regularly introduced at the meeting of May 21, 2015 was again introduced, the reading in full thereafter unanimously waived, and duly passed and adopted at a special meeting of the City Council held on this 3rd day of June, 2015 and said Ordinance was passed and adopted by the following stated vote, to wit:

AYES:
NOES:

and was thereafter on said day signed by the Mayor of said City of Indian Wells.

ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

Michael Andelson

To: Indan Wells City Council; City Manager and City Attorney
Subject: Modifications to proposed Ordinance 2015-06

Ordinance 2015-06 is based on Attachment 1 submitted by the Mayor shown on pages 198 and 199 of the Packet.

A key objective of the new Ordinance is to allow effective enforcement at minimum expense to the City. The proposed Ordinance can be improved.

1) 5.20.120 (page 204). Maximum occupancy. It provides:

“The Owner or Managing Agency or Agent shall only advertise available maximum overnight occupancy up to the maximum occupancy set forth above.”

A more effective and less costly enforcement approach would read:

“In any advertising concerning the premise for short term rental, the Owner or Managing Agency or Agent shall advertise the maximum number of overnight occupants allowed as set forth above.” This places on the owner an affirmative obligation to state the max occupancy.

2) 5.20.140(a) and (b) (page 205). Minimum stay period. It provides:

“The Owner or Managing Agency or Agent shall not advertise availability of the Premises for rent for less than the minimum number of rental nights and days set forth in this Section 5.20.140(a).”

A more effective enforcement and less costly enforcement approach which places an affirmative duty on the owner to state the minimum stay would read:

“In any advertising concerning the availability of the premise for short term rental, the Owner or Managing Agency or Agent shall advertise the minimum number of rental nights and days set forth in this Section [5.20.140(a)] [5.20.140(b)].”

3) 5.20.170 (page 205). Administrative Citation. Enforcement will be improved at less expense to the City by the addition of a subpart (c) which reads:

“Violations of the advertising requirements of either sections 5.20.120 or 5.20.140 shall be *prima facie* evidence of a violation of the provisions of this Chapter.”

4) HOA’s and CID’s. The Mayor’s Attachment 1 provides that the ordinance applies to all residences except those subject to CC&R’s and an established HOA, unless the HOA notifies the City it wishes to be subject to this ordinance.

This language allows HOA’s and CID’s lacking effective enforcement to **opt in** to the City’s Ordinance. This language is missing from the proposed Ordinance and should be included.

COCHA ACTION _____ MTG. DATE: 5-21-15
APPROVED _____ DENIED _____ REC/FILE _____ CONT. _____
OTHER Council gave direction to
VOTE: YES _____ NO _____ ABSTAIN _____

Indian Wells City Council

May 21, 2015

Staff Report – City Manager’s Office

Mayor and city manager for their next CVAG Executive Committee meeting re: CV Link.

Coachella Valley Link (CV Link) Operations and Maintenance

RECOMMENDED ACTIONS:

City Council discuss Coachella Valley Link (CV Link) and provides **DIRECTION**.

DISCUSSION:

The Coachella Valley Association of Governments (CVAG) continues its progress on the CV Link. Attachment A is a Status Report as of April 29, 2015. The report was presented at the CVAG Technical Advisory Committee (TAC). TAC modified the report to include recent direction, by the CVAG Executive Committee to agendize a discussion of appointing a subcommittee (the modifications are not yet included in the report).

Several significant issues have yet to be resolved including Operations and Maintenance costs projects and funding plans. Various CVAG Committees including the Executive Committee are discussing those issues.

- CVAG Public Safety is reviewing security and safety plans.
- CVAG Transportation is analyzing the Operations and Maintenance program.
- A proposed subcommittee of Council Members and City Managers will be tasked with reviewing funding alternatives.
- CVAG Executive Committee is reviewing all of the areas of CV Link.

Indian Wells has supported an inclusive public process for the CV Link. Staff recommends the City Council support an engagement process including Council Members from each City to discuss the issues associated with the Operations and Maintenance program and create a collective solution.

This effort needs to be supported by reliable information, available to all parties for the public process to be a success. The agenda for the process should include a discussion of the service levels for the Operations and Maintenance program, as well as associated costs. The process needs to include a Legal analysis on the various funding alternatives to insure compliance with the applicable regulations. Consistent with the City’s conservative financial practices Operating and Maintenance Costs should be refined and funding secured before the project moves forward.

Information on the CV Link is available at www.coachellavalleylink.com. CVAG reports that the project design is at 10% complete. There has been little discussion of potential routes through Indian Wells. The draft plan includes two routes for study, one along Highway 111 and the other in the Whitewater Wash. Potential routes will be reviewed in the future with CVAG and the community.

FISCAL IMPACT:

CVAG has estimated operations and maintenance costs at \$1.6 million. There is no funding plan in place and no distribution as to City responsibility. CVAG has explored a plan that would include a portion of the future growth in TOT to fund operations and maintenance. There have been no approvals of such a plan.

ITEM 6C.4

**Coachella Valley Association of Governments
Technical Advisory Committee
May 11, 2015**



Staff Report

Subject: CV Link Status Report

Contact: LeGrand Velez, Transportation Program Manager (lvelez@cvag.org)

Recommendation: Receive and File

Background: Below is the latest status report of the CV Link project as of April 29, 2015:

1. The planning, design, and engineering contract was executed on March 18, 2015. Deficiencies identified in the Caltrans Conformance Letter have been addressed and responses placed on file. A Consultant Checklist was submitted to the Caltrans District 8 Local Assistance Engineer (DLAE) on April 3, 2015.
2. The environmental services contract was executed on April 2, 2015. A Consultant Checklist was submitted to the Caltrans District 8 Local Assistance Engineer (DLAE) on April 28, 2015.
3. A draft final version of the CV Link Master Plan has been prepared. The three volume document is available for review on the CVAG website. Revisions are being made to accommodate comments by the City of Rancho Mirage. Once revisions are completed the document will be reviewed and approved through the CVAG committee structure.
4. The CV Link Project received two American Advertising Awards (Addys) at the Ad Fed Desert Awards Banquet on March 21, 2015. The CV Link website won a silver Addy. The CV Link video won a gold Addy, and will go on to compete at the district level. The California Association of Public Information Officials (CAPIO) gave the CV Link Video an Award of Distinction at their 2015 Annual Conference on April 15, 2015. The awards are on display at the CVAG office.
5. The California Traffic Control Devices Committee (CTCDC) reviewed the non-standard traffic control devices/signs that are proposed in the Neighborhood Electric Vehicle (NEV) Transportation Plan at their March 5, 2015 meeting. All traffic control device proposals were either approved as proposed, approved as modified by CTCDC, or determined to be previously authorized. The NEV Plan was submitted to the Riverside County Technical Advisory Committee (RCTC) on March 25 for review. The CVAG Public Safety Committee will review the NEV Plan at their meeting on June 8.
6. On January 20, 2015, the Desert Hot Springs City Council approved a resolution in support of the CV Link Project. City staff were directed to work with CVAG to identify a preferred alignment for CV Link in Desert Hot Springs. Desert Hot Springs conducted

CV Link public outreach meetings on February 26, 2015 and March 2, 2015. CVAG staff participated in the outreach meetings.

7. Two Health Impact Assessment (HIA) workshops were conducted on March 19, 2015: an afternoon workshop in Palm Desert and an evening workshop in Coachella. The consultant team presented preliminary research findings and received input from the public. A final report and recommendations will be prepared.
8. Public outreach continues through the project website, social media, presentations and special events. Recent events where CV Link sponsored an information booth include the 2nd Annual Ford Falcon 5k at the Living Desert (2/21/15), Cathedral City Movies at Panorama Park (2/28/15), 16th Annual Walk to End Alzheimer's & Health Fair at Palm Desert Civic Center (3/14/15), and the Palms Springs Neighborhood Involvement Committee Picnic and Expo (3/28/15). Recent presentations include the Coachella Valley Hiking Clubs (2/24/15), the Desert Health Care District (2/24/15), the Palm Springs Board of Realtors (2/25/15), the Friends of CV Link (3/5/15), the Indian Wells Community Development Department, the Riverside County Active Transportation Network (4/1/15), the Palm Desert Parks Commission (4/7/15), the Palm Desert Chamber of Commerce (4/14/15), the Coachella Valley Water District Board of Directors (4/14/15), the 29 Palms Band of Mission Indians Tribal Council (4/15/15), the American Council of Engineering Companies Riverside-San Bernardino Chapter (4/16/15), the Greater Palm Springs Convention and Visitors Bureau (4/22/15), and the Safe Routes to Schools Coachella Valley Coalition (4/28/15). A public workshop focused on alignment alternatives through Rancho Mirage was held at the Rancho Mirage Library on April 6th.
9. The CV Link video is being shown at multiple outlets and has been positively received. In addition to the original two minute video, a newer, 30-second video has been prepared in both English and Spanish. They are being shown at various movie theaters in the advertising spots before movies and as a public service announcement (in English and Spanish) on various television channels.
10. The CV Link Public Outreach Program, which was funded through a grant from Caltrans, has been completed. A Final Report was prepared and submitted to Caltrans. Outreach materials, including the promotional video, were financed through this grant. The CV Link Fact Sheet and FAQ Sheet were updated in English and Spanish at the close-out of the grant funded program.
11. CVAG staff was approached by representatives of the Cabazon Band of Mission Indians (BMI) regarding the CV Link Project. A Casino Loop connector is included in the Master Plan. Cabazon staff expressed interest in advancing plans for the Casino Loop, informed CVAG of an existing undercrossing of Interstate-10 on their land, and indicated that federal Bureau of Indian Affairs transportation funds are available to cover costs. CVAG staff then met with the 29 Palms BMI and the City of Coachella regarding the Casino Loop. All parties are interested in collaborating to construct the Casino Loop.
12. CVAG staff is preparing to submit Active Transportation Program (ATP) grant applications for several spurs to the core project. Staff received authorization to spend up to \$40,000 on technical assistance for the grant applications.
13. Phase I Project construction is expected to begin in 2017.

CV Link

Proposal:

Slow Project down.

Until:

- A complete analysis of operation and maintenance costs (O+M) have been accurately projected.
- A complete analysis of security costs taking into consideration:
 - Police involvement
 - Lighting
 - Other security concerns
- Each city approves a route through their city.
- Determine funding of O+M costs and security costs. As part of that, determine if cities are willing to pay any costs.
- A legal opinion has been given regarding use of Measure A funds.

- A meeting involving all mayors, city managers, finance directors, city council members and public works directors to review CV link proposal has taken place.

Agenda should include:

- Route through each city.
- Estimated costs of O+M and security.
- Funding fro O+M costs.
- Legal opinion regarding use of Measure A funds.
- Revised costs estimate for project.

Additional Information or Questions:

- Effect on CV link if Salton Sea issues are not resolved.
- What is use of link estimated to be? Seasonal? Year round?
- Safety concerns regarding bicyclists, pedestrians and carts using same path.
- Consequences on not allowing carts on path.
- Insurance issues.

CC/HA ACTION _____ MTG. DATE: 5-21-15
APPROVED DENIED _____ REC/FILE _____ CONT _____
OTHER _____
VOTE: YES 5 NO 0 ABSTAIN _____

Indian Wells City Council

May 21, 2015

Staff Report – Public Works

Award Contracts for Carl Bray Monument Project Construction, Fabrication of Plaques and Artist Palette Pole Sign

RECOMMENDED ACTIONS:

Council **AWARDS** the Carl Bray Monument Construction Contract to Jacobsson Engineering Construction, Inc. in the amount of \$47,408 for construction of all monument features excluding the informational plaques and a free standing replica artist palette pole sign; and

AWARDS contract to Best Signs in the amount of \$4,894.60 for the fabrication and installation of six informational plaques; and

AWARDS contract to Best Signs in the amount of \$18,952 for the fabrication and installation of a free standing replica artist palette pole sign; and

AUTHORIZES and **DIRECTS** the City Manager to execute the contracts for same; and

AUTHORIZES a 10% project contingency in the amount of \$7,000; and

AUTHORIZES a supplemental appropriation for of \$67,475 from the Art in Public Places Fund.

DISCUSSION:

Background:

The City Council reviewed three design concepts for the Carl Bray monument at a study session for the project last summer. On October 2, 2014, the City Council approved a final design consisting of elements from two of the draft concepts that included informational plaques mounted to a curvilinear wall and a freestanding replica "artist palette" pole sign.

Carl Bray Monument Approved Design



The approved monument consists of two construction components which are broken into two different bids for site construction and pole sign/informational plaque fabrication. Located in the area of the original Carl Bray studio/residence, the site construction entails modifying the existing right-of-way landscaping to accommodate the monument area. Included in the monument area are boulders, native plants, natural rock benches and a bike rack notched out of a boulder. Decomposed granite delineates the viewing area within the monument.

The monument design centers on a 5' tall curvilinear river rock wall with six (6) informational plaques mounted along the wall's surface discussing Carl Bray as an artist and the history of the area. In addition, a freestanding 13' pole sign modeled after the artist's iconic palette business sign is proposed in the center of the site.

Site Construction

One of the City Council's main focuses at the Carl Bray Monument study session was the cost of the monument. The Council believed the \$36,000 estimated cost of the project calculated by the landscape consultant was too high. The landscape consultant explained the cost was the minimum to achieve the design quality depicted on the preferred concept, and that reducing the budget would reduce the aesthetic quality of the monument. Ultimately, the Council agreed and direction was to limit the total project costs to \$35,000.

Staff developed a bid package solicited original bids in January 2014. The solicitation yielded one proposal from Steve Ellington Masonry for \$48,000, significantly higher than the Architect's construction cost estimate of \$17,400.

Staff re-bid the project in March hoping to receive additional bids with lower proposal costs. The City received bids from Steve Ellington Masonry and Jacobsson Engineering Construction, Inc. Both bids were in the same \$48,000 range as the original proposal. Staff discussed the cost difference between the Architect's estimate and bids with the contractor and their method of pricing was within the industry standard practice.

Analysis:

The lowest bid exceeded the landscape architect's cost estimate for site construction (not to include signage) by \$30,008. A side-by-side comparison identifies significant cost differences in the Clearing and Grubbing, Garden Bench, Block Wall, and Landscaping line items.

Item	Jacobsson Eng.	Landscape Architect's Est.
Clear & Grub	\$11,415	\$0
Decomposed Granite	2,250	3,100
Garden Bench	4,638	750
Boulders	1,126	2,000
Stone Border	838	1,050
Boulder Bike Rack	1,200	1,000
Block Wall	18,810	7,500
Landscape	7,131	2,000
TOTAL	\$47,408	\$17,400

The explanations for the significant cost differences in the four line items described below are based on a discussion with the Jacobsson Engineering's company president, Dan Jacobsson.

- Clear & Grub – The cost of clearing the site of existing plant material and preparing for installation of the decomposed granite, plants and other landscape features was not included in the Architect's estimate. Jacobsson's proposal identifies this cost as \$11,415. Staff has reviewed the cost breakdown and identified much of the cost is associated with the method of work, particularly the cost of traffic control to allow for the safe export of excavation material and plans.
- Garden Bench – The Architect's estimate for a garden bench made from three natural boulders specified by the landscape architect was \$750. Jacobsson has sourced the boulders and construction of the bench at \$4,638 based on an internal bid process between two sub-contractors.
- Block Wall – The 25-foot meandering stone wall is one of the two main features of this monument. The Architect's estimate for this feature was \$7,500. Jacobsson's cost of construction for the block wall was \$18,810. Mr. Jacobsson explained the expense of the wall is in the labor and materials of the veneer.
- Landscape – The Architect estimated planting and irrigation within the viewing area and around the monument at \$2,000. Jacobsson's bid for landscaping was \$7,131. The Architect's estimate did not include additional items such as construction fencing to protect the project site and traffic control for delivery and removal of materials.

Plaques and Replica Artist Palette Pole Sign:

The site features six (6) informational plaques that depict the history of the area and Carl Bray the artist. Staff worked closely with the Historical Society on the format and language for the informational plaques.

Traditional bronze plaques were initially considered; however, the cost was determined to be prohibitive and may be a theft concern. Staff researched other more cost effective plaque materials, and determined Fossil Industry plaques, made of a composite material were the best option for the monument plaques. The Federal and State park system use Fossil signs extensively as the material permits the use of words and images to tell a story. The cost savings between bronze and Fossil Industry signs for the six plaques is \$8,800. The Historical Society supports the usage of fossil composite plaques because they allow for graphic and more text to help tell the story of each plaque topic.

The Historical Society was instrumental in determining the final material, color and language for the plaques. The six plaques will have information on:

1. Early Indian village
2. Water in Indian Wells
3. Bradshaw Trail and Highway 111
4. Settlement of Indian Wells village
5. What attracted Carl Bray to the site
6. History of Carl Bray

The freestanding replica of the artist's palette pole sign is a tribute in color and form to Mr. Bray's original business sign. It continues the tradition started by the original sign as a landmark for this location as the artist's business. At Council direction, staff contracted both halves of the original sign to be preserved at a cost of \$11,175. One half will be on display at the Chamber of Commerce and the other half stored at City Hall.

Best Sign's proposal for the plaques was lowest of three at a cost of \$4,894.60. They were also the only proposal we received to construct the replica palette pole sign at a cost of \$18,952.

Item	Proposal	Architect's Est.
Narrative Plaques	4,894.60	3,000
Replica Artist Palette Sign	18,952	8,500
TOTAL	\$23,846.60	\$11,500

Total Project Cost:

Construction:	\$47,408.00
Monument Signage:	<u>\$23,846.60</u>
Total:	\$71,254.60

Alternative

Should the Council not approve the award of contracts as presented, Staff requests direction to value engineer the design by using features that are more conventional and to re-bid the modified project. Staff does not recommend this option.

FISCAL IMPACT:

The Art in Public Places account draws its funds exclusively from developer contributions; this fund is restricted to cultural benefit projects only. There is \$260,780 available in the account.

The current balance in the Carl Bray capital improvement project account is \$10,780. A supplemental appropriation for \$67,475 from the Art in Public Places account is necessary to fund the construction cost and 10% construction contingency.

Project Account Balance to date:

Original Project Budget	\$35,000.00
Professional Preservation of Original Sign	(12,060.00)
Design Cost	<u>(12,160.00)</u>
Current Balance	\$10,780.00

Total Project Cost:

Professional Preservation of Original Sign	\$12,060.00 – Completed
Design Cost	12,160.00 – Completed
Construction Cost	47,408.00
Monument Signage	23,846.60
10% Contingency	<u>7,000.00</u>
Total	\$102,474.60

ATTACHMENTS:

1. Agreement with Jacobsson Engineering Construction, Inc.
2. Agreement with Best Signs for Plaques and Palette Sign



INDIAN WELLS
CALIFORNIA

CITY OF INDIAN WELLS
SHORT-FORM CONSTRUCTION CONTRACT

CARL BRAY HISTORICAL MONUMENT

This Contract is made and entered into this 7th day of May, 2015 by and between the City of Indian Wells, a municipal organization organized under the laws of the State of California with its principal place of business at 44-950 Eldorado Drive, Indian Wells, California (“City”) and **Jacobsson Engineering Construction, Inc.**, a **California Corporation**, with its principal place of business at **P.O. Box 14430, Palm Desert, CA 92255** (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Contract.

RECITALS

A. City is a municipal corporation organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

B. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is experienced in providing **construction** services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of City.

C. City desires to engage Contractor to render such services for the **Carl Bray Historical Monument** Project (“Project”) as set forth in this Contract.

The City and the Contractor for the considerations stated herein agree as follows:

CONTRACT

1. Parties.

1.1 City’s Representative. The City hereby designates **Public Works Director**, or his or her designee, to act as its representative for the performance of this Contract (“City’s Representative”). City’s Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City’s Representative or his or her designee.

1.2 Contractor’s Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City (“Contractor’s Representative”). Following approval by the City, the Contractor’s Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Contract. The Contractor’s

Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

2. Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto: **Notice Inviting Proposals dated February 27, 2015, and Carl Bray Historical Monument Plans dated November 13, 2014.**

3. Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the Owner all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit "A" attached hereto and incorporated herein by this reference. Special conditions, if any, relating to the Work are described in Exhibit "B" attached hereto and incorporated herein by this reference.

4. Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in advance and in writing by a valid change order executed by the City.

5. Period of Performance and Liquidated Damages. Contractor shall perform and complete all Work under this Contract within **30 working days**, beginning the effective date of the Notice to Proceed ("Contract Time"). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits "A" or "B" attached hereto, or may be provided separately in writing to the Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of **Two Hundred Fifty Dollars (\$250) per day** for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

6. Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor

represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed on the Work.

7. Substitutions / "Or Equal".

7.1 Pursuant to Public Contract Code Section 3400(c) the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

7.2 Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. If the City has specified particular deadlines prior to the thirty-five day period after contract award, such deadlines, if any, shall be set forth in the Special Conditions attached hereto. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with the Contractor.

7.3 The City has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from the Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal" material, process or article, and substantiates that it is an "or equal" to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

7.4 The Contractor shall bear all of the City's costs associated with the review of substitution requests. The Contractor shall be responsible for all costs related to a substituted "or equal" material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

8. Stormwater Pollution Prevention Plan. If applicable, the Contractor shall file a Notice of Intent and procure a State Water Resources Control Board (State Water Board) National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity (Permit). The Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) prior to initiating work. The Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, monitoring and reporting requirements as required by Permit. It shall be the responsibility of the Contractor to evaluate and include in the Total Contract Price, the cost of procuring the Permit and preparing the SWPPP as well as complying with the SWPPP and any necessary revisions to the SWPPP. The Contractor shall also include in the Total Contract Price the cost of monitoring as required by the Permit.

9. Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

10. City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory performance by the Contractor of the services and obligations required by this Contract, the above referenced compensation in accordance with compensation provisions set forth in the Contract.

11. Compensation and Payment.

11.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of **Forty-seven Thousand Four Hundred Seven and 50/100 Dollars (\$47,407.50)** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

11.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. No progress payments will be made for Work not completed in accordance with this Contract.

11.3 Contract Retentions. From each approved progress payment, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retainage shall be released and paid to the Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

11.4 Other Withholdings. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of the Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by the Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

11.5 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the City will permit the substitution of securities for any monies withheld by the City to ensure performance under the Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in California as the escrow agent, and thereafter the City shall then pay such monies to the Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to the Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the City has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. The Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the City.

12. Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

13. Termination.

13.1 If Contractor fails to commence work as provided in this Contract, or fails to make delivery of materials promptly as ordered, or to maintain the rate of delivery or progress of the work in such manner as in the opinion of City's authorized representative will ensure a full compliance with the Contract within the time limit, or if in the opinion of City's authorized representative, Contractor is not carrying out the provisions of the contract in their true intent and meaning, written notice will be served on Contractor and its Surety to provide, within a specified time to be fixed by City's authorized representative, for satisfactory compliance with the Contract. If Contractor neglects or refuses to comply with such notice within the time therein fixed, he/she shall not thereafter exercise any rights under said Contract or be entitled to receive any of the benefits thereof, except as hereinafter provided, and City's authorized representative may, with the approval of the City Council, perform any part of the work or purchase any or all of the material included in the Contract or required for the completion thereof, or take possession of all or any part of the machinery, tools, appliances, materials and supplies used in the work covered by the Contract or that have been delivered by or on account of Contractor for use in connection therewith, and the same may be used either directly by City or by other parties for it, in the completion of the work.

13.2 City has the right to terminate or abandon any portion or all of the work under this Contract by giving ten (10) calendar days written notice to Contractor. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Contractor the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Contractor of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work. A termination without cause by City shall not act as or be deemed a waiver of any potential known or unknown City claims associated with Contractor's performance prior to the date of termination.

13.3 Contractor may terminate its obligation to provide further services under this Contract upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Contract through no fault of Contractor.

14. Completion of Work. When the Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

15. Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

16. Loss and Damage. Except as may otherwise be limited by law, the Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City.

17. Indemnification.

17.1 To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its respective officials, officers, agents, employees, and representatives ("Indemnitees") from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages (including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses) or injuries, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to tangible property or persons (including wrongful death, accidents or injuries arising from the alleged failure to inspect or to maintain traffic controllers or traffic signals, injuries or damages occurring during the transport of products or in rendering services under the Contract Documents, such as automobile accidents, trip/slip and fall accidents and third party assaults) arising out of or resulting from the performance of the Work or this Contract (including claims made by subcontractors for nonpayment), to the extent that the acts, omissions or willful misconduct are attributable to the Contractor or anyone employed directly or indirectly by any of them. Contractor shall defend, at Contractor's own cost, expense and risk, with legal counsel of Indemnitee's choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the City, its respective officials, officers, agents, employees and representatives. To the extent of its liability, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the City and its respective officials, officers, agents, employees, and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse the City and its respective officials, officers, agents, employees, and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code section 2782, related to claims arising out of the City's active negligence or willful misconduct.

17.2 The duty to defend and to hold harmless, as set forth above, shall include the duty to defend as established by Section 2778 of the California Civil Code, and the duty to defend shall arise upon the making of any claim or demand against the City, its respective officials, officers, agents, employees and representatives, notwithstanding that no adjudication of the underlying facts has occurred, and whether or not Contractor has been named in the claim or lawsuit.

17.3 Nothing contained in the preceding sections shall be deemed to obligate the Contractor to indemnify the City or any of the other Indemnitees, against liability for damages or any other loss, damage or expense sustained, suffered or incurred on account of death or bodily injury to active persons or injury to property caused by the active negligence or willful misconduct of the City or any of the other Indemnitees set forth above. Therefore, if it is determined by legal proceedings or agreement, that the Contractor has no direct contributory or incidental negligence or other obligation to the City or the other Indemnitees, and the Contractor is in no way a proper party to a particular claim, then the Contractor shall not be obligated to

hold the City or any Indemnitees harmless with respect to said claim. However, until such determination is made by legal proceedings or agreement, or if the Contractor is found to have any degree of direct or contributory negligence or if it is determined that the Contractor is in any way or to any degree a proper party to said claim, then the Contractor's obligations under all of the terms and provisions of the preceding section shall remain in full force and effect.

17.4 Nothing in this provision, or elsewhere in the Contract Documents, shall be deemed to relieve the Contractor of its duty to defend the City or any Indemnitee, as specified under this Article, pending a determination of the respective liabilities of the City or any Indemnitee, by legal proceeding or agreement.

17.5 In furtherance to, but not in limitation of the indemnity provisions in this Contract, Contractor hereby expressly and specifically agrees that its obligation to indemnify, defend and hold harmless as provided in this Contract shall not in any way be affected or diminished by any statutory or constitutional immunity it enjoys from suits by its own employees or from limitations of liability or recovery under workers' compensation laws.

18. Insurance.

18.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

18.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

(a) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; and (4) *Builders'/All Risk*: Builders'/All Risk insurance covering for all risks of loss, including explosion, collapse, underground excavation and removal of lateral support (and including earthquakes and floods if requested by the City).

(b) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,000,000; per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Contract/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000; per accident for bodily injury or disease; and (4) *Builders'/All Risk*: Completed value of the project.

18.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(a) General Liability. (1) The City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Work or operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

(b) Automobile Liability. (1) The City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(c) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(d) All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents and volunteers.

18.4 Builders'/All Risk Policy Requirements. The builders'/all risk insurance shall provide that the City be named as loss payee. In addition, the insurer shall waive all rights of subrogation against the City.

18.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers.

18.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

18.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

18.8 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

18.9 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. In addition, Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

18.10 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

19. Bond Requirements.

19.1 Payment Bond. If required by law because the Total Contract Price exceeds \$25,000 or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Payment Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

19.2 Performance Bond. If specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Performance Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

19.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, the Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. If the Contractor fails to furnish any required bond, the City may terminate the Contract for cause.

19.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer

will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

20. Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and life saving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

21. Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

22. Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If the Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, the Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

22.1 Immigration Reform and Control Act. Contractor acknowledges that Contractor, and all subcontractors hired by Contractor to perform services under this Agreement, are aware of and understand the Immigration Reform and Control Act ("IRCA"). Contractor is and shall remain in compliance with the IRCA and shall ensure that any subcontractors hired by Contractor to perform services under this Agreement are in compliance with the IRCA. In addition, Contractor agrees to indemnify, defend and hold harmless the City, its agents, officers and employees, from any liability, damages or causes of action arising out of or relating to any claims that Contractor's employees, or the employees of any subcontractor hired by Contractor, are not authorized to work in the United States for Contractor or its subcontractor and/or any other claims based upon alleged IRCA violations committed by Contractor or Contractor's subcontractor(s).

23. Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, a City Business License. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's applicable business license fee. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

24. Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

25. Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from

those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

26. Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, City shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of City to provide for removal or relocation of such utility facilities.

27. Labor Code Provisions.

27.1 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$25,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor’s principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The Contractor and each subcontractor shall forfeit as a penalty to the City not more than \$200 for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate for any work done by him, or by any subcontract under him, in violation of the provisions of the Labor Code.

27.2 Apprenticeable Crafts. If the Total Contract Price exceeds \$35,000 and if Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor.

27.3 Hours of Work. If the Total Contract Price exceeds \$25,000, Contractor is advised that eight (8) hours labor constitutes a legal day’s work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

27.4 Payroll Records. If the Total Contract Price exceeds \$25,000, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall

be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, the Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on the Contractor.

27.5 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work.

27.6 Labor Compliance. If the Total Contract Price exceeds \$25,000, Contractor acknowledges that it is aware that this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law.

27.7 Contractor and Subcontractor Registration. If the Total Contract Price exceeds \$25,000 and if bids are due on or after March 1, 2015 or this Contract is awarded on or after April 1, 2015, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

28. Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the work governed by this Contract prior to final payment by City.

29. Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

30. Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, the Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to the Contractor, without further acknowledgment by the Parties.

31. Claims of \$375,000 or Less. Notwithstanding any other provision herein, claims of \$375,000 or less shall be resolved pursuant to the alternative dispute resolution procedures set forth in California Public Contract Code §§ 20104, et seq.

32. Claims. Pursuant to Public Contract Code Section 9201, the City shall provide the Contractor with timely notification of the receipt of any third-party claim, relating to the Contract. The City is entitled to recover its reasonable costs incurred in providing such notification.

33. Prohibited Interests.

33.1 Solicitation. Contractor warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

33.2 Conflict of Interest. For the term of this Contract, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

34. Certification of License. Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

35. General Provisions.

35.1 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

<u>City</u>	<u>Contractor</u>
City of Indian Wells	Jacobsson Engineering Construction, Inc.
44-950 Eldorado Drive	P.O. Box 14430
Indian Wells, CA 92210	Palm Desert, CA 92255
Attn: Public Works Director	Attn: Dan Jacobsson

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

35.2 Time of Essence. Time is of the essence in the performance of this Contract.

35.3 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option,

terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

35.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

35.5 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project.

35.6 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

35.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

35.8 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

35.9 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

35.10 Governing Law. This Contract shall be governed by California law. Venue shall be in Riverside County.

35.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

35.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

35.13 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

35.14 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

IN WITNESS WHEREOF, each of the Parties has caused this Contract to be executed on the day and year first above written.

CITY OF INDIAN WELLS

JACOBSSON ENGINEERING, INC.

By: _____
Wade G. McKinney
City Manager

By: _____
Dan Jacobsson
President

Attest:

By: _____
Anna Grandys
Chief Deputy City Clerk

Fran Brown
Office Manager

Approved as to form:

By: _____
Stephen P. Deitsch
City Attorney

Recommended for Approval:

By: _____
Ken Seumalo, P.E.
Public Works Director

EXHIBIT "A"
PLANS AND SPECIFICATIONS

The following plans and specifications are incorporated into this Contract herein by this reference:

Carl Bray Historical Monument Landscape Plans Dated November 13, 2014.

EXHIBIT "B"
SPECIAL CONDITIONS

Not Applicable

EXHIBIT "C"

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Indian Wells (hereinafter designated as the "City"), by action taken or a resolution passed _____, 20____ has awarded to _____ hereinafter designated as the "Principal," a contract for the work described as follows:

_____ (the "Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 et seq. of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 et seq. of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or

extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 et seq. of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed unoriginal thereof, have been duly executed by the Principal and Surety above named, on the _____ day of _____ 20____ the name and corporate seal of each corporate party being hereto affixed and these presents duly signed b its undersigned representative pursuant to authority of its governing body.

(Corporate Seal of Principal,
if corporation)

Principal (Property Name of
Contractor)

By _____
(Signature of Contractor)

(Seal of Surety)

Surety

By _____
Attorney in Fact

(Attached Attorney-In-Fact
Certificate
Acknowledgements)

and

Required

*Note: Appropriate Notarial Acknowledgments of Execution by Contractor and surety and a power of Attorney MUST BE ATTACHED.

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Indian Wells (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 200_.

CONTRACTOR/PRINCIPAL

Name

By: _____

SURETY:

By: _____

Attorney-In-Fact

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$ _____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

Note: Appropriate Notarial Acknowledgments of Execution by Contractor and surety and a power of Attorney MUST BE ATTACHED.



INDIAN WELLS
CALIFORNIA

**CITY OF INDIAN WELLS
SHORT-FORM CONSTRUCTION CONTRACT**

CARL BRAY HISTORICAL SIGN AND PLAQUES

This Contract is made and entered into this **21st** day of **May, 2015** by and between the City of Indian Wells, a municipal organization organized under the laws of the State of California with its principal place of business at 44-950 Eldorado Drive, Indian Wells, California ("City") and **Best Signs, Inc.**, an **Oregon Corporation** with its principal place of business at **1550 S. Gene Autry, Palm Springs, CA 92264** ("Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

RECITALS

A. City is a municipal corporation organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

B. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is experienced in providing **custom sign fabrication and installation** services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of City.

C. City desires to engage Contractor to render such services for the **Carl Bray Historical Sign and Plaques** Project ("Project") as set forth in this Contract.

The City and the Contractor for the considerations stated herein agree as follows:

CONTRACT

1. Parties.

1.1 City's Representative. The City hereby designates **Jim Cross, CEO**, or his or her designee, to act as its representative for the performance of this Contract ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

1.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City ("Contractor's Representative"). Following approval by the City, the Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Contract. The Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's

Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

2. Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto: **Notice Inviting Proposals dated April 14, 2015.**

3. Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the Owner all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit "A" attached hereto and incorporated herein by this reference. Special conditions, if any, relating to the Work are described in Exhibit "B" attached hereto and incorporated herein by this reference.

4. Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in advance and in writing by a valid change order executed by the City.

5. Period of Performance and Liquidated Damages. Contractor shall perform and complete all Work under this Contract within **25 working days**, beginning the effective date of the Notice to Proceed ("Contract Time"). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits "A" or "B" attached hereto, or may be provided separately in writing to the Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of **Five Hundred and 00/100 Dollars (\$500) per day** for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

6. Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits,

qualifications and approvals of whatever nature that are legally required to perform the Work, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed on the Work.

7. Substitutions / "Or Equal".

7.1 Pursuant to Public Contract Code Section 3400(c) the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

7.2 Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. If the City has specified particular deadlines prior to the thirty-five day period after contract award, such deadlines, if any, shall be set forth in the Special Conditions attached hereto. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with the Contractor.

7.3 The City has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from the Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal" material, process or article, and substantiates that it is an "or equal" to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

7.4 The Contractor shall bear all of the City's costs associated with the review of substitution requests. The Contractor shall be responsible for all costs related to a substituted

"or equal" material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

8. Stormwater Pollution Prevention Plan. If applicable, the Contractor shall file a Notice of Intent and procure a State Water Resources Control Board (State Water Board) National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity (Permit). The Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) prior to initiating work. The Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, monitoring and reporting requirements as required by Permit. It shall be the responsibility of the Contractor to evaluate and include in the Total Contract Price, the cost of procuring the Permit and preparing the SWPPP as well as complying with the SWPPP and any necessary revisions to the SWPPP. The Contractor shall also include in the Total Contract Price the cost of monitoring as required by the Permit.

9. Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

10. City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory performance by the Contractor of the services and obligations required by this Contract, the above referenced compensation in accordance with compensation provisions set forth in the Contract.

11. Compensation and Payment.

11.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of **Twenty-three Thousand Eight Hundred Forty-six and 50/100 Dollars (\$23,846.50)** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

11.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated.

Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. No progress payments will be made for Work not completed in accordance with this Contract.

11.3 Contract Retentions. From each approved progress payment, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retainage shall be released and paid to the Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

11.4 Other Withholdings. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of the Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by the Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

11.5 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the City will permit the substitution of securities for any monies withheld by the City to ensure performance under the Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in California as the escrow agent, and thereafter the City shall then pay such monies to the Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to the Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the City has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. The Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the City.

12. Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other

encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

13. Termination.

13.1 If Contractor fails to commence work as provided in this Contract, or fails to make delivery of materials promptly as ordered, or to maintain the rate of delivery or progress of the work in such manner as in the opinion of City's authorized representative will ensure a full compliance with the Contract within the time limit, or if in the opinion of City's authorized representative, Contractor is not carrying out the provisions of the contract in their true intent and meaning, written notice will be served on Contractor and its Surety to provide, within a specified time to be fixed by City's authorized representative, for satisfactory compliance with the Contract. If Contractor neglects or refuses to comply with such notice within the time therein fixed, he/she shall not thereafter exercise any rights under said Contract or be entitled to receive any of the benefits thereof, except as hereinafter provided, and City's authorized representative may, with the approval of the City Council, perform any part of the work or purchase any or all of the material included in the Contract or required for the completion thereof, or take possession of all or any part of the machinery, tools, appliances, materials and supplies used in the work covered by the Contract or that have been delivered by or on account of Contractor for use in connection therewith, and the same may be used either directly by City or by other parties for it, in the completion of the work.

13.2 City has the right to terminate or abandon any portion or all of the work under this Contract by giving ten (10) calendar days written notice to Contractor. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Contractor the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Contractor of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work. A termination without cause by City shall not act as or be deemed a waiver of any potential known or unknown City claims associated with Contractor's performance prior to the date of termination.

13.3 Contractor may terminate its obligation to provide further services under this Contract upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Contract through no fault of Contractor.

14. Completion of Work. When the Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has

completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

15. Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

16. Loss and Damage. Except as may otherwise be limited by law, the Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City.

17. Indemnification.

17.1 To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its respective officials, officers, agents, employees, and representatives ("Indemnitees") from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages (including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses) or injuries, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to tangible property or persons (including wrongful death, accidents or injuries arising from the alleged failure to inspect or to maintain traffic controllers or traffic signals, injuries or damages occurring during the transport of products or in rendering services under the Contract Documents, such as automobile accidents, trip/slip and fall accidents and third party assaults) arising out of or resulting from the performance of the Work or this Contract (including claims made by subcontractors for nonpayment), to the extent that the acts, omissions or willful misconduct are attributable to the Contractor or anyone employed directly or indirectly by any of them. Contractor shall defend, at Contractor's own cost, expense and risk, with legal counsel of Indemnitee's choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the City, its respective officials, officers, agents, employees and representatives. To the extent of its liability, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the City and its respective officials, officers, agents, employees, and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse the City and its respective officials, officers, agents, employees, and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code section 2782, related to claims arising out of the City's active negligence or willful misconduct.

17.2 The duty to defend and to hold harmless, as set forth above, shall include the duty to defend as established by Section 2778 of the California Civil Code, and the duty to defend shall arise upon the making of any claim or demand against the City, its respective officials, officers, agents, employees and representatives, notwithstanding that no adjudication of the underlying facts has occurred, and whether or not Contractor has been named in the claim or lawsuit.

17.3 Nothing contained in the preceding sections shall be deemed to obligate the Contractor to indemnify the City or any of the other Indemnitees, against liability for damages or any other loss, damage or expense sustained, suffered or incurred on account of death or bodily injury to active persons or injury to property caused by the active negligence or willful misconduct of the City or any of the other Indemnitees set forth above. Therefore, if it is determined by legal proceedings or agreement, that the Contractor has no direct contributory or incidental negligence or other obligation to the City or the other Indemnitees, and the Contractor is in no way a proper party to a particular claim, then the Contractor shall not be obligated to hold the City or any Indemnitees harmless with respect to said claim. However, until such determination is made by legal proceedings or agreement, or if the Contractor is found to have any degree of direct or contributory negligence or if it is determined that the Contractor is in any way or to any degree a proper party to said claim, then the Contractor's obligations under all of the terms and provisions of the preceding section shall remain in full force and effect.

17.4 Nothing in this provision, or elsewhere in the Contract Documents, shall be deemed to relieve the Contractor of its duty to defend the City or any Indemnitee, as specified under this Article, pending a determination of the respective liabilities of the City or any Indemnitee, by legal proceeding or agreement.

17.5 In furtherance to, but not in limitation of the indemnity provisions in this Contract, Contractor hereby expressly and specifically agrees that its obligation to indemnify, defend and hold harmless as provided in this Contract shall not in any way be affected or diminished by any statutory or constitutional immunity it enjoys from suits by its own employees or from limitations of liability or recovery under workers' compensation laws.

18. Insurance.

18.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

18.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

(a) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability:* Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability:* Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; and (4) *Builders'/All Risk:* Builders'/All Risk insurance covering for all risks of loss, including explosion, collapse, underground excavation and removal of lateral support (and including earthquakes and floods if requested by the City).

(b) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Contract/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease; and (4) *Builders'/All Risk*: Completed value of the project.

18.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(a) General Liability. (1) The City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Work or operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

(b) Automobile Liability. (1) The City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(c) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(d) All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents and volunteers.

18.4 Builders'/All Risk Policy Requirements. The builders'/all risk insurance shall provide that the City be named as loss payee. In addition, the insurer shall waive all rights of subrogation against the City.

18.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers.

18.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

18.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

18.8 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

18.9 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. In addition, Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

18.10 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

19. Bond Requirements. [INTENTIONALLY DELETED]

20. Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and life saving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

21. Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

22. Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If the Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, the Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

22.1 Immigration Reform and Control Act. Contractor acknowledges that Contractor, and all subcontractors hired by Contractor to perform services under this Agreement, are aware

of and understand the Immigration Reform and Control Act ("IRCA"). Contractor is and shall remain in compliance with the IRCA and shall ensure that any subcontractors hired by Contractor to perform services under this Agreement are in compliance with the IRCA. In addition, Contractor agrees to indemnify, defend and hold harmless the City, its agents, officers and employees, from any liability, damages or causes of action arising out of or relating to any claims that Contractor's employees, or the employees of any subcontractor hired by Contractor, are not authorized to work in the United States for Contractor or its subcontractor and/or any other claims based upon alleged IRCA violations committed by Contractor or Contractor's subcontractor(s).

23. Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, a City Business License. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's applicable business license fee. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

24. Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

25. Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

26. Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, City shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of City to provide for removal or relocation of such utility facilities.

27. Labor Code Provisions.

27.1 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing

wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$25,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The Contractor and each subcontractor shall forfeit as a penalty to the City not more than \$200 for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate for any work done by him, or by any subcontract under him, in violation of the provisions of the Labor Code.

27.2 Apprenticeable Crafts. If the Total Contract Price exceeds \$35,000 and if Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor.

27.3 Hours of Work. If the Total Contract Price exceeds \$25,000, Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

27.4 Payroll Records. If the Total Contract Price exceeds \$25,000, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, the Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on the Contractor.

27.5 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work.

27.6 Labor Compliance. If the Total Contract Price exceeds \$25,000, Contractor acknowledges that it is aware that this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law.

27.7 Contractor and Subcontractor Registration. If the Total Contract Price exceeds \$25,000 and if bids are due on or after March 1, 2015 or this Contract is awarded on or after April 1, 2015, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

28. Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the work governed by this Contract prior to final payment by City.

29. Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

30. Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, the Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to the Contractor, without further acknowledgment by the Parties.

31. Claims of \$375,000 or Less. Notwithstanding any other provision herein, claims of \$375,000 or less shall be resolved pursuant to the alternative dispute resolution procedures set forth in California Public Contract Code §§ 20104, et seq.

32. Claims. Pursuant to Public Contract Code Section 9201, the City shall provide the Contractor with timely notification of the receipt of any third-party claim, relating to the Contract. The City is entitled to recover its reasonable costs incurred in providing such notification.

33. Prohibited Interests.

33.1 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration

contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

33.2 Conflict of Interest. For the term of this Contract, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

34. Certification of License. Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

35. General Provisions.

35.1 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

City
City of Indian Wells
44-950 Eldorado Drive
Indian Wells, CA 92210
Attn: Public Works Director

Contractor
Best Signs, Inc.
1550 S. Gene Autry Trail
Palm Springs, CA 92264
Attn: **Jim Cross**

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

35.2 Time of Essence. Time is of the essence in the performance of this Contract.

35.3 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

35.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

35.5 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project.

35.6 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not

work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

35.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

35.8 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

35.9 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

35.10 Governing Law. This Contract shall be governed by California law. Venue shall be in Riverside County.

35.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

35.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

35.13 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

35.14 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

IN WITNESS WHEREOF, each of the Parties has caused this Contract to be executed on the day and year first above written.

CITY OF INDIAN WELLS

BEST SIGNS, INC.

By: _____
Wade G. McKinney
City Manager

By: _____
Jim Cross
CEO

Attest:

By: _____
Anna Grandys
Chief Deputy City Clerk

Approved as to form:

By: _____
Stephen P. Deitsch
City Attorney

Recommended for Approval:

By: _____
Ken Seumalo, P.E.
Public Works Director

EXHIBIT "A"
PLANS AND SPECIFICATIONS

The following plans and specifications are incorporated into this Contract herein by this reference:

Carl Bray Specifications Dated April 14, 2015.

EXHIBIT "B"
SPECIAL CONDITIONS

NOT APPLICABLE

EXHIBIT "C"

BONDS

NOT APPLICABLE

CC/HA ACTION _____ MTG. DATE: 5-21-15
APPROVED _____ DENIED _____ REC/FILE _____ CONT X
OTHER _____
VOTE: YES _____ NO _____ ABSTAIN _____

Indian Wells City Council

May 21, 2015

Staff Report – Public Works

to June 3rd mtg.

Authorization for Emergency Mandatory Water Restriction Measures as Required by the Governor and Coachella Valley Water District

RECOMMENDED ACTIONS:

Council **AUTHORIZES** and **DIRECTS** the City Manager to implement emergency water restriction measures to City infrastructure to comply with mandatory water restrictions established by the Governor and Coachella Valley Water District; and

APPROVE a supplemental appropriation in the amount of \$200,000 to modify City infrastructure to comply with drought mandatory restrictions.

DISCUSSION:

On April 1, 2015, Governor Edmund G. Brown issued Executive Order B-29-15 requiring mandatory water use restrictions. Among other requirements, the restrictions included a 25% statewide reduction in urban water use. On April 7, 2015, the State Water Resources Control Board (SWRCB) proposed a mandatory Regulatory Framework that apportions water reductions according to consumption. SWRCB's revised the conservation savings framework for urban water suppliers and now allocates across nine tiers of increasing levels of residential water use to achieve the statewide 25% reduction mandate. The Coachella Valley Water District (CVWD) is in Tier 9 and must reduce water use by 36%.

At their regular meeting of May 12, 2015, the CVWD Board implemented Stage 3 mandatory level water use reduction plan as revised by CVWD Ordinance 1419 (Attachment 1). The ordinance describes 11 mandatory restrictions, 12 recommended activities and goes on to define financial penalties and drought penalties. The Ordinance is effective immediately and will remain in effect until the SWRCB rescinds their Emergency Regulations, which is expected to be February 28, 2016.

In this emergency state of drought, the improvements to the existing infrastructure Staff has already made are not enough to comply with CVWD's newly adopted water restrictions. Changes in the way the City landscapes, irrigates and performs maintenance will all need to be re-evaluated. This funding request is for projects that will support water conservation. With the funds available, staff will have the flexibility

to react quickly on projects and doing so positions the City as the community leader in water conservation efforts.

FISCAL IMPACT:

Staff has tentatively identified several water conservation projects that meet the new CVWD requirements and is asking for an appropriation in the amount of \$200,000 to expedite their implementation. Funds are available in the Capital Improvement fund.

ATTACHMENT:

1. CVWD Ordinance No. 1419

ORDINANCE NO. 1419

AN ORDINANCE OF THE COACHELLA VALLEY WATER DISTRICT
IMPOSING MANDATORY RESTRICTIONS ON WATER USE IN ORDER TO COMPLY
WITH STATEWIDE DROUGHT REGULATIONS

WHEREAS, on January 17, 2014, Governor Edmund G. Brown issued a proclamation declaring a State of Emergency due to severe drought conditions; and

WHEREAS, on April 25, 2014, the Governor proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and

WHEREAS, California's water supplies continue to be severely depleted, severe drought conditions continue to present urgent challenges, and new expedited actions are needed to reduce the harmful impacts of the drought; and

WHEREAS, on July 15, 2014, the State Water Resources Control Board ("SWRCB") adopted Resolution No. 2014-0038 which adopted Emergency Regulations For Statewide Urban Water Conservation Regulations which became effective July 28, 2014; and

WHEREAS, on March 17, 2015, the SWRCB adopted Resolution No. 2015-0013 which expanded emergency conservation regulation to safeguard the state's remaining water supplies as California enters a fourth consecutive dry year, which became effective on March 27, 2015 and remain in place for up to 270 days (9 months), unless extended by the SWRCB. The regulations are set forth in Title 23, Sections 863-865 of the California Code of Regulations; and

WHEREAS, On April 1, 2015, Governor Edmund G. Brown issued Executive Order B-29-15, effective immediately and in addition to other requirements mandates a 25% statewide reduction in urban water use, and provides that the orders in the January 17, 2014 and April 25, 2014 proclamations and Executive Orders B-26-14 and B-28-14 also remain in full force except as modified by Executive Order B-29-15. The Governor directed the SWRCB to impose restrictions to achieve the statewide 25% reduction; and

WHEREAS, on April 7, 2015, the SWRCB proposed a mandatory Regulatory Framework that apportions water reductions according to consumption. The SWRCB revised the apportionment of water reductions on April 18 and April 28th. The conservation savings for all urban water suppliers are now allocated across nine tiers of increasing levels of residential water use (R-GPCD) to reach the statewide 25 % reduction mandate. Agencies in Tier 9, including CVWD, having residential water use above 215 GPCD, must reduce water use by 36%. On May 5-6, 2015, the SWRCB is scheduled to take final action to adopt its Emergency Regulation Implementing The 25% Conservation Standard ("Regulation") which includes a prohibition against certain irrigation practices and an order that all urban water suppliers reduce their total potable water production by a defined percentage which has been applied to each urban water supplier; and

WHEREAS, the Regulation imposes certain requirements on "urban water suppliers" that have water shortage contingency plans in place. "Urban water suppliers" are defined as

suppliers providing water to over 3,000 municipal customers or providing over 3,000 acre-feet per year to municipal customers. CVWD meets the definition of an “urban water supplier” since it provides water to approximately 100,000 customers. CVWD also has a Water Supply Reliability and Water Shortage Contingency Planning document (“Plan”) in place as part of its 2010 Urban Water Management Plan; and adopted Stage 2 of its Plan in Ordinance No. 1414 on August 12, 2014; and

WHEREAS, the Regulation requires CVWD to move from Stage 2 in its Plan, to Stage 3 in order to adopt a conservation standard of 36% and also to adopt additional mandatory restrictions. The purpose of this Ordinance is to move to the mandatory level of water use reduction as mandated in Stage 3 of the Plan; and

WHEREAS, Water Code Section 31026 provides that CVWD has the power to restrict the use of water during any emergency caused by drought, or other threatened or existing water shortage, and to prohibit the wastage of water or the use of water during such periods, for any purpose other than household uses or such other restricted uses as may be determined to be necessary by CVWD and may prohibit use of such water during such periods for specific uses which CVWD may from time to time find to be nonessential. CVWD has the authority to impose monetary fines and penalties and take other applicable actions pursuant to Water Code Sections 350-358, 375-377, and 31029; and

WHEREAS, in accordance with Water Code Sections 350 et seq., 375 et seq., and 31027, and as required by Section 5.3.2 of the Plan, at least 10 days before consideration of this Ordinance, a Notice of Public Hearing was published in the Desert Sun and in the Imperial Valley Press, newspapers of general circulation. A certified copy of the full text of this Ordinance was posted in the CVWD offices at least 5 days prior to the hearing; and

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE COACHELLA VALLEY WATER DISTRICT AS FOLLOWS:

1. Incorporation of Recitals. All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Ordinance.

2. Public Hearing. The Board conducted a public hearing on May 12th at 9:00 a.m., or as soon thereafter as practicable, at the Steve Robbins Administration Building, 75-515 Hovley Lane East, Palm Desert, CA 92236 as part of the Regular Meeting of the Board.

3. Stage 3. The Board hereby implements Stage 3 which is the second mandatory level of water use reduction in the Plan, as revised and implemented by this Ordinance. In order to set forth in one document all of the requirements for this current Stage 3, this Ordinance shall encompass the new and extended SWRCB conservation regulations effective March 17, 2015, as well as the Regulation to implement the Governor’s latest executive order. Said Regulations were adopted on May 5, 2015, and are anticipated to go into effect approximately 10 days thereafter. Therefore, as of the effective date of this Ordinance, this Ordinance shall supersede Ordinance No. 1414 and Ordinance No. 1414 shall be of no further force or effect. This Ordinance shall be in effect until such time as the SWRCB rescinds said Emergency Regulations, which is currently expected to be February 28, 2016. CVWD shall notify the public

of this determination by public proclamations. Upon such proclamation, due and proper notice shall be deemed to have been given to each and every person supplied water within CVWD.

4. Mandatory Restrictions. Effective immediately upon adoption of this Ordinance, the following mandatory prohibitions shall be in effect for Stage 3, except where necessary to address an immediate health, safety and sanitation need or to comply with a term or condition in a permit issued by a state or federal agency:

- (a) Application of any water supply to outdoor landscapes during and within 48 hours after measurable rainfall is prohibited.
- (b) Irrigation with any water of ornamental turf on public street medians is prohibited.
- (c) Irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established in the California Building Standards Commission and the Department of Housing and Community Development is prohibited.
- (d) Increased water budget for over-seeding is eliminated.
- (e) Using any water in a fountain or other decorative water feature is prohibited, except where the water is part of a recirculating system.
- (f) Broken sprinklers shall be repaired within 24 hours of notification, and leaks shall be repaired as soon as practicable.
- (g) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased is prohibited.
- (h) Hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. Hotels and motels shall prominently display notice of this option in each guestroom using clear and easily understood language.
- (i) Applying water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures is prohibited.
- (j) Using a hose to wash an automobile, windows, solar panels, and tennis courts, except where the hose is equipped with a shut-off nozzle, is prohibited.
- (k) Applying any water to any hard surface including, but not limited to, driveways, sidewalks, and asphalt is prohibited.

5. Recommended Activities.

- (a) The irrigation and preservation of trees and shrubs is strongly encouraged.
- (b) CVWD strongly encourages Counties, Cities, HOA's and other enforcement agencies to suspend code enforcement and fines for brown turf areas.
- (c) CVWD will work with private pumpers, canal water and non-potable water users to reduce water use.
- (d) Draining and refilling of private swimming pools unless necessary for health and safety is strongly discouraged.
- (e) Use of pool covers when not in use, especially during summer months is strongly encouraged.
- (f) HOA's are strongly encouraged to adopt and enforce water use restrictions in their rules and regulations.
- (g) Over-seeding is strongly discouraged.
- (l) Planting of spray irrigated annual flower beds is strongly discouraged.
- (m) Irrigation of non-functional ornamental turf, such as parkways is strongly discouraged.
- (n) Installation of irrigation smart controllers is strongly encouraged.
- (o) Use of decorative fountains and water features is strongly discouraged.
- (p) CVWD Strongly encourages that outdoor Irrigation of ornamental landscapes and turf be limited to the hours between sunset and 10:00 a.m. except as necessary for essential turf maintenance and overseeding.

6. Fines for Noncompliance. The following financial penalties will be imposed when a customer violates the Mandatory Restrictions set forth in Section 4 of this Ordinance.

- (a) First Violation – Written notice.

Any notice required under this Ordinance may include, for example and not by way of limitation, the following information: (i) the water conservation stage and restrictions that are in effect; (ii) actions required for compliance in order to prevent future violations; and (iii) penalties and enforcement actions which may be imposed for future violations.

- (b) Second Violation – A fine will be imposed in the amount of \$50.00 which will be added to the customer's water service bill.

Any customer receiving a Second Violation, may at his or her option successfully complete CVWD Water School, in lieu of paying the \$50.00 fine.

(c) Third Violation – A fine will be imposed in the amount of \$100.00 which will be added to the customer’s water service bill.

(d) Fourth Violation and any subsequent violation – A fine will be imposed in the amount of \$200.00 which will be added to the customer’s water service bill.

In the event of any violation after the fourth violation, the General Manager, or his/her designee, may determine, in his/her reasonable discretion, that the continued violation of the restrictions set forth in this Ordinance warrant the initiation of procedures for the termination of water service pursuant to CVWD’s Regulations Governing Domestic Water Service (“Regulations”), as they may be amended from time to time. For example, and not by way of limitation, CVWD has the right to terminate water service if a customer fails to comply with the Regulations, which hereby include the restrictions set forth in this Ordinance.

7. Drought Penalties. The following Penalties will be imposed when a customer fails to limit the customer’s outdoor water budget by 36%. Penalties will be imposed in addition to normal Budget Based Tiered Rates which are in effect at the time and shall take effect as soon as possible, but no later than July 1, 2015, for June water usage. Staff is directed to pursue a one-billing-cycle shadow bill prior to July 1.

Tier 1: Excellent	Indoor budget of 10 Ccf	No Penalty
Tier 2: Efficient	With 36% less water use	No Penalty
	Without 36% less water use	\$2.51 per Ccf above reduction goal
Tier 3: Inefficient	105 – 150% of budget	\$3.34 per Ccf
Tier 4: Excessive	150 – 250% of budget	\$5.01 per Ccf
Tier 5: Wasteful	Over 250% of budget	\$10.03 per Ccf

8. CVWD Rules and Regulations. The procedures for written notice, imposition of penalties, termination of service, and appeal rights shall be the same such procedures as set forth in CVWD’s rules and regulations including, but not necessarily limited to, Part 6 – Credit and Billing and Part 7 – Termination and Restoration of Service.

9. Purpose of Restrictions and Fines. The regulatory purposes of imposing the requirements and financial penalties, as set forth in this Ordinance, are to conserve water, deter waste and unreasonable use of water, encourage efficiency, and to help cover the costs incident to the investigation, inspection, and administration of the enforcement of this Ordinance.

10. Future Stage(s). In accordance with Section 5.3.2 of the Plan, the General Manager hereby determines that it is necessary to implement Stage 3 of the Plan. The Board hereby authorizes the General Manager, or his/her designee, to make a determination as to when it may be necessary to move to a further Stage, or a lesser Stage, in the Plan. Following said determination by the General Manager, the Board will consider an ordinance, or any other applicable action, to determine whether, and to what extent, to adopt the determination of the

General Manager. Said determinations by the General Manager, and then the Board, may also include a determination that certain prohibitions in this Ordinance are best practices which should stay in effect regardless of what Stage, or any Stage, that may be in effect.

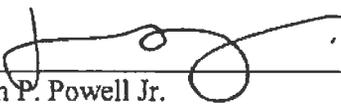
11. CEQA. The Board finds that adopting and enforcing mandatory restrictions on water use in order to comply with SWRCB requirements is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15268 and Public Resources Code Section 21080(b)(1) as a ministerial action. The Regulations mandate that each urban water supplier implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation. Therefore, an action to implement a particular phase of a water shortage contingency plan is not a discretionary action and as such it is statutorily exempt from CEQA.

12. Publication Following Adoption. The President of the Board of Directors shall sign this Ordinance and the Secretary of the Board of Directors shall attest thereto, and this Ordinance shall be in full force and effect immediately upon adoption. Within 15 days after adoption of this Ordinance, a summary of this Ordinance shall be published with the names of the Directors voting for and against this Ordinance and a certified copy of the full text of this Ordinance, along with the names of those Directors voting for and against this Ordinance, shall be posted in the CVWD offices.

13. Severability. If any section, subsection, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

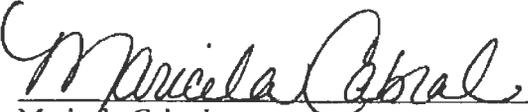
ADOPTED this 12th day of May, 2015, by the Board of Directors of the Coachella Valley Water District.

COACHELLA VALLEY WATER DISTRICT



John P. Powell Jr.
President of the Board of Directors

ATTEST:



Maricela Cabral
Acting Assistant Board Secretary

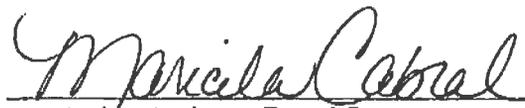
I, the undersigned Acting Assistant Board Secretary of the Coachella Valley Water District, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1419 of said District introduced and passed at meeting of said Board held May 12, 2015, and that said Ordinance was passed by the following vote:

Ayes: Five

Directors: Powell, Nelson, O'Dowd, Pack, Estrada

Noes: None

I further certify that said Ordinance was thereupon signed by the President of the Board of Directors of said District.


Acting Assistant Board Secretary

(SEAL)

Indian Wells City Council

May 21, 2015

Staff Report – Public Works

Adopt Resolution Supporting the City's Emergency Management Performance Grant Application

RECOMMENDED ACTIONS:

Council **ADOPTS** Resolution Bill No. 2015-27 supporting the City's Emergency Management Performance Grant Program application; and

AUTHORIZES and **DIRECTS** the City Manager to process all grant related documents.

DISCUSSION:

The City of Indian Wells is a member of a three City partnership called the Cove Community Services Commission along with the Cities of Rancho Mirage and Palm Desert. In a unique arrangement, they provide a fiscally responsible, well-coordinated, and effective fire/police protection, and paramedic program. Staff from the member Cities discussed a collaborative alternative to provide a more comprehensive disaster preparedness and emergency management program to their respective communities. In cooperation with Riverside County Office of Emergency Services (OES) representatives from Indian Wells and Palm Desert are proposing to cooperatively contract with Riverside County OES to provide this service through a Disaster Preparedness Coordinator. This position will provide training and administrative support for both communities and their respective staff.

The Emergency Management Performance Grant (EMPG) is a program under the Federal Emergency Management Agency (FEMA) providing opportunities to fund emergency preparedness activities such as training, equipment purchase and facility upgrades. FEMA directly distributes the bulk of available funds to support preparedness at State level. The balance of EMPG Program funds are made available to local jurisdictions on a per capita, matching funds basis.

Staff has applied for EMPG matching funds to pay for a contract Disaster Preparedness Coordinator in conjunction with the City of Palm Desert's application. Indian Wells staff has submitted an EMPG application for \$5,962, the maximum per-capita matching funds available to Indian Wells. The City of Palm Desert has done the same for their maximum amount of \$14,439.

FISCAL IMPACT:

The Emergency Management Performance Grant application requires equal matching funds; Staff proposes the use of \$5,962 from the City's Emergency Management Fund to match the amount of the EMPG application. Funds are available in the budget.

ATTACHMENTS:

1. Resolution Bill No. 2015-27
2. EMPG Application

RESOLUTION BILL NO. 2015-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, SUPPORTING THE CITY'S FY 2015 EMERGENCY MANAGEMENT PERFORMANCE GRANT PROGRAM APPLICATION AND AUTHORIZING THE CITY MANAGER TO PROCESS ALL GRANT RELATED DOCUMENTS

WHEREAS, the Emergency Management Performance Grant ("EMPG") is an assistance program established the Federal Emergency Management Agency (FEMA); and

WHEREAS, the EMPG provides funds to enhance disaster management capabilities at the State and Local levels and to implement the goals and objectives included in disaster preparedness; and

WHEREAS, the activities implemented under the Emergency Management Performance Grant must support emergency management preparedness by building or enhancing capabilities that related to the agency's ability to manage a variety of disaster situations; and

WHEREAS, the City of Indian Wells aggressively pursues Federal and State grants to enhance its public safety capabilities; and

WHEREAS, procedures established by the Emergency Management Performance Program require City Council support.

NOW, THEREFORE, the City Council of the City of Indian Wells **RESOLVES** as follows:

SECTION 1. The City Council **SUPPORTS** the City's FY 2015 Emergency Management Performance Grant application

SECTION 2. The City of Indian Wells will comply with all grant requirements and reporting.

SECTION 3. The City Council **AUTHORIZES** and **DIRECTS** the City Manager, or his designee, to execute for and on behalf of the City of Indian Wells, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining Federal financial assistance provided by the Federal Emergency Management Agency and sub granted through the State of California.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 21st day of May, 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL NO. 2015-27

I, Wade G. McKinney, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells on the 21st day of May, 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

**EMERGENCY MANAGEMENT PERFORMANCE GRANT
CFDA# 97.042**

Upon approval of the Operational Area application by the California Emergency Management Agency, hereafter designated Cal EMA, Riverside County Operational Area hereby makes a Grant Award of funds to the following:

1. Grant Recipient: City of Indian Wells, CA		1a. DUNS #: 00-494-9442	
in the amount and for the purpose and duration set forth in this Grant Award.			
2. Implementing Agency: City of Indian Wells		2a. DUNS #: 00-494-9442	
3. Implementing Agency Address:		4. Location of Project:	
Street: 44-950 Eldorado Drive	City: Indian Wells	Zip Code + 92210-7497	Indian Wells, CA
5. Disaster/Program Title: Emergency Management Performance Grant		6. Performance Period: 7/1/2015 to 4/30/2016	

Grant Year	Fund Source	A. State	B. Federal	C. Total	D. Cash Match	E. In-Kind Match	F. Total Match	G. Total Project Cost
2015	7. EMPG		\$5,962		\$5,962	\$0	\$5,962	\$11,924
	8.						\$0	\$0
	9.						\$0	\$0
	10.						\$0	\$0
	11.						\$0	\$0
	12. TOTALS	\$0	\$5,962	\$5,962	\$5,962	\$0	\$5,962	12G. Total Project Cost: \$11,924

13. This Grant Award consists of this title page, the application for the grant, which is attached and made a part hereof, and the Assurances/Certifications which are being submitted. I hereby certify I am vested with the authority to enter into this Grant Award Agreement, and have the approval of the City/County Financial Officer, City Manager, County Administrator, Governing Board Chair, or Approving Body. The Grant Recipient certifies that all funds received pursuant to this agreement will be spent exclusively on the purposes specified in the Grant Award. The Grant Recipient signifies acceptance of this Grant Award and agrees to administer the grant project in accordance with the Grant Award as well as all applicable state and federal laws, audit requirements, federal program guidelines, and Cal EMA policy and program guidelines. The Grant Recipient further agrees that the allocation of funds may be contingent on the enactment of the State Budget.

14. Official Authorized to Sign for Applicant/Grant Recipient:			15. Federal Employer ID Number: 95-2489189	
Name: Wade G. McGinney	Title: City Manager			
Telephone: 760-776-0237	FAX: 760-346-0407	Email: wmcginney@indianwells.com		
<i>(area code)</i>		<i>(area code)</i>		
Payment Mailing Address: 44-950 Eldorado Drive	City: Indian Wells	Zip Code + 4: 92210-7497		
Signature: <i>Wade G. McGinney</i>	Date: 4/30/15			

Project Title	Capability: Goal: Objective:	Project Description	Progress	Notes
A- Emergency Management Personnel Development	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
B- Emergency Management Staffing	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
C- Community Preparedness	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
D- EOC Readiness	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
E- Emergency Management Preparedness	Capability: Mitigation Goal: 3. Effectively respond to and quickly recover from both intentional and natural disasters Objective: 3.1, 3.3, 3.4	Emergency Management Personnel to coordinate staff training, community engagement and training, and emergency management plan updates.	The City is coordinating with a neighboring City, Palm Desert, to provide a shared full time emergency management person contracted with Riverside County Office of Emergency Services. This position is currently vacant.	At the 3-month mark, this project will be 25% complete and \$2,981 funds will be expended. At the 6-month mark, this project will be 50% complete and \$5,962 funds will be expended. At the 9-month mark, this project will be 75% complete and \$8,943 funds will be expended.
F- Alert and Warning	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
G- Communications	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
H-	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.
I-	Capability: Goal: Objective:			At the 3-month mark, this project will be ___% complete and \$___ funds will be expended. At the 6-month mark, this project will be ___% complete and \$___ funds will be expended. At the 9-month mark, this project will be ___% complete and \$___ funds will be expended.

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CC/HA ACTION _____ MTG. DATE: 5-21-15
APPROVED DENIED _____ REG/FILE _____ CONT. _____
OTHER _____
VOTE: YES 5 NO 0 ABSTAIN _____

Successor Agency

Staff Report – Finance

May 21, 2015

Adopt Resolution Authorizing the Issuance of Series 2015 Refunding Bonds in Order to Refund Certain Outstanding Bonds of the Dissolved Redevelopment Agency of the City of Indian Wells

RECOMMENDED ACTIONS:

Successor Agency **ADOPTS** Resolution Bill SA No. 2015-03 authorizing the Issuance of Series 2015 Refunding Bonds in order to refund certain outstanding bonds of the dissolved Redevelopment Agency of the City of Indian Wells; and

APPROVES authorizing sale of bonds, approving the Official Statement and providing other matters properly relating thereto.

DISCUSSION:

Background:

To the extent possible, the Successor Agency is interested in refunding certain bonds in order to achieve debt service savings that will accrue to the benefit of both the Successor Agency and to applicable taxing entities. Staff has identified two series of bonds available for refunding.

The former Indian Wells Redevelopment Agency has two bond series that can achieve savings under current rates. The Series 2005 A Bonds with \$8,095,000 outstanding and the Series 2006 A Bonds with \$61,355,000 outstanding. The proposed refunding will refund all of the Series 2005 bonds and partially advance refund \$37,560,000 of outstanding Series 2006 A bonds. The remaining portion of the Series 2006 A bonds were already advanced refunded in 2006 and cannot be advanced refunded a second time. If market conditions are favorable, the 2006 bonds may be refunded in 2016.

The proposed refunding is outlined in table 1 below.

Table 1			
Proposed Bond Refunding Plan			
Bonds	Current Bonds		Remaining Bonds
	Outstanding	Proposed Refunding	Outstanding
Series 2005	\$ 8,095,000	\$ 8,095,000	\$ -
Series 2006	\$ 61,355,000	\$ 37,560,000	\$ 23,795,000
Total	\$ 69,450,000	\$ 45,655,000	\$ 23,795,000

Analysis:

The attached resolution of the Agency approves the execution of the following:

- The Successor Agency’s Preliminary Official Statement (POS): This document describes the security and discloses potential risks to prospective investors. The POS generally describes the sources of payment for the bonds, the nature of the projects, the Project Area, economic and demographic characteristics of the City and Project Area and inherent known risk factors associated with the security.

The Successor Agency distributes the POS to the underwriter and prospective investors prior to the bond sale so that they can make informed purchase decisions. The Final Official Statement (FOS) will be prepared shortly after the bond sale and must be available in time for bond closing. The POS and FOS are drafted by Disclosure Counsel and are approved by the Agency and the Authority.

FISCAL IMPACT:

The expected savings from the refinancing is approximately \$2.5 million and will depend on bond market conditions in July of 2015. Federal Reserve Policy and the performance of the economy between now and then will likely determine the ultimate level of savings, if any. Interest rates may be higher, lower, or unchanged. If savings are insufficient, no Refunding Bonds will be sold.

Allocation of Savings:

The County Auditor will allocate reductions in annual debt service to the appropriate taxing entities as part of the DOF's recognized obligation payment schedule process. The primary beneficiaries, depending on the year and tax rate area are:

Desert Sands Unified School District	38%
Coachella Valley Water District	6%
County of Riverside	36%
County Schools	4%
College of the Desert	8%
Coachella Valley Recreation & Park District	2%

It is expected that the City of Indian Wells will receive roughly 5% of the annual savings.

Process and Timing:

Staff anticipates the State Department of Finance review and approve the Successor Agency's refinancing not later than 65 days after Oversight Board action or mid-July. Upon approval, the refinancing of the outstanding bonds will be completed. Assuming timely approvals from all agencies including the State Department of Finance, the Successor Agency and the Authority anticipate issuing the Refunding Bonds in July 2015.

ATTACHMENTS:

1. Resolution Bill SA No. 2015-03
2. Series 2015 Preliminary Official Statement

RESOLUTION BILL SA NO. 2015-04

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDIAN WELLS REDEVELOPMENT AGENCY, CONFIRMING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS PURSUANT TO AN INDENTURE OF TRUST, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency of the City of Indian Wells (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the City of Indian Wells has become the successor entity to the Former Agency (the "Successor Agency"); and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Consolidated Whitewater Project Area Tax Allocation Refunding Bonds, Series 2005A (the "Series 2005A Bonds") and its Consolidated Whitewater Project Area Tax Allocation Bonds, Series 2006A (the "Series 2006A Bonds" and, together with the Series 2005A Bonds, the "Prior Bonds") in the respective initial aggregate principal amounts of \$14,125,000 and \$67,805,000 for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"); and

WHEREAS, the Successor Agency, pursuant to Resolution SA No. 2015-02 (the "SA Resolution"), adopted on May 7, 2015, approved the issuance of Successor Agency to the Indian Wells Redevelopment Agency Consolidated Whitewater Redevelopment Project Area Subordinated Tax Allocation Refunding Bonds, Series 2015A in one or more series of taxable and/or tax-exempt bonds (the "Refunding Bonds"), subject to the Savings Parameters being met, and requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency; and

WHEREAS, the Oversight Board, by Resolution OB No. 2015-03 (the "OB Resolution"), adopted May 8, 2015, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, have been submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds; and

WHEREAS, the Successor Agency, with the assistance of its disclosure counsel, Orrick, Herrington & Sutcliffe LLP, has prepared a draft of the Official Statement for the Refunding Bonds (the "Official Statement"), which contains information regarding the Refunding Bonds, the Former Agency, the Successor Agency, and the Consolidated Whitewater Redevelopment Project Area, the preliminary form of which is on file with the City Clerk; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities.

NOW, THEREFORE, the City Council of the City of Indian Wells, serving as the successor agency to the dissolved Indian Wells Redevelopment Agency **RESOLVES** as follows:

SECTION 1. Confirmation of Approval of Issuance of the Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds.

SECTION 2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form on file with the City Clerk. Distribution of the preliminary Official Statement by the Successor Agency and its underwriters (the "Underwriters") is hereby approved, and, prior to the distribution of the preliminary Official Statement, the Mayor of the City of Indian Wells, as the Chair and presiding officer of the Successor Agency, or the City Manager of the City of Indian Wells, as the chief administrative officer of the Successor Agency (the "Authorized Officers"), each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officers, each acting alone, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and the Authorized Officers, each acting alone, are authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriters a certificate with respect to the information set forth therein and to deliver to the Underwriters a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

SECTION 3. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or

take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Successor Agency to the Redevelopment Agency of the City of Indian wells, California, at a regular meeting held on the 21st day of May, 2015.

**TY PEABODY
MAYOR**

CERTIFICATION FOR RESOLUTION BILL SA NO. 2014-04

I, Wade G. McKinney, City Clerk of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the Successor Agency to the Indian Wells Redevelopment Agency is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the Successor Agency to the Indian Wells Redevelopment Agency on the 21st day of May, 2015, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

**WADE G. MCKINNEY
CITY MANAGER/CITY CLERK**

**STEPHEN P. DEITSCH
CITY ATTORNEY**

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

NEW ISSUE
BOOK ENTRY ONLY

INSURED BOND RATING: S&P: “_”
UNDERLYING RATING: S&P: “_”
See “RATINGS”

In the opinion of Jones Hall, A Professional Law Corporation, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that for the purposes of computing the alternative minimum tax imposed on certain corporations such interest is required to be taken into account in determining certain income and earnings. Interest on the Series 2015A Bonds is exempt from California personal income taxes. See “OTHER INFORMATION— Tax Matters” herein.

\$ _____ *

**Successor Agency to the Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project Area
Subordinated Tax Allocation Refunding Bonds, Series 2015A**

Dated: Date of Delivery

Due: September 1, as shown below

The Successor Agency to the Indian Wells Redevelopment Agency Consolidated Whitewater Redevelopment Project Area Subordinated Tax Allocation Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) are being issued by the Successor Agency to the Indian Wells Redevelopment Agency (the “Agency” or “Successor Agency”) to assist in refinancing certain redevelopment activities with respect to the Consolidated Whitewater Project Area of the Successor Agency (the “Project Area”), as further described herein.

The Series 2015A Bonds are secured under an Indenture of Trust, dated as of May 1, 2014 (the “Original Indenture”) as supplemented and amended by a First Supplemental Indenture of Trust dated as of July 1, 2015 (as amended, the “Indenture”), each by and between the Successor Agency and Union Bank, N.A., as trustee (the “Trustee”). The payments due under Indenture are secured by a pledge of, security interest in and lien on Pledged Tax Revenues (as defined in Indenture and described herein) allocated as described herein and subject to certain Pre-Existing Agreements and Senior Bonds (each as defined herein) of the Successor Agency outstanding in the aggregate principal amount of \$81,230,000. The Successor Agency has covenanted not to issue any obligations payable from Tax Increment Revenues, described herein, on a senior basis to the Series 2015A Bonds. See “SECURITY FOR THE BONDS” herein.

The Series 2015A Bonds are being issued in fully registered form, and when issued, will be registered in the name of Cede & Co., a nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2015A Bonds. Individual purchases of the Series 2015A Bonds may be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Purchasers of interests in the Series 2015A Bonds will not receive certificates from the Successor Agency or the Trustee representing their interest in the Series 2015A Bonds purchased. Interest on the Series 2015A Bonds will be payable semiannually on March 1 and September 1 of each year, commencing [September 1, 2015]. Payments of principal, premium, if any, and interest on the Series 2015A Bonds will be payable by the Trustee, to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Series 2015A Bonds, as more fully described herein.

The Series 2015A Bonds are subject to optional redemption prior to maturity as described herein. See “THE SERIES 2015A BONDS — Redemption of the Series 2015A Bonds” herein.

[The scheduled payment of principal of and interest on the Series 2015A Bonds (the “Insured Bonds”), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by [Insurer].

[INSURER LOGO]

[The payment of scheduled debt service on the Series 2015A Bonds are secured by a Municipal Bond Debt Service Reserve Insurance Policy by [Insurer].

The Series 2015A Bonds are special obligations payable solely from certain payments from the Successor Agency and certain other funds. Neither the County of Riverside, the State of California nor the Successor Agency shall be obligated to pay the principal of the Bonds, or the interest thereon, except from the funds described above, and neither the faith and the credit nor the taxing power of the Successor Agency, the County, the State of California nor any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly, indirectly or contingently obligate the Successor Agency, the County, the State of California or any political subdivision thereof to levy or pledge any form of taxation whatever therefor or to make any appropriations for their payment. The Successor Agency has taxing power.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used and not defined on this cover page shall have the meanings set forth herein.

For a discussion of some of the risks associated with a purchase of the Series 2015A Bonds, see “RISK FACTORS” herein.

* Preliminary, subject to change.

MATURITY SCHEDULE
See inside front cover

The Bonds are offered when, as and if issued, subject to the approval of their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain disclosure matters will be passed upon for the Successor Agency by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, as Disclosure Counsel. Certain matters will be passed upon for the Successor Agency by the Office of the County of Riverside County Counsel, for the Successor Agency by Best Best & Krieger LLP, and for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. It is anticipated that the Series 2015A Bonds will be available for delivery in definitive form on or about _____, 2015.

Citigroup

Dated: _____, 2015

\$ _____ *

**Successor Agency to the Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project Area
Subordinated Tax Allocation Refunding Bonds, Series 2015A**

MATURITY SCHEDULES

**Series 2015A Bonds
(Base CUSIP[†] No.: 76912T)**

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					

* Preliminary, subject to change.

† Copyright 2015, CUSIP Global Services, and a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the Underwriter nor the Successor Agency assumes any responsibility for the accuracy of the CUSIP data.

**INDIAN WELLS SUCCESSOR AGENCY
CITY COUNCIL**

Ty Peabody, Mayor
Dana Reed, Mayor Pro-Tem
Richard Balocco, Council Member
Douglas Hanson, Council Member
Ted J. Mertens, Council Member

SUCCESSOR AGENCY/CITY STAFF

Wade McKinney, City Manager
Kevin McCarthy, Finance Director

SPECIAL SERVICES

Trustee

Union Bank, N.A.
Los Angeles, California

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Financial Advisor

C. M. de Crinis & Co. Inc.
Glendale, California

Fiscal Consultant

Urban Analytics, LLC
San Francisco, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Successor Agency to give any information or to make any representations in connection with the offer or sale of the Series 2015A Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2015A Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful.

The information set forth herein has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Successor Agency. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency since the date hereof. The information and expressions of opinion stated herein are subject to change without notice.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking” statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the Successor Agency in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Successor Agency disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the Successor Agency with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All summaries of the Indenture (as defined herein) and of statutes and other documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement, including any amendment or supplement hereto, is intended to be deposited with one or more depositories. This Official Statement does not constitute a contract between any Owner of a Bond and the Successor Agency.

The issuance and sale of the Series 2015A Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The Underwriter have provided the following sentence for inclusion in this Official Statement: The Underwriter have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR AFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

[[Insurer] (“[Insurer]”) makes no representation regarding the Series 2015A Bonds or the advisability of investing in the Series 2015A Bonds. In addition, [Insurer] has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding [Insurer] supplied by [Insurer] and presented under the heading “Bond Insurance” and APPENDIX I – FORM OF MUNICIPAL BOND INSURANCE POLICY.”]

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**Successor Agency to the Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project Area
Subordinated Tax Allocation Refunding Bonds, Series 2015A**

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement and the offering of the Series 2015A Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement.

General

This Official Statement, including the cover page, inside cover page and appendices hereto, provides information in connection with the issuance by the Successor Agency to the Indian Wells Redevelopment Agency (the “Agency” or “Successor Agency”) of its Consolidated Whitewater Redevelopment Project Area Subordinated Tax Allocation Refunding Bonds, Series 2015A (the “Series 2015A Bonds”). The Series 2015A Bonds are being issued to assist in refinancing certain redevelopment activities with respect to the Consolidated Whitewater Project Area of the Successor Agency (the “Project Area”), as further described herein.

The Series 2015A Bonds are secured under an Indenture of Trust, dated as of May 1, 2014 (the “Original Indenture”) as supplemented and amended by a First Supplemental Indenture of Trust dated as of July 1, 2015 (as amended, the “Indenture”), each by and between the Successor Agency to the Indian Wells Redevelopment Agency (the “Agency” or the “Successor Agency”) and Union Bank, N.A., as trustee (the “Trustee”). The payments due under Indenture are secured by a pledge of, security interest in and lien on Pledged Tax Revenues (as defined in Indenture and described herein) allocated as described herein and subject to certain Pre-Existing Agreements and Senior Bonds (as defined below) of the Successor Agency outstanding in the aggregate principal amount of \$81,230,000]. As defined in the Indenture, the term “Pre-Existing Agreements” means the contractual and statutory obligations secured by a lien on Tax Increment Revenues superior to the lien securing the Senior Bonds, namely, the Pass-Through Agreements. The Successor Agency has covenanted not to issue any obligations payable from Tax Increment Revenues, described herein, on a senior basis to the Series 2015A Bonds. See “SECURITY FOR THE BONDS” herein.

Purpose

The Series 2015A Bonds are being issued to refund, (i) on a current basis, all of the outstanding Consolidated Indian Wells Redevelopment Agency Consolidated Whitewater Project Area Tax Allocation Refunding Bonds, Series 2005A (the “Series 2005A Bonds”), initially issued in the aggregate principal amount of \$14,125,000, and (ii) on an advance basis, a portion of the Indian Wells Redevelopment Agency Consolidated Whitewater Project Area Tax Allocation Bonds, Series 2006A, initially issued in the aggregate principal amount of \$67,805,000 (the “Series 2006A Bonds”). Proceeds of the Series 2015A Bonds will additionally be applied (iii) to fund the premium for a debt service reserve surety bond for the reserve account for the Bonds, and (iv) to pay costs of issuance of the Series 2015A Series 2015A Bonds, including the financial guaranty insurance premium. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein. The maturities of the Series 2006A Bonds

* Preliminary, subject to change.

refunded are defined herein as the “Refunded 2006 Bonds.” Together with the Series 2005A Bonds, the Refunded 2006 Bonds are defined herein as the “Refunded Bonds.”

The Series 2005A Bonds were issued pursuant to a Fiscal Agent Agreement, dated as of September 1, 1992, between the Former Agency (as defined herein) and Bank of America National Trust and Savings Association, as succeeded by the Fiscal Agent (as amended through the date hereof, the “Fiscal Agent Agreement”). The Series 2006A Bonds were issued pursuant to the Fiscal Agent Agreement, as amended.

The County

The County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 28 incorporated cities in Riverside County. For certain information regarding the County, see APPENDIX B – “General Information Concerning the County of Riverside.”

The Successor Agency

As described below, the Successor Agency has succeeded to certain rights of the Indian Wells Redevelopment Agency (the “Former Agency”). The Former Agency was activated by the City Council (the “City Council”) of the City of Indian Wells (the “City”) in 1981, to exercise the powers granted by the California Community Redevelopment Law (Sections 33000 et seq. of the California Health and Safety Code) (the “Redevelopment Law”).

Pursuant to California legislation enacted in 2011 and 2012 (as more fully described herein, the “Dissolution Act”), redevelopment agencies in California, including the Former Agency, were dissolved, and with certain exceptions, could no longer conduct redevelopment activities. The Successor Agency, however, is authorized to continue to refinance existing bonds in order to achieve a savings in debt service. See “–The Project Area” below. See also “SUCCESSOR AGENCY TO THE INDIAN WELLS REDEVELOPMENT AGENCY” for a discussion of the Dissolution Act, the formation of the Successor Agency and the current powers, and limitations thereon, of the Successor Agency.

The Project Area

The Redevelopment Plan for the Project Area was adopted by the City Council on July 15, 1982. The Project Area represents approximately 80% of the City’s total acreage. Tax Increment Revenues (defined herein) are generated from approximately 3,327 acres of the Project Area. See “THE CONSOLIDATED WHITEWATER PROJECT AREA.”

Under the Dissolution Act, the Series 2015A Bonds are secured by a pledge of, and payable from moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held and administered by the Office of the Auditor Controller of the County of Riverside (the “County Auditor-Controller”) with respect to the Successor Agency (the “Redevelopment Property Tax Trust Fund” or “RPTTF”). DISCUSSIONS HEREIN REGARDING TAX INCREMENT REVENUES OR PLEDGED TAX REVENUES NOW REFER TO THOSE MONEYS DEPOSITED BY THE COUNTY AUDITOR-CONTROLLER INTO THE REDEVELOPMENT PROPERTY TAX TRUST FUND EQUAL TO SUCH TAX REVENUES. The Dissolution Act authorizes the issuance of bonds by a successor agency to make payments under certain enforceable obligations, which bonds may be secured by a pledge of property tax increment with the same legal effect as if the Bonds had been issued prior to the Dissolution

Act, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date. See “SECURITY FOR THE BONDS – Tax Revenues Allocable to the Successor Agency.”

Authority for Issuance of the Series 2015A Bonds

The Bonds are being issued by the Successor Agency pursuant to the provisions of the Act. The Series 2015A Bonds are being issued by the Successor Agency pursuant to the provisions of the Dissolution Law and Article II (commencing with Section 53588) of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California.

Pursuant to the Indenture, the Successor Agency has previously issued its tax allocation refunding bonds designated as \$6,505,000 Consolidated Whitewater Redevelopment Project Area Subordinated Tax Allocation Refunding Bonds, Series 2014A (the “Series 2014A Bonds”) and \$27,480,000 Consolidated Whitewater Redevelopment Project Area Subordinated Taxable Tax Allocation Refunding Bonds, Series 2014 A-T (the “Series 2014 A-T Bonds,” and together with the Series 2014A Bonds, the “Series 2014 Bonds”), the proceeds of which were applied to refund all or portion of certain bonds and indebtedness of the Successor Agency. The Series 2014 Bonds were sold to the Riverside County Public Financing Authority in connection with its issuance of 2014 Tax Allocation Revenue Bonds (Indian Wells Refunding Project).

The Series 2015A Bonds will be payable from and secured by, designated property tax (formerly tax increment revenues) related to the Consolidated Whitewater Redevelopment Project, which will include, moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund (“RPTTF”) on a subordinate basis to outstanding Senior Bonds, described herein, as provided in the California Health and Safety Code as more fully described herein. Collectively, such tax increment revenues subject to a pledge under Indenture are referred to herein as “Pledged Tax Revenues.” See “SECURITY FOR THE BONDS.”

The issuance of the Series 2015A Bonds was subject to approvals under the Dissolution Act, of the Successor Agency’s Oversight Board, as described below, and the Department of Finance of the State of California (the “State Department of Finance”). All such approvals have been obtained. See “SUCCESSOR AGENCY TO THE INDIAN WELLS REDEVELOPMENT AGENCY.”

The Oversight Board for the Successor Agency approved the issuance of the Series 2015A Bonds by the Successor Agency by resolution adopted on May 7, 2015. The Department of Finance of the State of California released its letter approving the Oversight Board Resolution approving the issuance of the Series 2015A Bonds on May 8, 2015. See Appendix I – “STATE DEPARTMENT OF FINANCE DETERMINATION LETTER APPROVING THE SERIES 2015A BONDS.”

Terms of the Series 2015A Bonds

The Bonds will be issued in denominations of \$5,000 and any integral multiple thereof (the “Authorized Denominations”). The Bonds will be dated their date of delivery and are payable with respect to interest semiannually each March 1 and September 1, commencing on [September 1, 2015].

The Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2015A Bonds. Ownership interests in the Series 2015A Bonds may be purchased in book-entry form only. Principal of and interest on the Series 2015A Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments

to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015A Bonds. See APPENDIX E – “DTC AND THE BOOK-ENTRY ONLY SYSTEM” attached hereto.

The Bonds are subject to redemption prior to maturity, as described herein. See “THE BONDS – Redemption of the Series 2015A Bonds” herein.

Security for the Bonds

The Bonds are secured by a lien on and pledge of Revenues made in the Indenture. Under the Indenture, “Revenues” is defined to mean all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, the Series 2015A Bonds, whether as a result of scheduled payments or prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the Funds or accounts established under the Indenture, except the Rebate Fund.

Prior to the enactment of the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Increment Revenues (as defined under the caption “SECURITY FOR THE BONDS – Tax Increment Revenues”) consist of a portion of such incremental tax revenues.

The Series 2015A Bonds will be special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the Pledged Tax Revenues under Indenture, and the Successor Agency is not obligated to pay them except from such Pledged Tax Revenues. The Series 2015A Bonds are payable as set forth in Indenture, are not a debt of the City of Indian Wells (the “City”), the County, the State of California or any other political subdivision of the State, and neither the City, the State, the County nor any of the State’s other political subdivisions is liable therefor, nor in any event shall the Series 2015A Bonds be payable out of any funds or properties other than those of the Successor Agency pledged therefor as provided in Indenture. The Series 2015A Bonds each have their own payment schedule which, in the aggregate, has been sized to pay debt service on the Bonds. APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto.

Outstanding Senior Bonds. As more fully described under “SECURITY FOR THE BONDS,” the Successor Agency has certain outstanding senior obligations secured by Tax Increment Revenues which are currently outstanding in an aggregate principal amount of \$[81,230,000].* See “ESTIMATED REVENUES AND BOND RETIREMENT” herein. The Successor Agency has covenanted to not issue any additional bonds payable from Tax Increment Revenues senior to the Series 2015A Bonds.

Municipal Bond Insurance and Reserve Fund Sureties

Concurrently with the issuance of the Bonds, [Insurer] (“[Insurer]”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Series 2015A Bonds (the “Insured Bonds”). The Policy guarantees

* Preliminary, subject to change.

the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement. The Policy does not insure the payment of the 2014 Series A-T Bonds.

In connection with the delivery of the Series 2014 Bonds, the Reserve Account was funded by the purchase of a Municipal Bonds Debt Service Reserve Fund Insurance Policy (the “2014 Reserve Policy”) issued by AGM in an amount equal to the Reserve Requirement as defined in Indenture. The 2014 Reserve Policy secures the Series 2014 Bonds in the amount of \$4,462,503. See “SECURITY FOR THE BONDS – Security for the Bonds – *Municipal Bond Debt Service Reserve Insurance Policy*.” The 2014 Reserve Policy is not available to secure the payment of the principal of and interest on the Series 2015A Bonds.

[In order to further secure the payment of the principal of and interest on the Series 2015A Bonds, the Reserve Account will be further funded by the purchase of a Municipal Bonds Debt Service Reserve Fund Insurance Policy (the “[2015 Reserve Policy]”) issued by [Insurer] in an amount to provide additional coverage equal to the Reserve Requirement. The [2015 Reserve Policy] will secure the Series 2015A Bonds. The initial Reserve Requirement for the Series 2015A Bonds is the amount of \$_____. See “SECURITY FOR THE BONDS – Security for the Bonds – *Municipal Bond Debt Service Reserve Insurance Policy*.” The [2015 Reserve Policy] is not available to secure the payment of the principal of and interest on the Series 2014 Bonds.]

Professionals Involved in the Offering

Union Bank, N.A., Los Angeles, California, will act as trustee with respect to the Bonds and the Series 2015A Bonds under the Indenture.

C. M. de Crinis & Co., Inc., Glendale, California, has acted as Financial Advisor to the Successor Agency and the Successor Agency in the structuring and presentation of the financing.

Urban Analytics, LLC, San Francisco, California, has acted as Fiscal Consultant to the Successor Agency and has prepared an analysis of taxable values and tax increment revenues in the Project Areas. See APPENDIX A – “REPORT OF FISCAL CONSULTANT” herein.

All proceedings in connection with the issuance of the Series 2015A Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Orrick, Herrington & Sutcliffe LLP is acting as Disclosure Counsel. Certain legal matters will be passed on for the Successor Agency by the Office of the County of Riverside County Counsel, and for the Successor Agency by Best Best & Krieger LLP. Stradling Yocca Carlson & Rauth, a Professional Corporation, will be acting as counsel to the Underwriter. Bond Counsel, Disclosure Counsel and Underwriters’ Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. The fees and expenses of the Financial Advisor, Bond Counsel, Disclosure Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Series 2015A Bonds.

Continuing Disclosure

With respect to continuing disclosure, the Successor Agency will prepare and provide annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, any material delinquencies, principal taxpayers, and plan limit calculations and notices of enumerated events required under the Continuing Disclosure Agreement. _____ will act as Dissemination Agent and will ensure that the annual reports and notices are filed with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market

Access system (“EMMA”). See the caption “OTHER INFORMATION – Continuing Disclosure” and APPENDIX G – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” Other than as described in the Official Statement under the heading “OTHER INFORMATION-Continuing Disclosure,” the Successor Agency has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events in the last five years.

Reference to Underlying Documents

Brief descriptions of the Bonds, the Indenture, the Successor Agency, the Consolidated Whitewater Project Area and other related information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of and references to all documents, statutes, reports and other instruments referred to herein is qualified in its entirety by reference to such document, statute, report or instrument, copies of which are all available for inspection at the offices of the Successor Agency. Certain capitalized terms used and not defined herein shall have the meaning given to those terms in APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto.

PLAN OF REFUNDING

On the date of issuance of the Series 2015A Bonds, a portion of the proceeds thereof will be deposited in special trust funds for the Refunded Bonds, to be held in trust by MUFJ Union Bank, N.A., as prior trustee, in accordance with those (i) Irrevocable Refunding Instructions with respect to the Series 2005A Bonds dated _____, 2015 (the “2005 Instructions”) and (ii) Irrevocable Refunding Instructions with respect to the Refunded 2006 Bonds dated _____, 2015 (the “2006 Instructions” and, together with the 2005 Instructions, the “Instructions”). The Successor Agency expects to apply [unspent proceeds][remaining amounts] in the aggregate amount of \$_____ currently on deposit under the indentures for the Refunded Bonds and expects to allocate such funds to the respective Bond Funds. Proceeds deposited into the respective Bond Funds pursuant to the respective Instructions [will be held uninvested] and applied to pay the redemption price of all of the Refunded Bonds on _____, 2015, at a redemption price equal to 100% of their principal amount as specified in the Instructions, plus accrued interest. See “ESTIMATED SOURCES AND USES OF FUNDS.” Upon deposit of such proceeds and other moneys into the respective Bond Funds, the Refunded Bonds will no longer be deemed outstanding.

The moneys and securities held in accordance with the Instructions are pledged to the payment of the respective Refunded Bonds. Moneys deposited and in accordance with the Instructions are not available to pay principal of or interest on the Series 2015A Bonds.

See “ESTIMATED SOURCES AND USES OF FUNDS” below. See also “OTHER INFORMATION – Verification of Mathematical Accuracy” below.

ESTIMATED SOURCES AND USES OF FUNDS

Set forth below are the estimated sources and uses of proceeds of the Series 2015A Bonds.

<u>Sources:</u>	
Par Amount of Series 2015A Bonds	
Net Original Issue Premium (Discount)	
Amounts Released	
TOTAL SOURCES	_____
 <u>Uses:</u>	
Deposit to Redemption Fund	_____
Costs of Issuance	_____
TOTAL USES:	

- (1) Includes Underwriter's Discount, legal fees, printing, rating agency fees and expenses, fees of the Financial Advisor, fees of the Fiscal Consultant, municipal bond insurance premiums, [2015 Reserve Policy premiums] and other issuance costs of the Series 2015A Bonds.

ANNUAL DEBT SERVICE REQUIREMENTS OF THE BONDS

The following table provides the annual debt service requirements of the Series 2015A Bonds.

Fiscal Year Ended June 30,	Senior Bonds	Parity Debt	Series 2015A Bonds			Annual Total
			Principal	Interest	Total	
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
Total						

THE BONDS

General

The Bonds will be dated as of the date of original delivery (the “Closing Date”), will bear interest at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Interest on the Series 2015A Bonds is payable semiannually on March 1 and September 1 of each year, commencing [September 1, 2015] (each an “Interest Payment Date”). Principal of and premium, if any, on the Series 2015A Bonds is payable upon the surrender thereof at the corporate trust office of the Trustee in Los Angeles, California. Interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the registered owners as of the fifteenth day of the month preceding the Interest Payment Date (the “Record Date”). At the written request of an Owner of either the Series 2015A Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, interest on the applicable Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account within the United States of America as shall be specified in such written request (any such written request shall remain in effect until rescinded in writing by the Owner). The principal of and premium (if any) on the Bonds shall be payable in lawful money of the United States of America by check or draft of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

Notwithstanding the foregoing, while the Series 2015A Bonds are held in the book-entry only system of DTC, all such payments of principal, interest and premium, if any, will be made to Cede & Co. as the registered owner of the Series 2015A Bonds, for subsequent disbursement to Participants and beneficial owners. See APPENDIX E – “DTC AND THE BOOK-ENTRY SYSTEM.”

Redemption of the Series 2015A Bonds

Optional Redemption. The Series 2015A Bonds maturing on and after September 1, [2026] shall be subject to redemption prior to their maturity at the option of the Successor Agency on or after September 1, 20[25], as a whole or in part on any date, from funds derived by the Successor Agency from any source and deposited with the Trustee not later than the date of redemption, at a redemption price equal to the principal amount of Series 2015A Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Notice of Redemption. So long as DTC is acting as securities depository for the Bonds, notice of redemption, containing the information required by the Indenture, will be mailed by first class mail, postage prepaid, by the Trustee to DTC (not to the Beneficial Owners of any Bonds designated for redemption) at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Series 2015A Bonds designated for redemption at their respective addresses appearing on the Registration Books and AGM, and (ii) the Securities Depositories and to one or more Information Services designated in a Written Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in substitution of first class mail); provided, however, that such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2015A Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the Series 2015A Bonds to be redeemed, shall state the individual number of each Series 2015A Bond to be redeemed or state that all Series 2015A Bonds between two stated numbers (both inclusive) or shall state that all of the Series 2015A Bonds Outstanding of one or more maturities are to be redeemed, and shall require that

such Series 2015A Bonds be then surrendered at the Trust Office for redemption at the said redemption price, giving notice also that further interest on the Series 2015A Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2015A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Partial Redemption of Series 2015A Bonds. In the event only a portion of any Series 2015A Bond is called for redemption, then upon surrender thereof the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Series 2015A Bond or Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2015A Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Series 2015A Bonds so called for redemption shall have been duly deposited with the Trustee, such Series 2015A Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

SECURITY FOR THE BONDS

Special Obligations

The Series 2015A Bonds will be special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the Pledged Tax Revenues, and funds on deposit in certain funds and account established under Indenture, and the Successor Agency is not obligated to pay such principal and interest except from such Pledged Tax Revenues. The Series 2015A Bonds are payable as set forth in Indenture, are not a debt of the County of Riverside, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said County, said State, nor any of its political subdivisions, is liable thereon nor in any event shall the Bonds be payable out of any funds or properties other than the Pledged Tax Revenues pledged therefor as provided in Indenture.

Tax Increment Financing Generally

Prior to the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax revenues. This financing mechanism provides that the taxable valuation of the property within a project area on the property tax roll last equalized prior to the effective date of the ordinance that adopts the redevelopment plan becomes the base year valuation. Thereafter, the increase in taxable valuation becomes the increment upon which taxes are levied and allocated to the applicable agency. Redevelopment agencies have no authority to levy property taxes, but must instead look to this allocation of tax revenues to finance their activities.

Under the Redevelopment Law and Section 16 of Article XVI of the State Constitution, taxes on all taxable property in a project area levied by or for the benefit of the State, any city, county, city and county, district or other public corporation (the "Taxing Agencies") when collected are divided as follows:

(i) An amount each year equal to the amount that would have been produced by the then current tax rates applied to the assessed valuation of such property within the project area last equalized prior to the effective date of the ordinance approving the redevelopment plan, plus the portion of the levied taxes in excess of the foregoing amount sufficient to pay debt service on any voter-approved bonded indebtedness of the respective Taxing Agencies incurred for the acquisition or improvement of real property and approved on or after January 1, 1989, is paid into the funds of the respective Taxing Agencies; and

(ii) That portion of the levied taxes in excess of the amount described in paragraph (i) is deposited into a special fund of the applicable redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness incurred by, such agency to finance or refinance activities in or related to such project area.

That portion of the levied taxes described in paragraph (ii) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the RPTTF. In addition, Section 34183 of the Dissolution Act effectively eliminates the "on and after January 1, 1989" reference from paragraph (i) above.

Tax Increment Revenues

The term "Tax Increment Revenues," as defined in Indenture, means all taxes allocated and paid to the Successor Agency pursuant to Article 6 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State of California, as provided in the Redevelopment Plan, including all payments and reimbursements, if any, to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and state tax rate limitations.

The Term "Tax Revenues," as defined in Indenture, means the Tax Increment Revenues, exclusive of amounts required to pay or otherwise provide for Pre-Existing Agreements.

Low and Moderate Income Housing Set-Aside

Prior to the Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund not less than 20% of all tax revenues allocated to such agencies. This 20% set-aside requirement was eliminated by the Dissolution Act. There are currently no obligations outstanding which will have a prior lien on the Low and Moderate Housing Fund. Accordingly, Pledged Tax Revenues are not subject to the former set aside requirement for such purposes and the former set aside requirement is included in Pledged Tax Revenues pledged to the payment of debt service on the Bonds.

Assembly Bill 1290

Assembly Bill 1290 (being Chapter 942, Statutes of 1993) ("AB 1290") was adopted by the California Legislature and became law on January 1, 1994. The enactment of AB 1290 created several significant changes in the Redevelopment Law, including time limitations for redevelopment agencies to

incur and repay loans, advances and indebtedness that are repayable from tax increment revenues. See “THE CONSOLIDATED WHITEWATER PROJECT AREA” for a discussion of the time limitations.

AB 1290 also established a statutory formula for sharing tax increment for project areas established, or amended in certain respects, on or after January 1, 1994, which applies to tax increment revenues net of the housing set-aside. The first 25% of net tax increment generated by the increase in assessed value after the establishment of the project area or the effective date of the amendment is required to be paid to affected taxing entities. In addition, beginning in the 11th year of collecting tax increment, an additional 21% of the increment generated by increases in assessed value after the tenth year must be so paid. Finally, beginning in the 31st year of collecting tax increment, an additional 14% of the increment generated by increases in assessed value after the 30th year must be so paid. See “THE CONSOLIDATED WHITEWATER PROJECT AREA – Pass-Through Agreements.”

The tax sharing payments described above are required to be made prior to payment of debt service on bonds or loans secured by tax increment from project areas which are subject to AB 1290. However, the provisions of Section 33607.5(e) of the Redevelopment Law set forth a process pursuant to which such payments may be subordinated to debt service on newly-issued bonds or loans. The Former Agency did not take any action to subordinate the payments with respect to the pass through payments to debt service on the [Series 2014 Bonds]. Additionally, per Section 34177.5(c) the Successor Agency has not taken any action to subordinate the passthrough payments on the Series 2015A Bonds.

Redevelopment Property Tax Trust Fund

The Dissolution Act authorizes bonds, including the Bonds, to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency (the “Redevelopment Property Tax Trust Fund”), which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described below.

Allocation of Taxes Subsequent to the Dissolution Act

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date so that property tax revenues (formerly tax increment revenues) are paid to the Successor Agency in such amounts and on such dates to ensure the timely payment of debt service on the Senior Bonds (defined below) and the Series 2015A Bonds. Pursuant to the Dissolution Act, the Successor Agency has covenanted to take all actions necessary to ensure that the Series 2015A Bonds will be included in the Successor Agency’s Recognized Obligation Payment Schedules as prepared from time to time under the Dissolution Act. See “*Recognized Obligation Payment Schedules*” below.

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll within the Project Area, to the extent they constitute Tax Increment Revenues, less administrative costs, as described herein, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Successor Agency's Redevelopment Obligation Retirement Fund established pursuant to the Dissolution Act on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See "-- Recognized Obligation Payment Schedule" below.

Recognized Obligation Payment Schedule

The Dissolution Act requires that, not less than 90 days prior to each January 2 and June 1, successor agencies prepare, and submit to the successor agency's oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule (the "Recognized Obligation Payment Schedule") pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following six-month period.

In Indenture, the Successor Agency has covenanted to comply with all requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under Indenture. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Senior Bonds, the Series 2015A Bonds and any Parity Debt, as well as any amount required under the Fiscal Agent Agreement to replenish the Reserve Account established thereunder or required under Indenture to replenish the Reserve Accounts, in Recognized Obligation Payment Schedules for each six-month period so as to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Series 2015A Bonds coming due in the respective six-month period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with Indenture.

The Dissolution Act requires the State Department of Finance to make a determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than

45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the determination by the State Department of Finance, the Successor Agency may request additional review by the State Department of Finance and an opportunity to meet and confer on disputed items, if any. The State Department of Finance will notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the January 2 or June 1 date of property tax distribution, as applicable. The State Department of Finance has on occasion rejected items on the Successor Agency's Recognized Obligation Payment Schedule. However, none of the rejected items related to bond debt service or enforceable obligations related to the repayment of bonds.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules.

Additionally, if an enforceable obligation provides for an irrevocable commitment of property tax revenue and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the State Department of Finance to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule is final and conclusive, and reflects the Department's approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the State Department of Finance, then the State Department of Finance's review of such payments in each future Recognized Obligation Payment Schedule will be limited to confirming that they are required by the prior enforceable obligation. The Successor Agency does not have any enforceable obligations which require the issuance of additional bonds.

The Successor Agency's collection of Tax Increment Revenues in the Project Area is also subject to limitations of the total tax increment collected by the Successor Agency over the life of the Redevelopment Plan. See "THE CONSOLIDATED WHITEWATER PROJECT AREA-Plan Limitations."

The Successor Agency has no power to levy and collect property taxes, and any property tax limitation, legislative measure, voter initiative or provisions of additional sources of income to taxing agencies having the effect of reducing the property tax rate could reduce the amount of Tax Increment Revenues that would otherwise be available to pay debt service on the Series 2015A Bonds and, consequently, the principal of, and interest on, the Bonds. Likewise, broadened property tax exemptions could have a similar effect. See "BOND OWNERS' RISKS" and "LIMITATIONS ON TAX REVENUES."

Section 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the "Statutory Pass-Through Amounts"). The Dissolution Act requires the County Auditor-Controller to distribute from the RPTTF amounts required to be distributed for Statutory Pass-Through Amounts to the taxing entities for each six-month period before amounts are distributed by the County Auditor-Controller from the RPTTF to the Successor Agency's Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) passthrough payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded by the Successor Agency (see below), (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the RPTTF allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency, and

from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Successor Agency's enforceable obligations, passthrough payments, and the Successor Agency's administrative cost allowance for the applicable six-month period, and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes for the applicable six-month period.

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period. To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, passthrough payments, and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable six-month period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed for statutory tax sharing amounts, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted.

The Successor Agency cannot guarantee that this process prescribed by the Dissolution Act of administering the Tax Increment Revenues and the statutory tax sharing amounts will effectively result in adequate Pledged Tax Revenues for the payment of principal and interest on the Series 2015A Bonds when due. See "–Recognized Obligation Payment Schedule." See also "Estimated Revenues and Debt Service" for additional information regarding the Statutory Pass-Through Amounts applicable to the Successor Agency and the revenues derived from the Project Area. The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Pledged Tax Revenues available in any six-month period to pay the principal of and interest on the Series 2015A Bonds. See "BOND OWNERS' RISKS."

The Series 2015A Bonds are not a debt of the City, the County, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the County, the State or any of its political subdivisions (except the Successor Agency) is liable therefor. The Series 2015A Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Security for the Bonds

Pledged Tax Revenues. The following is a discussion of the flow of funds under Indenture after payments of debt service for the entire year, plus any required replenishment of the reserve funds for the Senior Bonds and Pre-Existing Agreements, is set aside.

Under Indenture, the Pledged Tax Revenues (as defined below) allocated and paid to the Successor Agency are pledged to the payment of debt service on the Series 2015A Bonds and Parity Debt (subject to the lien of the Pre-Existing Agreements and the Senior Bonds) together with moneys in the funds and accounts. See Table 5 herein showing the projected Pledged Tax Revenues, and debt service coverage on the Series 2015A Bonds.

"Pledged Tax Revenues" means the portion of the monies deposited from time to time in the RPTTF as provided in paragraph (2) of subdivision (a) of Section 34183 of the California Health and Safety Code that are equal to that portion of taxes levied upon taxable property in the Project Area and received by the Successor Agency on or after the date of issue of the Series 2014 Bonds, pursuant to Article 6 of Chapter 6 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the

State, including all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) amounts of such taxes required to be paid by the Successor Agency to pay Pre-Existing Agreements, (ii) amounts required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, and (iii) the Tax Revenues (defined above) required to pay debt service on the Senior Bonds. In accordance with the Dissolution Act, the Bonds and Parity Bonds shall be payable from and secured by, and Pledged Tax Revenues shall include, subject to the exclusions above, moneys deposited, from time to time, in the RPTTF as provided in paragraph (2) of subdivision (a) of California Health and Safety Code Section 34183. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution, subject to the exclusions set forth above.

Pre-Existing Agreements include pass through agreements to other taxing agencies, which are discussed under the caption, “THE CONSOLIDATED WHITEWATER PROJECT AREA – Pass Through Agreements,” herein.

“Senior Bonds,” as defined in Indenture, means, collectively and following the refunding of the Refunded Bonds as described herein, (i) the non-refunded portion of the Consolidated Whitewater Project Area Tax Allocation Bonds, Series 2006A currently outstanding in the principal amount of \$62,230,000 of which \$ _____* will remain outstanding following the issuance of the Series 2015A Bonds, and (ii) Consolidated Whitewater Project Area Tax Allocation Bonds, Series 2010A currently outstanding in the principal amount of \$10,055,000.

The Fiscal Agent Agreements for the Senior Bonds require that all payments due in any Bond Year be deposited in the Special Fund, established under the Fiscal Agent Agreement, including any replenishment of the reserve account established thereunder. Accordingly, the Successor Agency will first deposit Tax increment Revenues in the Special Fund for the Senior Bonds to pay all debt service for such Bond Year and to replenish any deficiency in the related reserve accounts, prior to transferring any Pledged Tax Revenues to the Debt Service Fund for the Series 2015A Bonds.

Tax Sharing Agreements and Statutory Tax Sharing. The Successor Agency has entered into tax-sharing agreements with taxing entities and school districts with respect to the portions of the Project Area that were adopted prior to 1994 (the “Pass Through Agreements”) which are senior to the payment of debt service on the Series 2015A Bonds. See APPENDIX A – “Report of Fiscal Consultant – Fiscal Agreements.”

Debt Service Fund. Indenture establishes a special trust fund known as the “Debt Service Fund” and the accounts therein which shall be held by the Trustee in accordance with Indenture. The Successor Agency shall deposit all of the Pledged Tax Revenues received in any Bond Year from the RPTTF in accordance with the Dissolution Act for the purpose of paying debt service on the Series 2015A Bonds and any Parity Debt in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in such Bond Year pursuant to

* Preliminary, subject to change.

Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

In the event that the amount of Pledged Tax Revenues is not sufficient to pay debt service on the Series 2015A Bonds and any Parity Debt outstanding, any such insufficiency shall be allocated among the Series 2015A Bonds and any Parity Debt on a *pro rata* basis (based on the amount of debt service coming due during any such period of insufficiency).

Moneys in the Debt Service Fund shall be transferred in the following amounts at the following times, in the following respective special accounts within the Debt Service Fund, which accounts are held by the Trustee to pay debt service on the Series 2015A Bonds and any Parity Debt not otherwise provided for in a Parity Debt Instrument, in the following order of priority:

(a) Interest Account. On or before the fourth (4th) Business Day preceding each date on which interest on the Series 2015A Bonds and any such Parity Debt becomes due and payable, the Trustee shall withdraw from the Debt Service Fund and transfer to the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, will be equal to the aggregate amount of the interest becoming due and payable on the Series 2015A Bonds and any such Parity Debt on such date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the Interest Payment Date upon all of the Series 2015A Bonds and any such Parity Debt. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Series 2015A Bonds as it shall become due and payable (including accrued interest on any Series 2014 Bonds, the Series 2015A Bonds and any such Parity Debt purchased or redeemed prior to maturity pursuant to the Indenture).

(b) Principal Account. On or before the fourth (4th) Business Day preceding each date on which principal of the Bonds and any such Parity Debt becomes due and payable at maturity, the Trustee shall withdraw from the Debt Service Fund and transfer to the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Series 2015A Bonds and any such Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2015A Bonds and any such Parity Debt upon the maturity thereof.

(c) Sinking Account. On or before the fourth (4th) Business Day preceding each date on which any Outstanding Bonds become subject to mandatory Sinking Account redemption, the Successor Agency shall withdraw from the Debt Service Fund and transfer to the Trustee for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Series 2015A Bonds required subject to mandatory Sinking Account redemption on such date. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Series 2015A Bonds as it shall become due and payable upon the mandatory Sinking Account redemption thereof.

(d) Reserve Account. In the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Promptly upon receipt of any such notice, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. If there shall then not be sufficient Pledged Tax Revenues on deposit in the Redevelopment Obligation Retirement Fund to transfer an amount sufficient to maintain the

Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available in the Redevelopment Obligation Retirement Fund until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, the Principal Account and the Sinking Account in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before four (4) Business Days preceding each March 1 and September 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to the Successor Agency Indenture or, (ii) if the Successor Agency shall have caused to be transferred to the Trustee an amount sufficient to make the deposits required by the Successor Agency Indenture, then, at the Written Request of the Successor Agency, such amount shall be transferred as directed by the Successor Agency.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of securing separate series of Bonds or Parity Debt (to the extent secured by the Reserve Account) or for holding the proceeds of separate issues of the Bonds and any Parity Debt (to the extent secured by the Reserve Account) in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt.

[The Reserve Requirement with respect to the Series 2015A Bonds shall be satisfied by the delivery of the Reserve Policy, described below, to the Trustee. The Trustee shall credit the [2015 Reserve Policy] to the Series 2015 Subaccount of the Reserve Account, which subaccount is created under Indenture. Under the terms and conditions of the [2015 Reserve Policy], the Trustee shall delivery to AGM a demand for payment under the [2015 Reserve Policy] in the required form at least five Business Days before the date on which funds are required for the purposes set forth in Indenture. The Trustee shall comply with all of the terms and provisions of the [2015 Reserve Policy] for the purpose of assuring that funds are available thereunder when required for the purposes of the Reserve Account, within the limits of the coverage amount provided by the [2015 Reserve Policy]. All amounts drawn by the Trustee under the [2015 Reserve Policy] will be deposited into the Series 2014 Subaccount of the Reserve Account and applied for the purposes thereof.]

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are subject to redemption, other than mandatory Sinking Account redemption of Bonds, the Trustee shall withdraw from the Debt Service Fund for deposit in the Redemption Account an amount required to pay the principal of and premium, if any, on the Series 2015A Bonds or other Parity Debt to be so redeemed on such date. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the

Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2015A Bonds or other Parity Debt upon the redemption thereof, on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds.

(f) **Equal Rights.** It is the intention of the Successor Agency that the Series 2015A Bonds and Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Retirement Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Retirement Fund are insufficient to pay debt service on the Series 2015A Bonds and Parity Debt as it becomes due, the Series 2015A Bonds and Parity Debt shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Retirement Fund.

[In the event that the Successor Agency fails to make the deposits required pursuant to (a), (b) or (c) above, the Trustee shall immediately notify the trustee for the Authority Bonds.]

Reserve Requirement. The "Reserve Requirement" is defined in Indenture to mean, with respect to the Series 2014 Bonds or any Parity Debt issued as Bonds pursuant to a Supplemental Indenture supplemental to this Indenture, as of any calculation date, the lesser of (i) Maximum Annual Debt Service with respect to the Series 2014 Bonds or Parity Debt, as applicable, or (ii) 125% of average Annual Debt Service on the Series 2014 Bonds or Parity Debt, as applicable; provided, that in no event shall the Successor Agency, in connection with the issuance of Parity Debt pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Tax Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such additional Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of paragraph (d) immediately above. The Reserve Requirement with respect to the Series 2014A Bonds and the Taxable Series 2014A-T Bonds will be calculated on a combined basis, provided that, in the event the Reserve Requirement for the Series 2014A Bonds and the Taxable Series 2014A-T Bonds is funded with cash, the Trustee shall establish separate subaccounts for the proceeds of the Series 2014A Bonds and the Taxable Series 2014A-T Bonds to enable the Trustee to track the investment of the proceeds of the Series 2014A Bonds and the Taxable Series 2014A-T Bonds.

As defined in the Indenture, the term "Qualified Reserve Account Credit Instrument" means (i) the Series 2014 Surety Bond or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.03(d), provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) the long-term credit rating of such bank or insurance company is "A" (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to paragraph (d) immediately above; (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to the Indenture; and (e) prior written notice is given to the Indenture before the effective date of any such Qualified Reserve Account Credit Instrument.

In connection with the delivery of the Series 2014 Bonds, the 2014 Reserve Policy was issued by AGM in an amount equal to the Reserve Requirement. The 2014 Reserve Policy secures the Series 2014 Bonds in the amount of \$4,462,503. See “SECURITY FOR THE BONDS – Security for the Bonds – Municipal Bond Debt Service Reserve Insurance Policy.” The 2014 Reserve Policy is not available to secure the payment of the principal of and interest on the Series 2015A Bonds.

[In order to further secure the payment of the principal of and interest on the Series 2015A Bonds, the Reserve Account will be further funded by the purchase of a Municipal Bonds Debt Service Reserve Fund Insurance Policy (the 2015 Reserve Policy) issued by [Insurer] in an amount to provide additional coverage equal to the Reserve Requirement. The [2015 Reserve Policy] will secure the Series 2015A Bonds. The initial Reserve Requirement for the Series 2015A Bonds is the amount of \$_____. See “SECURITY FOR THE BONDS – Security for the Bonds – Municipal Bond Debt Service Reserve Insurance Policy.” The [2015 Reserve Policy] is not available to secure the payment of the principal of and interest on the Series 2014 Bonds.]]

“Maximum Annual Debt Service” is defined in Indenture to mean, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year payable on the Bonds or any Parity Debt in such Bond Year.

[The [2015 Reserve Policy] is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.]

[[INSURER] HAS NOT ISSUED A POLICY INSURING OR GUARANTEEING THE PRINCIPAL OF AND/OR INTEREST ON THE SERIES 2015A BONDS. [INSURER] HAS ISSUED A POLICY SOLELY LIMITED TO FUNDING DRAWS BY THE TRUSTEE ON THE SERIES 2015 SUBACCOUNT OF THE RESERVE ACCOUNT. THE CREDIT RATING OF [INSURER] WITH RESPECT TO THE SERIES 2015A BONDS ONLY RELATES TO [INSURER]’S ABILITY TO FUND DRAWS ON THE SERIES 2015 SUBACCOUNT OF THE RESERVE ACCOUNT.]

Senior Qualified Reserve Account Credit Instruments. With respect to the Reserve Requirement attributable to outstanding Senior Bonds, the Former Agency has previously deposited with the Fiscal Agent Qualified Reserve Account Credit Instruments provided by:

AMBAC in the stated amount of \$1,211,831.25 (with respect to the Series 2005A Senior Bonds); and

AMBAC in the stated amount of \$5,818,862.50 (with respect to the Series 2006A Senior Bonds).

The Qualified Reserve Account Credit Instruments or cash deposited with respect to Senior Bonds are not available to pay the Series 2014 Bonds or the Bonds.

Rating agencies have downgraded or withdrawn the ratings on the claims-paying ability and financial strength of most of the nation’s bond insurance companies, including the provider of the Qualified Reserve Account Credit Instruments described above. Further deterioration in the financial condition of the providers of the Qualified Reserve Account Credit Instruments or a failure to honor a draw by any provider under its Qualified Reserve Account Credit Instrument could occur. The Successor Agency is not required under the Fiscal Agent Agreement to replace a Qualified Reserve Account Credit Instrument with cash or a replacement instrument in the event the ratings of its provider decline or are

withdrawn. The Successor Agency currently has no plans to replace such Qualified Reserve Account Credit Instruments with other instruments or cash.

If circumstances should ever cause a Qualified Reserve Account Credit Instrument to be canceled or discharged, such cancellation or discharge could be determined to create a deficiency in the Reserve Requirement previously satisfied by such Qualified Reserve Account Credit Instrument. Under the Fiscal Agent Agreement, in the event that the amount on deposit in the Reserve Account is less than the Reserve Requirement, the Successor Agency is required to transfer to the Trustee an amount of available Tax Revenues sufficient to maintain the amount in the Reserve Account at the Reserve Requirement. Should the amount of Tax revenues then available to maintain the Reserve Account at the applicable Reserve Requirement be insufficient for such purpose, such insufficiency would not result in an event of default under the Fiscal Agent Agreement, but the requirement of the Successor Agency to transfer available Tax Revenues to the Trustee would continue. Such transfers would be senior to the payment of debt service on the Bonds and could cause an adverse impact on the Successor Agency's ability to pay debt service on the Bonds.

Issuance of Additional Agency Parity Debt. The Successor Agency will not incur any additional obligations which are senior to the lien of Pledged Tax Revenues under Indenture. Indenture provides that the Successor Agency may issue or incur additional Parity Debt subject to the conditions summarized in part below. See APPENDIX D "Summary of Certain Provisions of the Legal Documents" – "Indenture" – "Issuance of Parity Debt" for a more complete description of the conditions precedent to the issuance or incurrence of Parity Debt.

(a) The Pledged Tax Revenues for each succeeding Fiscal Year based on the most recent assessed valuation of property in the Project Area as evidenced in written documentation from an appropriate official of the County or a written report of an Independent Redevelopment Consultant plus any Additional Revenues shall be at least equal to one hundred thirty five percent (135%) of Maximum Annual Debt Service on the Series 2014 Bonds and Parity Debt that will be outstanding immediately following the issuance of such Parity Debt for each applicable succeeding Bond Year. Notwithstanding the foregoing, the Successor Agency may issue and sell refunding bonds payable from Pledged Tax Revenues on a parity with Bonds and any outstanding Parity Debt without complying with the foregoing provision, if (a) annual debt service on such refunding bonds is lower than annual debt service on the bonds or other indebtedness being refunded during every year the Bonds or Parity Debt, as applicable, will be Outstanding and (b) the final maturity of any such refunding bonds does not exceed the final maturity of the Bonds or Parity Debt being refunded, as applicable. "Tax Revenues" means the Tax Increment Revenues, exclusive of amounts required to pay or otherwise provide for Pre-Existing Agreements;

(b) The Successor Agency shall certify that the aggregate principal of and interest on the Bonds, any Parity Debt (including the Parity Debt to be incurred), Senior Bonds, Pre-Existing Agreements, and Subordinate Debt coming due and payable will not exceed the maximum amount of Tax Revenues permitted under the Plan Limit to be allocated and paid to the Successor Agency with respect to the Project Area after the issuance of such Parity Debt.

(c) In the event the Successor Agency issues Parity Debt pursuant to a Supplemental Indenture supplemental hereto, the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement.

(d) The Successor Agency shall deliver to the Trustee a certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in clauses (a), (b), (c) and (d) above have been satisfied.

Issuance of Agency Subordinate Debt. Indenture provides that the Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency.

Events of Default and Acceleration of Maturities. Each of the following events shall constitute an Event of Default under Indenture:

(a) Failure to pay any installment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part in the Successor Agency Indenture or in the Series 2014 Bonds contained, if such failure shall have continued for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Successor Agency by the Trustee or AGM or any other Insurer; provided, however, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Successor Agency within such thirty (30) day period and the Successor Agency shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Successor Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

For purposes of determining whether any event of default has occurred under and as described in the preceding clauses (a) or (b), no effect shall be given to payments made by AGM under the Policy.

Subject in all respects to the provisions of Indenture, if an Event of Default has occurred and is continuing, the Trustee may, and if requested in writing by the Owners of a majority of the principal amount of the Series 2015A Bonds then Outstanding the Trustee shall, (a) declare the principal of the Series 2015A Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in Indenture or in the Series 2015A Bonds to the contrary notwithstanding, and (b) upon receipt of indemnity satisfactory to it from any liability or expense, including payment of the fees and expenses of its counsel and agents, exercise any other remedies available to the Trustee and the Owners in law or at equity. The Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Pledged Tax Revenues, if appropriate, and for the revenues, income, product, and profits thereon, if any, ex parte, and without notice, and the Successor Agency consents to the appointment of such receiver upon the occurrence of an Event of Default. If any receivership, bankruptcy, insolvency, or reorganization or other judicial proceedings affecting the Successor Agency is filed, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under Indenture at the time of the institution of such proceedings, and also for any additional amount which may become due and payable after such date, without prejudice to the right of any Owner to file a claim on his own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its legal fees and expenses in accordance with the Successor Agency Indenture.

Promptly upon becoming aware of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. Such notice shall also state whether the principal of the Series 2015A Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (b) above the Trustee shall, and with respect to any Event of Default described in clause (c) above the Trustee in its sole discretion may, also give such notice to the Owners in the same manner as provided herein for notices of redemption of the Series 2015A Bonds, which shall include the statement that interest on the Series 2015A Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Series 2015A Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Series 2015A Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Series 2015A Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Series 2015A Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Series 2015A Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law) at the weighted average interest rate then borne by the Outstanding Bonds, and the fees and expenses of the Trustee, including any fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Series 2015A Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority of the principal amount of the Series 2015A Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Series 2015A Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Application of Funds Upon Acceleration. All of the Pledged Tax Revenues and all sums in the funds and accounts established and held by the Trustee upon the date of the declaration of acceleration as provided in Indenture, and all sums thereafter received by the Trustee, shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Series 2015A Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under Indenture and the payment of all fees, costs and expenses owing to the Trustee pursuant to Indenture, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law; and

(b) To the payment of the whole amount then owing and unpaid upon the Series 2015A Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Series 2015A Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

(c) To the payment of amounts owed to AGM or any other Insurer under the Indenture.

Events of Default Under Indenture. Events of Default and Acceleration of Maturities. Each of the following events shall constitute an Event of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Successor Agency by the Trustee or AGM or any other Insurer; provided, however, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Successor Agency within such thirty (30) day period and the Successor Agency shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Successor Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

For purposes of determining whether any event of default has occurred under and as described in the preceding clauses (a) or (b), no effect shall be given to payments made by AGM under the Series 2014 Surety Bond.

Subject in all respects to the provisions of Section 8.08, if an Event of Default has occurred and is continuing, the Trustee may, and if requested in writing by the Owners of a majority of the principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) upon receipt of indemnity satisfactory to it from any liability or expense, including payment of the fees and expenses of its counsel and agents, exercise any other remedies available to the Trustee and the Owners in law or at equity. The Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Pledged Tax Revenues, if appropriate, and for the revenues, income, product, and profits thereon, if any, ex parte, and without notice, and the Successor Agency consents to the appointment of such receiver upon the occurrence of an Event of Default. If any receivership, bankruptcy, insolvency, or reorganization or other judicial proceedings affecting the Successor Agency is filed, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Indenture at the time of the institution of such proceedings, and also for any additional amount which may become due and payable after such date, without prejudice to the right of any Owner to file a claim on his own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its legal fees and expenses in accordance with this Section.

MUNICIPAL BOND INSURANCE

[TO COME IF APPLICABLE]

SUCCESSOR AGENCY TO THE INDIAN WELLS REDEVELOPMENT AGENCY

The Successor Agency

As described below, the Successor Agency was established by the City Council following dissolution of the Former Agency pursuant to the Dissolution Act. Set forth below is a discussion the history of the Former Agency and the Successor Agency, the governance and operations of the Successor Agency and its powers under the Redevelopment Law and the Dissolution Act, and the limitations thereon.

General

The City, acting pursuant to the Redevelopment Law, activated the Successor Agency by Ordinance No. 186 of the City adopted on October 16, 1981. Under the terms of this Ordinance the City Council declared itself to be the governing body of the Successor Agency.

AB 26 and AB 27. As a result of AB 1X 26 and the decision of the California Supreme Court in the California Redevelopment Association case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies and also to satisfy “enforceable obligations” of the former redevelopment agency all under the supervision of a new oversight board, the State Department of the Finance and the State Controller.

The present members of the City Council acting as the Successor Agency are as follows:

Ty Peabody, Chairperson
Dana Reed, Vice Chairperson
Richard Balocco, Council Member
Douglas Hanson, Council Member
Ted J. Mertens, Council Member

The Successor Agency is a component unit of the City for financial reporting purposes and does not leave separate audited financial statements. The audited financial statements of the City for year ending June 30, 2013, are included herein as Appendix C. The City’s strategic financial planning system has received national and state finance officer associations’ recognition for “excellence in financial reporting” and “Distinguished Budgeting.”

The Successor Agency has one project area: The Consolidated Whitewater Project Area (see “THE CONSOLIDATED WHITEWATER PROJECT AREA”).

Agency Staff

The City Manager also serves as the Executive Director of the Successor Agency. The City Finance Director maintains the Successor Agency’s financial records and serves as the Successor Agency’s Treasurer. The City Attorney also serves as the Successor Agency’s counsel. Brief résumés of the key staff at the City and Successor Agency are set forth below:

Wade McKinney officially began his post as the City’s lead administrator on July 1, 2013. Mr. McKinney has been in public service for 34 years, most recently serving as the City Manager for Atascadero, California for nearly 16 years. Prior to Atascadero, Mr. McKinney served as City Manager

for Shafter, California in Kern County from 1986 to 1997. Mr. McKinney is the President of the California City Management Foundation whose mission is to promote and encourage excellence in city management. He has also led the Strong Cities – Strong State program and was recognized by his colleagues in 2011 for his “Outstanding Service to the Profession.” In 2009, he was awarded the “Citizen of the Year” by the Atascadero Chamber of Commerce. He possesses a bachelor of science-urban planning degree from California State Polytechnic University, Pomona.

Kevin McCarthy, City Finance Director and Agency Treasurer, has been with the City and Former Agency and Successor Agency since 1998. Mr. McCarthy previously served as the senior accountant for the SunLine Transit Agency, the Coachella Valley’s public bus service. Mr. McCarthy earned his finance degree from California State University, San Bernardino.

Pursuant to Resolution No. 2012-03 (the “Establishing Resolution”) adopted by the City Council on January 12, 2012, and Sections 34171(j) and 34173 of the Dissolution Act, the City Council appointed itself as successor to the Former Agency. On June 27, 2012, the Redevelopment Law was amended by AB 1484, which clarified that successor agencies are separate political entities and that the successor agency succeeds to the organizational status of the former redevelopment agency but without any legal authority to participate in redevelopment activities except to complete the work related to an approved enforceable obligation.

As discussed below, many actions of the Successor Agency are subject to approval by an “oversight board” and the review or approval by the State Department of Finance, including the issuance of bonds such as the Series 2015A Bonds.

Oversight Board

The Oversight Board was formed pursuant to Establishing Resolution adopted by the City Council on January 12, 2012. The Oversight Board is governed by a seven-member governing board, with one member appointed by each of the Economic Development Housing Division of the City, Coachella Valley Water District, College of the Desert, Desert Sands Unified School District, County of Riverside, City of Indian Wells, and an RDA Employee Representative.

Department of Finance Finding of Completion

The Dissolution Act established a process for determining the liquid assets that redevelopment agencies should have shifted to their successor agencies when they were dissolved, and the amount that should be available for remittance by the successor agencies to their respective county auditor-controllers for distribution to affected taxing entities within the project areas of the former redevelopment agencies. This determination process was required to be completed through the final step (review by the State Department of Finance) by November 9, 2012 with respect to affordable housing funds and by April 1, 2013 with respect to non-housing funds. Within five business days of receiving notification from the State Department of Finance, a successor agency must remit to the county auditor-controller the amount of unobligated balances determined by the State Department of Finance, or it may request a meet and confer with the State Department of Finance to resolve any disputes.

The Successor Agency has paid to the County Auditor-Controller all unobligated balances relating to affording housing funds, as determined by the State Department of Finance. In July 2013, the Successor Agency remitted to the County Auditor-Controller all unobligated balances relating to all other funds determined by the State Department of Finance. The Successor Agency has made all payments required under AB 1484 and has received its finding of completion from the State Department of Finance

on April 26, 2013. On January 17, 2014, the State Department of Finance approved the Successor Agency's Long-Range Property Management Plan which was submitted on September 20, 2013.

State Controller Asset Transfer Review

The Dissolution Act requires that any asset of a former redevelopment agency transferred to a city, county or other local agency after January 1, 2011, be sent back to the successor agency. The State Controller reviewed and approved all transfers.

THE CONSOLIDATED WHITEWATER PROJECT AREA

General

In 1982, the Successor Agency adopted redevelopment plans for two separate projects, Whitewater Redevelopment Project Area No. 1 and Whitewater Redevelopment Project Area No. 2. In 1987 the two project areas were consolidated into one project area and named the "Consolidated Whitewater Project Area," which is referred to herein as the "Project Area." Currently, 3,327 acres within the Project Area produce tax increment.

The Project Area includes 80% of land within the City limits. Nearly 90% of the Project Area is developed residential property with the balance representing retail, office commercial and hotel resorts. The City does not have any industrial zoned areas. The residential development consists primarily of higher-end single family homes which represent 70% of the Project Area secured value. Apartments and condominiums represent 20% of the secured value.

There are 2,229 single family homes in the Project Area as of April 25, 2014. Residential Country Clubs located in the Project Area include the Desert Horizons Country Club, Eldorado Country Club, The Indian Wells Country Club, The Reserve, Toscana Country Club and The Vintage Club.

Of the major taxpayers, the Miramonte Resort Hotel, the Indian Wells Resort Hotel, the Hyatt Regency Hotel and the Renaissance Esmeralda Hotel are all located in the Project Area and together represent 3.30% of the assessed valuation in the Project Area. The Project Area includes 171 holes of golf, divided among the various private clubs and resorts, as well as numerous grass, clay and hard surface tennis courts serving the resort developments. The City and the Successor Agency have reconstructed two championship quality eighteen hole golf courses owned by the City, along with the clubhouse, known as the Indian Wells Golf Resort. The golf course reconstruction project for the first eighteen hole golf course was completed in October, 2006. The second eighteen hole golf course and clubhouse was completed in November, 2007.

[INSERT PROJECT AREA MAP]

Pass-Through Agreements

Under redevelopment law existing at the time of the Former Agency's plan adoption, taxing jurisdictions that would experience a fiscal burden due to the existence of the redevelopment plan could enter into fiscal agreements with redevelopment agencies to alleviate that burden. Such agreements, known as Section 33401 fiscal, or passthrough, agreements, generally provide for redevelopment agencies to pay to a taxing entity some or all of that entity's share of the tax increment received by the Successor Agency. Taxing entities could separately receive their share of the growth in valuation due to inflation, known as Section 33676 or the 2% payments.

The Successor Agency has agreements with seven taxing entities regarding payments under Section 33401 (the "Pass-Through Agreements"). Under these agreements, the County Auditor-Controller passes through to the taxing entities varying percentages of the tax increment that the entities would otherwise receive.

The fiscal agreement with the County, covering both the County General Fund and the County Fire District, requires these entities to receive 100% of the combined County and County Fire District share of tax increment, approximately 36%. The Coachella Valley Water District receives 100% of its 6% share of tax increment.

Three entities – the Desert Sands Unified School District, County Superintendent of Schools and the College of the Desert – each receive 30% of their share of tax increment (respectively and approximately, 38%, 4% and 8%) above a \$5 million threshold, calculated annually. The Successor Agency was notified in 2012 that two of these three entities (County Superintendent of Schools and the College of the Desert) have questioned the interpretation of the \$5 million threshold, suggesting that their shares should be calculated on 100% of tax increment once \$5 million in tax increment had been collected on a cumulative basis, a threshold that was reached early in the Project Area's term. The County Auditor-Controller and the Successor Agency interpret the threshold to be an annual \$5 million amount, not a cumulative threshold. Should the entities prevail in their interpretation, there could be an annual increase in pass through payments to these entities totaling an estimated \$760,000. In addition, the estimated annual increase could potentially be applied to prior years to the extent permissible by law. The Successor Agency has retained counsel in 2012. On April 4, 2014 and on April 16, 2014, the Successor Agency received correspondence from the County Office of Education and the College of the Desert, respectively, that each agency was suspending its pursuit of its claim and would not pursue litigation of the matter at this time. The Successor Agency makes no representations as to the validity of the challenge or any outcome should the school districts pursue this challenge.

The Desert Recreation and Park District and the Coachella Valley Mosquito Abatement District each receive 100% of their shares (approximately 2% and 1%) of tax increment over a threshold of \$6.5 million annually.

Under the Section 33401 fiscal agreements, the taxing entities agreed to rescind any resolutions then in effect also claiming payments under Section 33676. Consequently, there are no resolutions in effect requiring payments under Section 33676.

The Section 33401 fiscal agreements contain no clauses allowing the Successor Agency to subordinate payments to the taxing entities to debt service payments. Therefore, all passthrough payments made under the fiscal agreements are senior to the Bonds and the Senior Bonds.

Statutory Tax Sharing

In addition, certain sub-areas of the Project Areas are subject to the tax sharing provisions of AB 1290. Under Section 33607.5 and Section 33607.7 of the Law (added by AB 1290), any territory added to a project area after 1994 is required to share in tax increment revenues generated by such territory pursuant to a statutory formula (“Statutory Tax Sharing”). See APPENDIX A – “Report of Fiscal Consultant – Fiscal Agreements” for a description of the Successor Agency’s obligation to make statutory tax sharing payments.

The adoption of Ordinance 551 on November 6, 2003 eliminating the plan limitation on the issuance of indebtedness also triggered a statutory requirement that the Successor Agency commence making Statutory Tax Sharing payments to taxing entities not already subject to fiscal agreements. This requirement of redevelopment law sets the date on which new Statutory Tax Sharing payments commence as the date on which the plan limitation eliminated by the ordinance would have gone into effect. As the plan limitation on the issuance of indebtedness had been January 1, 2004, the new Statutory Tax Sharing payments for certain taxing entities commenced on that date.

The taxing entities subject to the Statutory Tax Sharing payments, and their approximate shares of tax increment, are the County Recreation and Park District (0.5%), the Coachella Valley Cemetery District (0.4%), the Desert Center Hospital District (0.6%) and the Coachella Valley Resource Conservation District (0.03%). The Statutory Tax Sharing payments are senior to debt service payable on the Bonds.

The Statutory Tax Sharing payments, specified in redevelopment law established by AB 1290, provide taxing entities with their share of twenty-five percent of incremental tax revenues above certain thresholds; in this case the initial threshold is the tax increment received from assessed valuation in 2003-04. Tax increment above that amount is distributed to the four taxing entities identified above that did not already have Section 33401 fiscal agreements in effect with the Successor Agency. New thresholds are established ten and thirty years beyond the initial threshold date and a portion of tax increment above these new thresholds are also paid to taxing entities.

Projections used in the fiscal consultant’s report incorporate the pass through payments made under the AB 1290 Statutory Tax Sharing provisions as well as under the pass through agreements.

Ten Largest Assesseees

Table 1 sets forth the ten largest assesseees in the Project Area whose property in the aggregate comprises approximately 5.56% of the total taxable value in the Project Area.

Table 1
Consolidated Whitewater Project Area
Ten Largest Fiscal Year 2014-15 Assesseees

Property Owner	Secured	Unsecured	Total	Percent of Total	Principal Use
Grand Champions LLC	50,516,425	0	50,516,425	1.26%	Hotel/Motel
Felcor Esmeralda	47,365,000	0	47,365,000	1.18	Hotel/Motel
Vintage Club	21,691,617	0	21,691,617	0.54	Golf Courses
Eldorado Country Club	18,210,741	0	18,210,741	0.46	Golf Courses
LH Indian Wells Holding	16,972,802	0	16,972,802	0.42	Hotel/Motel
Village Shopping Center	15,133,864	0	15,133,864	0.38	Retail
Toscana Land	14,322,419	0	14,322,419	0.36	Residential
Schmid Inv.	13,245,166	0	13,245,166	0.33	Office
IWCC Acquisition Corp.	12,650,190	0	12,650,190	0.32	Golf Courses
Private Owner	12,533,000	0	12,533,000	0.31	Residential
Total, Top Ten:	222,641,224	0	222,641,224	5.56	
Total, Top Twenty:	325,127,588	111,420	325,239,008	8.13	
Total, Top Hundred:	757,421,291	9,800,526	767,221,817	19.17	
Total for the Area:	3,975,378,117	26,922,868	4,002,300,985	100.00%	

Source: Riverside County Office of the Assessor; Urban Analytics.

Property Tax Delinquencies

As of August 12, 2014, the delinquency rate on Fiscal Year 2013-14 secured property taxes in the Project Area was 1.0%. For Fiscal Year 2012-13 secured property taxes the delinquency rate had been 0.5% on July 17, 2013 while the Fiscal Year 2011-12 secured property taxes posted a delinquency rate of 1.1% as of September 19, 2012. The County utilizes a mechanism for the distribution of tax increment revenue to the former redevelopment agencies that has a similar effect on the Successor Agency's tax increment revenues as the device known as the Teeter Plan (Section 4701 et seq. of the California Revenue and Taxation Code). The Teeter Plan allows counties to distribute secured property tax revenue to participating jurisdictions without regard to delinquencies by maintaining a reserve fund to cover delinquencies and allocating revenue based on the original secured roll, retaining all delinquent tax payments and penalties. Under the mechanism used by the County to distribute tax increment revenue to the former redevelopment agencies, the County pays one-half of the taxes from the net taxable assessed valuation appearing on the equalized roll to each agency's RPTTF on January 2 and the other one-half on June 1; delinquencies are not deducted from the RPTTF revenue, and delinquent tax payments and defaulted tax redemptions, penalties and interest are not added to RPTTF revenue. Consequently, the Successor Agency is not affected by delinquent tax payments. The overall delinquency rate for the 2012-13 fiscal year for all secured properties in the Project Area was 0.9% as of July 17, 2013.

Property Value by Land Use

Table 2 sets forth the distribution of property value located in the Project Area by principal purpose for which the land is used.

**Table 2
Consolidated Whitewater Project Area
Property Value by Land Use ⁽¹⁾
Fiscal Year 2013-14**

Land Use	Secured AV	Percent of AV	Number of Parcels	Percent of Parcels	Acres	Percent of Acres
Commercial	\$ 290,885,072	7.3%	4,732	50.4%	2,408	72.4%
Single-Family Res.	2,797,325,278	70.4	2,249	24.0	244	7.3
Condominiums	782,559,095	19.7	1,717		42	1.3
Other Residential	20,965,578	0.5	15	0.2	24	0.7
Vacant	82,087,967	2.1	648	6.9	575	17.3
Other	1,555,126	0.0	26	0.3	33	1.0
Total	\$3,975,378,117	100.0%	9,387	100.0%	3,327	100.0%

⁽¹⁾ Valuations include homeowner’s exemptions, restored by the Auditor prior to the calculation of tax increment. Acreage is estimated using tax roll data and information provided by the Successor Agency. Timeshares are included in Commercial Secured assessed valuation figure but are excluded from the parcel count and acreage figures.

Source: Riverside County Office of the Assessor; Urban Analytics.

Plan Limitations

[Under the provisions of Redevelopment Law, the following limitations are imposed upon the redevelopment plan for the Project Area: (1) the time limit on the effectiveness of the Redevelopment Plan is July 15, 2025, (2) the time limit for the repayment of indebtedness is July 15, 2035, (3) the number of tax increment dollars that may be allocated to the Successor Agency shall not exceed \$1.2 billion (as adjusted as described below), and (4) the amount of bonded indebtedness, to be repaid, in whole in or part from such allocation of tax increment, that can be outstanding at one time shall not exceed \$120 million (as adjusted as described below).

[The Successor Agency cannot receive tax increment or repay indebtedness beyond certain dates, shown in Table 1 in the Fiscal Consultant’s Report attached hereto as Appendix A. The Former Agency amended the redevelopment plan on December 21, 1995 with the adoption of Ordinance 368 to conform the plan with AB 1290. Under redevelopment law, all pre-1994 plans are assigned a time limit on redevelopment plan activities (a plan termination date) of forty years after the adoption date of the plan. The Successor Agency is permitted to collect tax increment to repay indebtedness for an additional ten years after the plan termination date. Thus, the redevelopment plan permits the Successor Agency to collect tax increment for fifty years from the adoption of the plan.

The Former Agency extended the time limit on plan activities and on the repayment of indebtedness by one year in the Project Area, as permitted under SB 1045. This legislation was passed in conjunction with legislation requiring redevelopment agencies to contribute to ERAF in Fiscal Year 2003-04.

Similar legislation, SB 1096, signed into law along with legislation requiring redevelopment agencies to contribute to ERAF in Fiscal Year 2004-05 and Fiscal Year 2005-06, also allows redevelopment agencies to extend the effectiveness of the redevelopment plan for plans with 20 years or

less remaining. As the termination date for the Project Area’s redevelopment plan (after the one-year extension permitted under SB 1045) is July 15, 2023, with 17 years remaining, the Project Area was eligible for a plan extension under this legislation; accordingly, the Former Agency adopted an ordinance extending the plan by two additional years for the ERAF payments made in Fiscal Year 2004-05 and Fiscal Year 2005-06.

The Successor Agency cannot take actions regarding land use or other provisions in the Plan after the plan termination date of July 15, 2025, although it can continue to collect tax increment and repay indebtedness until the July 15, 2035.

The Plan includes a limit on the amount of bonded indebtedness that can be outstanding at one time. This limit is \$120,000,000 in 1987 dollars and is to be adjusted annually using the local Consumer Price Index. Using the CPI for the Los Angeles-Riverside-Orange area for the years 1987 through 2014 the current limit on bonded indebtedness is estimated to be \$243,092,393. The Successor Agency reports total outstanding bonded indebtedness of \$157 million on its most recent ROPS.

According to the Redevelopment Plan, the later two plan limitations are expressed in 1987 dollars and are to be adjusted annually thereafter in accordance with changes in the Consumer Price Index (the “CPI”) for the nearest area to the Project Area, as maintained by the Bureau of Labor Statistics of the United States Department of Labor. Using the CPI for the Los Angeles-Riverside-Orange area for the years 1987 through 2013 and estimating subsequent annual increases at two percent per year, the tax increment cap is estimated to be \$2.4 billion in Fiscal Year 2013-14 and \$3.6 billion by July 15, 2035, the last date on which the Successor Agency can collect tax increment from the Project Area. The amount of tax increment collected to date is estimated to be \$492 million. The Successor Agency does not expect the plan limits to adversely impact its ability to pay debt service on [the Bonds or the Senior Bonds]].

Assessment Appeals

Property owners can appeal the assessment of their property to the county assessment appeals board. See “BOND OWNERS’ RISKS—Assessment Appeals” and APPENDIX A—”FISCAL CONSULTANT REPORT.” The Fiscal Consultant conducted a review of pending and recently resolved assessment appeals in order to determine potential impact on current and future Project Area value and tax increment revenue. The results of this review are described in the Fiscal Consultant’s Report attached as Appendix A, portions of which are summarized below.

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the Assessor immediately subsequent to a change in ownership or completion of new construction. If the base year value assigned by the Assessor is reduced, the valuation of the property cannot increase in subsequent years more than two percent annually unless and until another change in ownership and/or additional new construction activity occurs.

The most common type of appeal filed is known as a Proposition 8 appeal, in which the property owner seeks a reduction in a particular year’s assessment based on the current economic value of the property. The assessor may also adjust valuations based on Proposition 8 criteria. Reductions in valuation made under Proposition 8 are temporary, with valuations restored to their full assessments once the economic reason for the reduction no longer applies. Such reductions can affect the Successor Agency’s tax increment while they are in effect.

The County Assessor annually reports on the number of assessments by city subject to Proposition 8 reductions, and the amount of Proposition 8 reductions. For Fiscal Year 2014-15, the

Assessor reports 2,572 properties reduced through Proposition 8 in the City of Indian Wells and \$702,465,958 in reduced valuation. This compares to 4,027 properties and \$843,678,753 in Proposition 8 reductions in Fiscal Year 2013-14, 4,434 properties and \$902,804,427 in Proposition 8 reductions in Fiscal Year 2012-13 and 4,116 properties and \$915,179,042 in Proposition 8 reductions in Fiscal Year 2011-12.

With respect to the Project Area, a review of the Project Area property tax rolls for Fiscal Year 2014-15 indicates that a substantial number of residential parcels that appear to have previously been subject to Proposition 8 reductions have had their valuations increased, while some vacant properties have had their valuations reduced through what appear to be Proposition 8 reductions (the assessor does not indicate on the rolls which parcels are subject to Proposition 8). These reductions and restorations are discussed further below and in the Fiscal Consultant's Report attached hereto as Appendix C.

With respect to direct property owner appeals, the County experienced a high level of assessment appeals in the late 1990's and again in 2007 and 2008. Within the Project Area, the primary cause of such appeals was declining market value of improved and unimproved residential property. Further significant appeals to assessed values in the Project Area may be filed from time to time in the future. The Successor Agency cannot predict the extent of any such appeals or their likelihood of success.

Based on information provided by the County Assessor's office on March 26, 2015, there are 95 appeals pending in the Project Area, shown in Table 3. The amount of assessed valuation in dispute (the original county valuation less the applicant's opinion of value) is \$86.8 million. The disputed amounts will be resolved in the appeals process and some portion of those amounts may be adjusted. To provide some indication of the proportion of valuation upheld on appeal, Table 3 provides information on resolved appeals filed in previous years in the Project Area. Overall, the 1,033 appeals settled in the Project Area during the Fiscal Year 2005-06 to Fiscal Year 2014-15 period resulted in reductions in valuation of \$81.8 million out of \$2.5 billion in enrolled valuation subject to appeals, or around 5.5%. The overall retention rate has thus been approximately 94.5% of the original valuation.

The potential exposure of the Successor Agency's tax increment revenue to appeals, were either (i) the County Auditor-Controller to change its policy of deducting appeal-related tax refunds solely from supplemental revenue and not from tax increment or (ii) the County Assessor to continue Proposition 8 reductions on future rolls for properties granted prior year reductions, may be seen by applying the retention rate to the amount of valuation in dispute in pending appeals.

An indicator of the potential exposure of Successor Agency tax increment revenue to appeals – were the Auditor-Controller either to change its policy of deducting appeal-related tax refunds solely from supplemental revenue and not from regular tax increment or were the Assessor to continue Proposition 8 reductions on future rolls for properties granted prior-year reductions – may be seen by applying the retention rate to the amount of valuation in dispute in pending appeals.

Applying the 94.5% retention rate for resolved appeals to the \$250 million in total valuation for parcels with appeals pending indicates a potential valuation reduction of \$13.8 million or approximately \$138,000 in tax revenue. If the full amount of disputed valuation were granted, the reduction in valuation would be \$86.8 million or approximately \$868,000 in tax revenue. As noted below under "Tax Increment Projection", no assumptions are made regarding any potential appeal-related adjustments to Project Area valuation.

See APPENDIX A—"FISCAL CONSULTANT REPORT—Assessment Appeals." The County has two years from the date of filing to rule on appeal requests. If the County reduces the assessed value of any parcel, there can be no assurance that the reduction will be by the amount estimated by the Fiscal

Consultant. Also, additional appeals on property within the Project Area may be filed in the future. The Successor Agency cannot predict the extent of any such appeals or their likelihood of success.

The following table illustrates the pending and resolved assessment appeals in the Project Area, and a projection of the estimated impact of pending appeals on assessed value.

Table 3
Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project
Assessment Appeals ⁽¹⁾

Roll Year	Status	Number of Appeals	County Valuation	Applicant Opinion of Value	Valuation After Appeal	Retention Rate ⁽²⁾
2014-15	Resolved	1	\$ 385,000	\$ 385,000	\$ 385,000	100.0%
2014-15	Pending	74	170,039,408	106,018,472	(TBD)	-
2013-14	Resolved	71	178,610,765	111,806,331	174,170,005	97.5%
2013-14	Pending	15	72,821,869	51,860,829	(TBD)	-
2012-13	Resolved	134	293,064,940	163,773,723	287,857,600	98.2%
2012-13	Pending	6	7,234,364	5,442,140	(TBD)	-
2011-12	Resolved	140	280,139,282	163,810,866	272,805,563	97.4%
2011-12	Pending	-	-	-	-	-
2010-11	Resolved	146	281,578,633	156,921,982	275,838,520	98.0%
2010-11	Pending	-	-	-	-	-
2009-10	Resolved	233	463,506,176	295,493,097	454,227,969	98.0%
2009-10	Pending	-	-	-	-	-
2008-09	Resolved	164	361,398,746	205,809,384	360,331,328	99.7%
2008-09	Pending	-	-	-	-	-
2007-08	Resolved	57	212,648,954	107,296,598	209,745,349	98.6%
2007-08	Pending	-	-	-	-	-
2006-07	Resolved	31	234,618,717	90,483,816	234,349,237	99.9%
2006-07	Pending	-	-	-	-	-
2005-06	Resolved	56	160,448,309	109,262,151	114,924,067	71.6%
2005-06	Pending	-	-	-	-	-
All Years	Resolved	1,033	\$2,466,399,522	\$1,405,042,948	\$2,384,634,638	94.5%
All Years	Pending	95	\$ 250,095,641	\$ 163,321,441	(TBD)	-

- (1) Settlement of pending and any future appeals would be reflected in the Fiscal Year 2010-11 tax roll or future tax rolls.
(2) Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the "County Valuation." For withdrawn and denied appeals, the "Valuation After Appeal" is the original County valuation.

Data obtained from the Riverside County Assessor's Assessment Appeals Database as of 3/26/2015

Source: Riverside County Office of the Assessor; Urban Analytics.

Under Section 51 of the Revenue and Taxation Code the annual increase in assessed valuation for real property is limited to the lesser of two percent or the October-to-October change in the California Consumer Price Index (CCPI) preceding the January 1 lien date. The State Board of Equalization reports the figure annually in late December. Since 1976-77 the CCPI has been above two percent in all but seven years, with the lowest CCPIs being a negative 0.237 percent for FY 2010-11 and a positive 0.753% for FY 2011-12. The factor applied to the FY 2012-13 and FY 2013-14 rolls was 2.00%. The factor for the FY 2014-15 rolls is 0.454% and the factor for the FY 2015-16 roll will be 1.998%. This factor, referred to at times in this Official Statement and in the Fiscal Consultant's Report as the Proposition 13 inflation factor, is applied to land and improvements where the property has not been sold or, in the case

of improvements, newly constructed. Properties whose valuations have been reduced under Proposition 8 continue to receive an inflationary adjustment under Proposition 13 on the reduced valuation.

A number of appeals have been filed by large property owners in the Project Area, shown on Table 4. The Schmid Inv. Property has an appeal pending for the 2014-15 roll year; resolved appeals for that owner in the 2010-11 roll year resulted in no change in valuation. The Felcor Esmeralda (Renaissance Hotel) property has an appeal pending for the 2013-14 roll years resolved appeals for roll years 2012-13, 2011-12 and 2010-11 resulted in no change in valuation. The property is currently valued at \$47.6 million; the disputed valuation is \$8.4 million. The property accounts for 1.2% of Project Area valuation.

Table 4
Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project
Assessment Appeals by Large Owners ⁽¹⁾

<u>Roll Year</u>	<u>Owner Name</u>	<u>Status</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>
2014-15	Schmid Inv.	1 Pending	\$ 3,830,631	\$ 1,900,000	--
2013-14	Felcor Esmeralda	1 Pending	47,600,000	39,236,845	--
2013-14	LH Indian Wells Holding	2 Resolved	19,798,732	10,150,000	19,798,732
2012-13	Felcor Esmeralda	1 Resolved	47,600,000	7,768,700	47,600,000
2012-13	LH Indian Wells Holding	2 Resolved	19,947,777	15,200,000	19,947,777
2012-13	Village Shopping Center	1 Resolved	12,161,297	6,050,000	12,161,297
2011-12	Felcor Esmeralda	1 Resolved	33,675,000	19,730,000	33,675,000
2011-12	Village Shopping Center	1 Resolved	11,922,841	5,940,000	11,922,841
2010-11	Felcor Esmeralda	1 Resolved	37,195,000	4,450,000	37,195,000
2010-11	Schmid Inv.	3 Resolved	8,940,513	890,000	8,940,513

Data obtained from the Riverside County Assessor's Assessment Appeals Database as of 3/26/2015
Source: Riverside County Office of the Assessor; Urban Analytics.

ESTIMATED REVENUES AND BOND RETIREMENT

The Successor Agency has retained Urban Analytics, LLC, San Francisco, California (the "Fiscal Consultant"), to analyze the Project Area and to project future Tax Increment Revenues for the Project Area. The Fiscal Consultant's report is included as Appendix A and should be read in its entirety.

The Project Area base year 1981-82 assessed valuation is \$390,429,692. The assessed valuation for fiscal year 2013-14 is \$3,855,701,064, which produces a total incremental value of \$3,472,904,172. The total Tax Increment Revenues for fiscal year 2013-14 are estimated to be approximately \$34,729,042 and total Tax Revenues are estimated to be approximately \$14,775,259. Table 8 in the Fiscal Consultant's Report attached hereto as Appendix A sets forth estimated fiscal year 2014-15 Tax Increment Revenues and Tax Revenues and forecasts growth in Tax Increment Revenues and Pledged Tax Revenues through fiscal year 2034-35, based upon a two percent annual increase in secured real property value beginning in 2014-15. These projections do not reflect changes to assessed valuation due to new construction, property sales, Proposition 8 reductions, assessment appeals or other factors. The actual growth rate may be less than the projected in the Project Area. Table 6 projects annual debt service coverage based on the forecasts of Tax Increment Revenues. See the Fiscal Consultant's Report attached hereto as Appendix A.

The Tax Rate calculated by the City is 1.000% for the secured roll and the unsecured roll for the Successor Agency. In accordance with Health and Safety Code Section 33670(e) the Successor Agency Tax Rate excludes taxes related to bonded indebtedness of the City approved by the voters of the City on or after January 1, 1989, and issued for the acquisition or improvement of real property. The Successor Agency does not receive, on an annual basis, all Tax Increment Revenues, unless required to pay debt service. See the tables for the Project Area under the caption "ESTIMATED REVENUES AND BOND RETIREMENT."

Actual levels of future Tax Increment Revenues will depend upon the rate of growth in tax increment resulting from new development, change of ownership and inflation, and changes in tax rates, and may differ from the projections presented herein.

Table 5
Indian Wells Redevelopment Agency
Historical Assessed Valuation and Tax Increment Verification
Fiscal Year 2010-11 through 2014-15

Roll	2010-11	2011-12	2012-13	2013-14	2014-15
Secured					
- Land	\$1,322,728,566	\$1,269,299,340	\$1,296,731,626	\$1,339,548,386	\$1,375,637,542
- Improvements	2,443,963,374	2,345,643,822	2,390,765,223	2,480,345,942	2,592,207,337
- Personal Property	19,181,528	16,491,466	16,586,052	15,599,113	15,929,659
- Exemptions	(9,635,479)	(9,140,702)	(8,911,614)	(8,634,080)	(8,396,421)
Secured Total	<u>\$3,776,237,989</u>	<u>\$3,622,293,926</u>	<u>\$3,695,171,287</u>	<u>\$3,826,859,361</u>	<u>\$3,975,378,117</u>
Unsecured					
- Land	-	-	-	-	-
- Improvements	13,157,143	9,418,657	10,027,124	9,217,758	8,046,166
- Personal Property	26,752,092	19,888,339	18,672,602	19,623,945	18,876,702
- Exemptions	(850,236)	-	-	-	-
Unsecured Total	<u>\$ 39,058,999</u>	<u>\$ 29,306,996</u>	<u>\$ 28,699,726</u>	<u>\$ 28,841,703</u>	<u>\$ 26,922,868</u>
Utility					
- Land	-	-	-	-	-
- Improvements	-	-	-	-	-
- Personal Property	-	-	-	-	-
- Exemptions	-	-	-	-	-
Utility Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals:	\$3,815,296,988	\$3,651,600,922	\$3,723,871,013	\$3,855,701,064	\$4,002,300,985
Percent Change	-4.87%	-4.29%	1.98%	3.54%	3.80%
Plus: HOPTR AV ⁽¹⁾	0	0	0	7,632,800	7,560,000
Less: Base AV	-390,429,692	-390,429,692	-390,429,692	-390,429,692	-390,429,692
Incremental AV:	<u>\$3,424,867,296</u>	<u>\$3,261,171,230</u>	<u>\$3,333,441,321</u>	<u>\$3,472,904,172</u>	<u>\$3,619,431,293</u>
Incremental Revenue (1%)	34,248,673	32,611,712	33,334,413	34,729,042	36,194,313
Plus: Additional Revenue ⁽²⁾	539,942	525,391	569,067	864,574	891,803
Tax Increment Collected	<u>\$ 34,788,615</u>	<u>\$ 33,137,103</u>	<u>\$ 33,903,480</u>	<u>35,593,616</u>	<u>37,086,116</u>

(1) The Homeowner's Property Tax Relief exemption, reimbursed by the state.

(2) Revenue from unitary and supplemental rolls, prior-year adjustments and other sources. [Fiscal Year 2013-14 unitary revenue is estimated to be \$400,000.]

Source: Urban Analytics; County of Riverside, the Successor Agency.

[Tax increment is projected over the duration of the plan in the Project Area, as shown in Table 6 below. The projection incorporates the Proposition 13 adjustment of 1.998% for real property on the Fiscal Year 2015-16 roll and assumes a 2% rate of growth in real property from Fiscal Year 2015-16 forward. The projection does not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions, assessment appeals or other factors. The actual growth rate may be less than the projected rate in the Project Area. Secured personal property and unsecured valuations are assumed to remain constant throughout.]

Table 6
Indian Wells Redevelopment Agency
Estimated Debt Service Coverage
Fiscal Years 2015-16 through 2034-35

Year	Available Tax Increment Revenues ⁽¹⁾	County Admin. Fee	Pass-Through Payments	Net Tax Revenues ⁽²⁾	Debt Service on the Series 2006A Bonds	Debt Service on the Series 2010A Bonds	Total Senior Bonds Debt Service	Pledged Tax Revenues	Debt Service on the Series 2014 Bonds	Debt Service on the Series 2015A Bonds	Debt Service on All Bonds	Excess Tax Increment	Coverage on All Bonds (%)
2015-16	\$ 37,417,695	\$ (561,265)	\$ (21,152,331)	\$ 15,704,099	\$ (1,354,988)	\$ (770,846)	\$ (2,125,834)	\$ 13,578,265	\$ (4,447,090)	\$ (1,513,763)	\$ (8,086,686)	\$ 7,617,413	194
2016-17	38,226,964	(573,404)	(21,634,263)	16,019,297	(1,355,888)	(768,046)	(2,123,934)	13,895,363	(4,435,720)	(3,303,775)	(9,863,429)	6,155,868	162
2017-18	39,052,419	(585,786)	(22,125,833)	16,340,800	(1,356,188)	(769,746)	(2,125,934)	14,214,866	(4,419,573)	(3,294,175)	(9,839,681)	6,501,119	166
2018-19	39,894,384	(598,416)	(22,627,235)	16,668,733	(1,355,888)	(770,846)	(2,126,734)	14,541,999	(4,409,805)	(3,301,350)	(9,837,889)	6,830,844	169
2019-20	40,753,187	(611,298)	(23,138,664)	17,003,225	(1,354,988)	(771,161)	(2,126,149)	14,877,076	(4,386,138)	(3,299,650)	(9,811,936)	7,191,289	173
2020-21	41,629,167	(624,438)	(23,660,322)	17,344,407	(1,353,488)	(770,395)	(2,123,883)	15,220,524	(4,363,453)	(3,298,000)	(9,785,335)	7,559,072	177
2021-22	42,522,666	(637,840)	(24,192,414)	17,692,412	(1,351,388)	(768,464)	(2,119,851)	15,572,561	(4,375,702)	(3,300,500)	(9,796,053)	7,896,359	181
2022-23	43,434,035	(651,511)	(24,735,147)	18,047,377	(1,353,303)	(765,376)	(2,118,679)	15,928,698	(4,366,186)	(3,294,125)	(9,778,990)	8,268,387	185
2023-24	44,363,632	(665,454)	(25,288,735)	18,409,443	(2,171,900)	(766,251)	(2,938,151)	15,471,292	--	(3,532,625)	(6,470,776)	11,938,667	285
2024-25	45,311,820	(679,677)	(25,853,394)	18,778,749	(2,170,875)	(765,942)	(2,936,817)	15,841,932	--	(3,530,375)	(6,467,192)	12,311,557	290
2025-26	46,278,972	(694,185)	(26,429,347)	19,155,440	(2,171,588)	(769,020)	(2,940,608)	16,214,832	--	(3,523,125)	(6,463,733)	12,691,707	296
2026-27	47,265,468	(708,982)	(27,016,819)	19,539,667	(2,169,750)	(765,433)	(2,935,183)	16,604,484	--	(3,525,500)	(6,460,683)	13,078,984	302
2027-28	48,271,693	(724,075)	(27,616,040)	19,931,578	(2,170,256)	(760,570)	(2,930,826)	17,000,752	--	(3,522,125)	(6,452,951)	13,478,627	309
2028-29	49,298,043	(739,471)	(28,227,246)	20,331,326	(2,166,991)	(759,270)	(2,926,261)	17,405,065	--	(3,517,875)	(6,444,136)	13,887,190	316
2029-30	50,344,919	(755,174)	(28,850,676)	20,739,069	(2,159,913)	(766,145)	(2,926,058)	17,813,012	--	(3,517,375)	(6,443,433)	14,295,637	322
2030-31	51,412,733	(771,191)	(29,486,574)	21,154,968	(2,163,563)	(756,645)	(2,920,208)	18,234,761	--	(3,510,375)	(6,430,583)	14,724,386	329
2031-32	52,501,904	(787,529)	(30,135,190)	21,579,185	(2,157,675)	(760,453)	(2,918,128)	18,661,058	--	(3,506,625)	(6,424,753)	15,154,433	336
2032-33	53,612,858	(804,193)	(30,796,779)	22,011,886	(2,158,188)	(752,430)	(2,910,618)	19,101,269	--	(3,510,500)	(6,421,118)	15,590,769	343
2033-34	54,746,031	(821,190)	(31,471,599)	22,453,242	(2,152,369)	(762,094)	(2,914,463)	19,538,780	--	(3,496,875)	(6,411,338)	16,041,905	350
2034-35	55,901,867	(838,528)	(32,161,598)	22,901,741	(2,149,875)	(754,294)	(2,904,169)	19,997,572	--	(3,500,375)	(6,404,544)	16,497,197	358

(1) Indicated amounts reflect the projected Tax Increment Revenues for the indicated years.

(2) Indicated amounts are the projected Tax Revenues for the indicated years.

BOND OWNERS' RISKS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Series 2015A Bonds and the credit quality of the Series 2015A Bonds. The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. For a discussion of certain matters that will or could cause reductions in the Pledged Tax Revenues available in future years, see "LIMITATIONS ON TAX REVENUES" of this Official Statement.

Limited Special Obligations

[The Bonds will be special obligations of the Successor Agency, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Indenture. The Bonds shall not constitute a charge against the general credit of the Successor Agency or any of its members, and under no circumstances shall the Successor Agency be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Pledged Tax Revenues. Neither the State nor any public agency (other than the Successor Agency) nor any member of the Successor Agency is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Successor Agency is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Successor Agency) or the City.]

Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires the Successor Agency to prepare and submit to the Successor Agency's Oversight Board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the Successor Agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Successor Agency without a Recognized Obligation Payment Schedule approved by the State Department of Finance. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule." If the Successor Agency were to fail to complete an approved Recognized Obligation Payment Schedule with respect to a six-month period, the availability of Pledged Tax Revenues to the Successor Agency could be adversely affected for such period.

If a successor agency fails to submit to the State Department of Finance an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the State Department of Finance may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the State Department of Finance to the county auditor-controller of an amount to be withheld from allocations

to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the RPTTF in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the State Department of Finance.

Typically, under the RPTTF distribution provisions of the Dissolution Act, the county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act (as described above under “SECURITY FOR THE BONDS-Security for the Bonds”) and no later than each January 2 and June 1, to each local agency and school entity, to the extent applicable, amounts required for passthrough payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011; (ii) second, on each January 2 and June 1, to a successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule; (iii) third, on each January 2 and June 1, to a successor agency for the administrative cost allowance, as defined in the Dissolution Act; and (iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in its RPTTF after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity’s share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any passthrough obligations that were established under the Redevelopment Law).

If the Successor Agency does not submit an Oversight-Board approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the State Department of Finance does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the RPTTF for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. However, the Successor Agency has covenanted in Indenture to take all actions required under the Dissolution Act to include scheduled debt service on the Senior Bonds and the Series 2015A Bonds as well as any amount required under the Fiscal Agent Agreements to replenish the reserve accounts established thereunder, or required under Indenture to replenish the Reserve Fund, in Recognized Obligation Payment Schedules for each six-month period to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency’s Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period, including listing a reserve on the Recognized Obligation Payment Schedule to the extent required by Indenture or when the next property tax allocation is projected to be insufficient to pay all obligations due under the provisions of the Bonds for the next payment due in the following six-month period.

AB 1484 also added new provisions to the Dissolution Act implementing certain penalties in the event the Successor Agency does not timely submit a Recognized Obligation Payment Schedule for a six-month period. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Successor Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller no later than by 90 days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadlines, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Successor Agency’s administrative cost allowance is reduced by 25% if the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the

80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance.

Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency’s ability to timely pay debt service on the Bonds.

Mandatory Redemption on Acceleration of Bonds on Default; Acceleration of Senior Bonds

The Bonds are subject to mandatory redemption upon the acceleration of the Bonds upon the occurrence of an Event of Default under Indenture. As a practical matter in the event of a payment default by the Successor Agency, it is unlikely the Successor Agency would have the financial resources to meet accelerated obligations. No real or personal property in the Project Area is pledged to secure the Bonds, and it is not anticipated that the Successor Agency will have available moneys sufficient to pay the amount of principal and interest due upon acceleration of the Bonds, and to redeem all of the Bonds in the event of a default. Additionally, if the Bonds are insured, then the bond insurer will retain the right to control remedies on the Bonds in the Event of Default, possibly in conflict with the Owners of the Bonds.

Additionally, the Senior Bonds are subject to acceleration upon an Event of Default under the respective Fiscal Agent Agreements. The Senior Bonds are also insured by separate municipal bond insurance companies. If an event of default should occur with respect to the Senior Bonds, the bond

insurers of such Senior Bonds could declare an acceleration on such Senior Bonds which could cause there to be insufficient Pledged Tax Revenues to pay debt service on the Bonds. See “SECURITY FOR THE BONDS – Security for the Bonds,” herein.

Reduction in Taxable Value

Tax Increment Revenues allocated to the Successor Agency are determined by the amount of incremental taxable value in the Project Area allocable to the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property caused by economic factors beyond the Successor Agency’s control, such as a relocation out of the Project Area by one or more major property owners, or the transfer, pursuant to California Revenue and Taxation Code Section 68, of a lower assessed valuation to property within the Project Area by a person displaced by eminent domain or similar proceedings, appeals to value under Proposition 8 or other assessment appeals, or the discovery of hazardous substances on a property within the Project Area (see “Hazardous Substances,” below) or the complete or partial destruction of such property caused by, among other eventualities, an earthquake (see “Earthquake,” below), flood or other natural disaster, could cause a reduction in the Pledged Tax Revenues securing the Bonds. Property owners may also appeal to the County Assessor for a reduction of their assessed valuations or the County Assessor could order a blanket reduction in assessed valuations based on then current economic conditions. See APPENDIX A – “Report of Fiscal Consultant – Assessment Appeals.”

Bond Insurance Risk Factors

The Authority has applied for a bond insurance policy (the “Policy”) to guarantee the scheduled payment of principal and interest on the Bonds. The Authority has yet to determine whether an insurance policy will be purchased with the Bonds from a municipal bond insurance company (the “Bond Insurer”). If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any Owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the Authority which is recovered by the Successor Agency from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the Authority unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer’s consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "OTHER INFORMATION – Ratings" herein.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Successor Agency nor the Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "Bond Insurance" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

Risks of Real Estate Secured Investments Generally

The Owners and Beneficial Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property within and in the vicinity of the respective project areas, the supply of or demand for competitive properties in such project areas, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

Reduction in Inflationary Rate and Changes in Legislation

As described in greater detail below (see "LIMITATIONS ON TAX REVENUES"), Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2% and there have been several years in which taxable values were adjusted by an actual inflationary rate that was less than 2%. The adjusted inflationary rate for Fiscal Year 2014-15 is 0.454% and the factor for the Fiscal Year 2015-16 roll will be 1.998%. This factor, referred to at times in this Official Statement and in the Fiscal Consultant's Report as the Proposition 13 inflation factor, is applied to land and improvements where the property has not been sold or, in the case of improvements, newly constructed. Properties whose valuations have been reduced under Proposition 8 continue to receive an inflationary adjustment under Proposition 13 on the reduced valuation. The Successor Agency is unable to predict whether future annual inflationary adjustments to the taxable value base of real property within the Project Area will be in the amount of the full 2% permitted under Article XIII A or will be in an amount less than 2%.

Change in Law

In addition to the other limitations on Pledged Tax Revenues, the California electorate or Legislature could adopt a constitutional or legislative property tax decrease with the effect of reducing Pledged Tax Revenues payable to the Successor Agency. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could reduce the Pledged Tax Revenues and adversely affect the security of the Bonds.

Development and Economic Risks

Development within the Project Area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Project Area could be adversely affected by future governmental policies, including policies that restrict or control development. If projected development in the Project Area is delayed or halted, the economy of the Project Area could be affected, potentially causing a reduction of the Pledged Tax Revenues available to repay Series 2015A Bonds. In addition, if there is a general decline in the economy of the Project Area, the owners of property in the Project Area may be less able or willing to make timely payments of property taxes, causing a delay or stoppage of Pledged Tax Revenues received by the Successor Agency.

Bankruptcy of Landowners

The bankruptcy of a major assessee in the Project Area could delay and/or impair the collection of property taxes by the County with respect to properties in the bankruptcy estate. Although the Successor Agency is not aware of any major property owners in the Project Area that are in bankruptcy or threatening to declare bankruptcy, the Successor Agency cannot predict the effects on the collections of Pledged Tax Revenues if such an event were to occur.

Earthquake

There are no known major faults in the Indian Wells city limits; however, there are several faults in the Indian Wells area that potentially could result in damage to buildings, roads, bridges, and property within the Project Area in the event of an earthquake. Past experiences, including the July 1992, Landers 7.5 and Big Bear 6.6 Richter Scale earthquakes, have not resulted in damage to infrastructure or property in Indian Wells. One fault that could affect the Project Area is the San Andreas Fault, which is located approximately 8 to 10 miles northeast of the City. Other faults in the vicinity of Indian Wells include the San Jacinto Fault located 25 to 30 miles southwest of the City, and the Mission Creek Fault located 10 to 12 miles northeast of the City.

If an earthquake were to substantially damage or destroy taxable property within the Project Area, the assessed valuation of such property would be reduced. Such a reduction of assessed valuations could result in a reduction of the Pledged Tax Revenues that secure the Bonds, which in turn could impair the ability of the Successor Agency to make payments of principal of and/or interest on the Bonds when due.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Pledged Tax Revenues and, accordingly, could have an adverse impact on the ability of the Successor Agency to make debt service payments on the Bonds. Likewise, delinquencies in the

payment of property taxes could have an adverse effect on the Successor Agency's ability to make timely debt service payments on the Bonds. The County currently allocates 100% of the Tax Revenues collected on the secured property tax roll to the Successor Agency, regardless of the actual amount of payments made by taxpayers (see "Property Taxes; Teeter Plan," below). The County currently allocates Tax Revenues collected with respect to unsecured property to the Successor Agency based upon the tax increment actually collected.

Estimated Revenues

In estimating that Pledged Tax Revenues will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the Pledged Tax Revenues available to pay debt service on the Bonds will be less than those projected and such reduced Pledged Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the Bonds.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Project Area. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Direct and Overlapping Indebtedness

The ability of land owners within the respective project area to pay property tax installments as they come due could be affected by the existence of other taxes and assessments, imposed upon the land. In addition, other public agencies whose boundaries overlap those of the respective project area could, without consent of the Successor Agency, and in certain cases without the consent of the owners of the land within the Project Area, impose additional taxes or assessment liens on the property to finance public improvements.

Future Legislation and Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the Successor Agency or the Successor Agency's ability to expend revenues. In addition, there are currently a number of proposed legislative changes to the Dissolution Act which, if adopted, would also affect revenues of the Successor Agency or the Successor Agency ability to expend revenues. The nature and impact of these measures cannot currently be anticipated.

Assessment Appeals

Property taxable values may be reduced as a result of Proposition 8, which reduces the assessed value of property, or of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the respective project area and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Pledged Tax Revenues under the Indenture. The Successor Agency has in the past experienced reductions in its Tax Increment Revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. For a discussion of historical assessment appeals in the Project Area and summary information regarding pending and resolved assessment appeals for the Successor Agency, see Appendix A – Fiscal Consultant's Report.

Economic Risks

The Successor Agency's ability to make payments on the Series 2015A Bonds will be partially dependent upon the economic strength of the Project Area. If there is a decline in the general economy of the Project Area, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of Tax Increment Revenues. In the event of decreased values, Pledged Tax Revenues may decline even if property owners make timely payment of taxes.

Pass-Through Agreements

The College of the Desert and the Riverside County Office of Education have made claims to the Successor Agency that amounts calculated under the existing passthrough agreements were incorrect and that a different methodology was intended to be employed. Should the two entities prevail in their challenge, there could be an annual increase in passthrough payments to these entities totaling \$760,000. The estimated annual increase could also be applied retroactively to the extent permitted by law. The Successor Agency retained legal counsel for the matters. On April 4, 2014 and on April 16, 2014, the Successor Agency received correspondence from the County Office of Education and the College of the Desert, respectively, that each agency was suspending its pursuit of its claim and would not pursue litigation of the matter at this time. See "FISCAL CONSULTANT'S REPORT," herein, and "THE CONSOLIDATED WHITEWATER PROJECT AREA-Pass-Through Agreements," herein.

Investment Risk

Funds held under Indenture are required to be invested in Permitted Investments as provided under Indenture. See APPENDIX A attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Successor Agency, into which a portion of the proceeds of the Series 2015A Bonds will be deposited and into which Pledged Tax Revenues are deposited, may be invested by the Successor Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

Further, the Successor Agency cannot predict the effects on the receipt of Pledged Tax Revenues if the County were to suffer significant losses in its portfolio of investments or if the County or the City were to become insolvent or declare bankruptcy. See "BOND OWNERS' RISKS – Bankruptcy."

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2015A Bonds, or, if a secondary market exists, that the Series 2015A Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

Bankruptcy

The rights of the Owners of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinion of Bond Counsel as to the enforceability of the obligation to make payments on the Bonds will be qualified as to bankruptcy and such other legal events. See APPENDIX F – “Form of Opinion of Bond Counsel.”

LIMITATIONS ON TAX REVENUES

Property Tax Limitations - Article XIII A

Article XIII A of the California Constitution. Section 1(a) of Article XIII A of the California Constitution limits the maximum *ad valorem* tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. Section 2 of Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the California Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

In the general elections of 1986, 1988, and 1990, the voters of the State approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, do not constitute a “purchase” or “change of ownership” triggering reassessment under Article XIII A. This amendment will reduce the tax increment of the Successor Agency. Other amendments permitted the Legislature to allow persons over 55 who sell their residence and on or after November 5, 1986, to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence, and permitted the Legislature to authorize each county under certain circumstances to adopt an ordinance making such transfers or assessed value applicable to situations in which the replacement dwelling purchased or constructed after November 8, 1988, is located within that county and the original property is located in another county within California.

In the June 1990 election, the voters of the State approved additional amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for replacement dwellings purchased or newly

constructed on or after June 5, 1990, and to exclude from the definition of “new construction” triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Both the California Supreme Court and the United States Supreme Court have upheld the constitutionality of Article XIII A.

Article XIII B of the California Constitution. On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds.

Effective September 30, 1980, the California Legislature added Section 33678 to the Law which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the Successor Agency of proceeds of taxes levied by or on behalf of the Successor Agency within the meaning of Article XIII B or any statutory provision enacted in implementation thereof, including Section 33678 of the Law. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely* and *Brown v. Community Redevelopment Agency of the City of Santa Ana*. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 218. On November 5, 1996, the voters of the State approved Proposition 218, the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of the public agencies to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C removes limitations on the initiative power in matters of local taxes, special taxes, assessments, fees and charges. While the matter is not free from doubt, it is likely that a court would hold that the initiative power cannot be used to reduce or repeal the levy of property taxes or to materially affect the collection and pledge of Pledged Tax Revenues.

The interpretation and application of the initiative provisions of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and while it is not possible at this time to predict with certainty the outcome of such determination, the Successor Agency does not believe that Proposition 218 will materially affect its ability to pay principal of or interest on the Bonds.

Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all

taxable property value is shown at 100% of assessed value and all general tax rates reflect the \$1.00 per \$100 of taxable value. Tax rates for bond debt service and pension liability are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year. The Successor Agency is not able to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Redevelopment Plan Limits

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB 26 and AB 1484. The matter remains subject to further guidance from the DOF, legislation and interpretation by the courts. If the cumulative tax increment limit is deemed to no longer be applicable, no interruption of tax increment revenue will occur. For purposes of the projections in this Official Statement and in the Fiscal Consultant’s Report appearing in Appendix A, it is assumed that all redevelopment plan limits will be enforced.

Unitary Property

Assembly Bill 2890 (Statutes of 1986, Chapter 1457), which added Section 98.9 to the California Revenue and Taxation Code, provided that, commencing with the Fiscal Year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) was to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a *pro rata* basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a *pro rata* share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property was changed from March 1 to January 1.

Assembly Bill 454 (Statutes of 1987, Chapter 921) further modified the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provided for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provided for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county as follows: for revenues generated from the 1% tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to 102% of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than 102% of the previous year’s unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, further, each jurisdiction will receive a percentage share of revenue based on the jurisdiction’s annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The intent of Chapters 1457 and 921 was to provide redevelopment agencies with their appropriate share of revenue generated from the property assessed by the State Board of Equalization.

The Successor Agency has projected the amount of unitary revenues to be allocated for 2014-15 within the Project Area. The Successor Agency cannot predict the effect of any future litigation or settlement agreements on the amount of unitary tax revenues received or to be received nor the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies.

Tax Increment Limitation; Senate Bill 211

Assembly Bill 1290 (“AB 1290”) was signed into law by the Governor in December 1993 and amends various provisions of the Law. AB 1290 provides for the placement of time limits on the effectiveness of every redevelopment plan, and provides that after 10 years from the termination date of a plan’s effectiveness, no redevelopment agency, subject to certain exceptions, will pay indebtedness or receive property taxes in connection therewith. In addition, in connection with the shift of tax increment revenues, (i) SB 1045 allowed the Former Agency to extend the effective date of the related redevelopment plan, and the date to receive Pledged Tax Revenues in the Project Area, by one year, and (ii) SB 1096 allowed the Former Agency to extend the effective date of the related redevelopment plan, and the date to receive Pledged Tax Revenues, by two years subject to compliance with major housing requirements. The Former Agency has taken such action with respect to SB 1045, and the projections of Pledged Tax Revenues reflect such extensions. Pursuant to the related redevelopment plan, the expiration date of the related redevelopment plan is as described in “THE CONSOLIDATED WHITEWATER PROJECT AREA,” herein.

On October 10, 2001 the Governor of the State signed into law Senate Bill 211 (“SB 211”), which allows redevelopment agencies to eliminate the time limits on their ability to incur debt for project areas established prior to January 1, 1994. Additionally, SB 211 allows redevelopment agencies to extend the termination date of their redevelopment plans and the deadline for the receipt of tax increment for the repayment of debt by 10 years for project areas established prior to January 1, 1994. In order to extend the termination of the redevelopment plans or the deadline for the receipt of tax increment for the repayment of debt, the redevelopment agency must make certain findings of blight in the applicable project areas. Additionally, if a redevelopment agency elects to extend the time limits on the incurrence of debt, the termination of the redevelopment plans or the deadline for the receipt of tax increment for the repayment of debt, the redevelopment agency must make certain additional statutory passthroughs to other taxing entities. The Former Agency did not extend any of the related redevelopment plan limitations with respect to the respective project area pursuant to SB 211.

Property Taxes; Teeter Plan

The County utilized a mechanism for the distribution of tax increment revenue to the former redevelopment agencies that has a similar effect on the Successor Agency’s tax increment revenues as the device known as the Teeter Plan (Section 4701 et seq. of the California Revenue and Taxation Code). The Teeter Plan allows counties to distribute secured property tax revenue to participating jurisdictions without regard to delinquencies by maintaining a reserve fund to cover delinquencies and allocating revenue based on the original secured roll, retaining all delinquent tax payments and penalties. Under the mechanism used by the County to distribute tax increment revenue to the former redevelopment agencies, the County pays one-half of the taxes from the net taxable assessed valuation appearing on the equalized roll to each agency’s RPTTF on January 2 and the other one-half on June 1; delinquencies are not deducted from the RPTTF revenue, and delinquent tax payments and defaulted tax redemptions, penalties and interest are not added to RPTTF revenue. Consequently, the Successor Agency is not affected by delinquent tax payments. The overall delinquency rate for the 2012-13 fiscal year for all secured properties in the Project Area was 0.9% as of July 17, 2013.

Tax Collection Fees

Legislation enacted by the State Legislature authorizes county auditors to determine property tax administration costs proportionately attributable to local jurisdictions and to submit invoices to the jurisdictions for such costs. Subsequent legislation specifically includes redevelopment agencies among the entities which are subject to a property tax administration charge. The County administration fee amounts to approximately 2% of the tax increment revenues from a Project Area. The calculations of Pledged Tax Revenues take such administrative costs into account.

Future Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot under California's initiative process. From time to time other initiative measures could be adopted, further affecting Agency revenues or the Successor Agency's ability to expend revenues.

OTHER INFORMATION

Continuing Disclosure

The Successor Agency will undertake all responsibilities for continuing disclosure to Owners of the Series 2015A Bonds pursuant to the Continuing Disclosure Agreement to prepare and deliver certain other information as described in the Continuing Disclosure Agreement. _____ will act as dissemination agent under the Continuing Disclosure Agreement. See APPENDIX G – "FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

In connection with undertakings with regard to Rule 15c2-12 with respect to four bond issuances of the Successor Agency was required to file audited or unaudited financial statements of the Successor Agency for the fiscal year ended June 30, 2011 on or before January 26, 2012 with respect to three of the issues, and on or before March 31, 2012 with respect to one issue, together with annual continuing disclosure reports to be filed on such date with respect to such bond issuances. The annual continuing disclosure reports with respect to three issues were filed four days late. For the continuing disclosure report required to be filed for Fiscal Year ending June 30, 2012, the continuing disclosure report for three issues were filed three days late and did not include a statement regarding the status of passthrough agreements. Additionally, the continuing disclosure report for Fiscal Year ending 2012, did not timely file the Successor Agency audited or unaudited financial statements, and such audited financial statements were filed 73 days later.

Additionally, the Successor Agency failed to file an upgrade of Series 2003A, 2005A, 2006A and 2010A Bonds on November 3, 2013, from "BBB-" to "BBB."

The Successor Agency has filed amendments to the 2012 continuing disclosure reports for each issue and has since complied with all of its continuing disclosure obligations.

Other than as described above, the Successor Agency has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports, semi-annual reports or notices of material events in the last five years.

Litigation

At the time of delivery of and payment for the Series 2015A Bonds, the Successor Agency will certify that, except as disclosed herein, to their respective best knowledge there is no litigation, action, suit, proceeding or investigation, at law or in equity, before or by any court, governmental agency or body, pending against or threatened against the Successor Agency in any way affecting the existence of the Successor Agency or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2015A Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of Tax Increment Revenues to be pledged to pay the principal of and interest on the Series 2015A Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2015A Bonds, the Indenture, or any action of the Successor Agency contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or the powers of the Successor Agency or its authority with respect to the Indenture or any action of the Successor Agency contemplated by said documents, or in any way contesting the completeness or accuracy of this Official Statement or the powers of the Successor Agency or its authority with respect to the Indenture or any action of the Successor Agency contemplated by said documents, or which would adversely affect the exclusion of interest paid on the Series 2015A Bonds from gross income for Federal income tax purposes or the exemption of interest paid on the Series 2015A Bonds from California personal income taxation, nor, to the knowledge of the Successor Agency, is there any basis therefor.

Tax Matters

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that for the purposes of computing the alternative minimum tax imposed on certain corporations such interest is required to be taken into account in determining certain income and earnings. The opinion described herein are subject to the condition that the Successor Agency comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Series 2015A Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2015A Bonds.

Interest payable on the Series 2015A Bonds will be included in gross income for federal income tax purposes.

In the further opinion of Bond Counsel, interest on the Series 2015A Bonds is exempt from California personal income taxes.

If the initial offering price to the public (excluding bond houses and brokers) at which a Series 2015A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Series 2015A Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded. Owners of Series 2015A Bonds with original issue discount or original issue premium, including purchasers who do

not purchase in the original offering, should consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of owning such Series 2015A Bonds.

Owners of the Series 2015A Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2015A Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Series 2015A Bonds other than as expressly described above.

Circular 230 Disclaimer

To ensure compliance with requirements imposed by the IRS, Bond Counsel informs owners of the Series 2015A Bonds that any U.S. federal tax advice contained in this Official Statement (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed in this Official Statement.

Legal Opinion

Jones Hall, A Professional Law Corporation, San Francisco, California, will render its opinion with respect to the validity of the Series 2015A Bonds in substantially the form set forth in Appendix F hereto. Copies of such approving opinion will be available at the time of delivery of the Series 2015A Bonds.

In addition, Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, will deliver to the Underwriter a letter in customary form concerning the information set forth in this Official Statement.

Verification of Mathematical Accuracy

[Causey Demgen & Moore P.C., certified public accountants, will verify, from the information provided to them, the mathematical accuracy of the computations contained in schedules to determine that the amounts to be held in the Escrow Fund will be sufficient to pay principal, interest and redemption price due on each respective series of the Refunded Bonds through and including the redemption date. Causey Demgen & Moore P.C. will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of interest on the Series 2015A Bonds.]

Ratings

Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, a part of McGraw Hill Financial ("Standard & Poor's") has assigned to the Insured Bonds its municipal bond rating of "___" (stable outlook) with the understanding that the Policy insuring the payment when due of the principal of and interest on the Insured Bonds will be issued concurrently with the delivery of the Insured Bonds by [the Bond Insurer]. Standard and Poor's has assigned an underlying rating of "___" to the Series 2015A Bonds without regard to the issuance of the Policy. Such ratings reflect only the views of Standard & Poor's, and do not constitute a recommendation to buy, sell or hold any of the Series 2015A Bonds. Explanation of the significance of such ratings may be obtained only from Standard and Poor's Ratings Services, 55 Water Street, New York, New York 10041.

The ratings issued reflect only the view of such rating agency, and any explanation of the significance of such ratings should be obtained from such rating agency. There is no assurance that such ratings will be retained for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so

warrant. Any such downward revision or withdrawal of any rating obtained may have an adverse effect on the market price of the Series 2015A Bonds.

Underwriting

Citigroup Global Markets Inc. (the “Underwriter”) has agreed to purchase the Series 2015A Bonds at a price of \$_____ (being the principal amount of the Series 2015A Bonds, plus a net original issue premium of \$_____, less an Underwriter’s discount of \$_____) under a Bond Purchase Contract between the Successor Agency and the Underwriter.

Citigroup Global Markets Inc. has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (“TMC”) and UBS Financial Services Inc. (“UBSFS”). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2015A Bonds.

The Underwriter may offer and sell the Series 2015A Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page hereof. The offering price may be changed from time to time by the Underwriter.

Miscellaneous

All quotations from and summaries and explanations of the Indenture and other statutes and documents contained herein do not purport to be complete, and reference is made to such documents, Indenture and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Series 2015A Bonds by the Successor Agency. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the Successor Agency. The information contained herein should not be construed as representing all conditions affecting the Successor Agency or the Series 2015A Bonds.

SUCCESSOR AGENCY TO THE INDIAN WELLS
REDEVELOPMENT AGENCY

By: _____
Executive Director

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APPENDIX A
REPORT OF THE FISCAL CONSULTANT

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APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF INDIAN WELLS

The following information is presented as general background data. The Bonds are payable solely from Pledged Tax Revenues and other sources as described herein. The taxing power of the City of Indian Wells, the State of California or any political subdivision thereof is not pledged to the payment of the Bonds.

The City of Indian Wells is located in the Coachella Valley in eastern Riverside County (the "County"), 20 miles southeast of Palm Springs and 120 miles southeast of Los Angeles. The City is traversed by State Highway 111, which connects the Coachella Valley desert communities to Interstate 10. For many years the region has been popular with vacationers and retirees because of the dry desert climate, resort amenities, and close proximity to population centers in Los Angeles, Orange County, and San Diego, all of which are within approximately two hours driving time. The City is seventeen miles from Palm Springs International Airport, providing easy access to air transport.

Most of the City consists of relatively level desert land, with elevation estimated to be 119 feet above sea level. The average temperature in January is approximately 54 degrees F, while the average temperature in July is approximately 92 degrees F. The City experiences approximately 3.3 inches of rain per year.

Indian Wells was incorporated as a general law city on July 14, 1967. Subsequently, upon the approval of the voters on November 5, 2002, the City became a charter city. The City's Charter was filed with the California Secretary of State on December 20, 2002. The City has a council-manager form of government. The council members are elected at large to alternating four year terms at elections held every two years. There is an automatic rotation of Council Members serving as Mayor and Mayor Pro Tempore. Indian Wells contracts with Riverside County for fire, police and paramedic services.

Indian Wells is home to internationally recognized sporting and cultural events. In 1990, Indian Wells was awarded a national Citation for Excellence in Urban Design from the American Institute of Architects. Palm and date trees surround and decorate the community. In 1991, Indian Wells' fire and police departments were recognized by the League of California Cities for their public safety program.

Indian Wells is one of the most affluent cities in the County of Riverside, with a per capital personal income of \$118,082 according to the City's demographic data.

The employment base of Indian Wells is based primarily on the tourist industry. Indian Wells offers four major resorts to visitors from around the world: the Miramonte Resort & Spa, the Indian Wells Resort Hotel, the Hyatt Regency Indian Wells Resort & Spa and the Renaissance Indian Wells Resort & Spa. The city boasts a total of 171 holes of golf, which are divided amongst the city's various private clubs and resorts, as well as forty-plus grass, clay and hard surface tennis courts. The city is host to major sporting events and is home to the Indian Wells Tennis Garden, a facility that seats over 16,000 spectators, making it one of the largest outdoor tennis stadiums in the country.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

The 2014 permanent population is 5,137. There are a large number of second homes in the City resulting in a seasonal population that is well in excess of the City's year-round population. In addition to the permanent residents, the City has seasonal residents that usually reside in Indian Wells during the tourist season, October through April. The table below displays population changes and other demographic data for the City and the County for the past 10 fiscal years.

CITY OF INDIAN WELLS

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>
2004-05	4,681	401,924,703	85,863
2005-06	4,746	414,733,956	\$87,386
2006-07	4,779	452,208,096	94,624
2007-08	4,826	445,994,790	92,415
2008-09	4,910	501,527,040	102,144
2009-10	4,947	498,543,819	100,777
2010-11	5,010	523,660,230	104,523
2011-12	5,035	585,987,499	116,383
2012-13	5,081	599,972,864	118,082
2013-14	5,137	474,294,073	92,329

Source: City of Indian Wells.

Industry And Employment

The City is a part of the Riverside-San Bernardino Primary Metropolitan Statistical Area (“PMSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the PMSA has large and growing commercial and service sector employment, as reflected in the following table.

RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY ⁽¹⁾ (IN THOUSANDS)

	2010	2011	2012	2013	2014
Civilian Labor Force ⁽¹⁾	1,865,000	1,866,200	1,882,900	1,897,000	1,922,900
Employment	1,610,200	1,623,100	1,665,600	1,710,500	1,766,300
Unemployment	255,500	243,100	217,300	186,500	156,600
Unemployment Rate	13.7%	13.0%	11.5%	9.8%	8.1%
Wage and Salary Employment: ⁽²⁾					
Agriculture	15,000	14,900	15,000	14,500	14,300
Mining and Logging	1,000	1,000	1,200	1,200	1,300
Construction	59,700	59,100	62,600	70,000	77,000
Manufacturing	85,200	85,100	86,700	87,300	90,200
Wholesale Trade	48,700	49,200	52,200	56,400	59,000
Retail Trade	155,500	158,500	162,400	164,800	168,700
Transportation, Warehousing and Utilities	66,600	68,800	73,900	79,400	87,300
Information	14,000	12,200	11,700	11,500	11,200
Finance and Insurance	25,500	26,000	26,500	26,500	26,500
Real Estate and Rental and Leasing	15,500	14,600	14,900	15,600	16,200
Professional and Business Services	123,600	126,000	127,500	132,400	137,800
Educational and Health Services	154,100	157,600	167,200	184,500	193,600
Leisure and Hospitality	122,800	124,000	129,400	135,900	144,300
Other Services	38,200	39,100	40,100	41,000	43,200
Federal Government	22,800	21,300	20,600	20,300	20,200
State Government	29,300	29,100	27,800	27,800	28,200
Local Government	182,300	177,100	175,800	177,100	180,400
Total All Industries ⁽²⁾	1,189,700	1,162,900	1,195,300	1,246,400	1,299,500

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

The following table sets forth the major employers located in the City as of June 30, 2014:

**CITY OF INDIAN WELLS
MAJOR EMPLOYERS**

Business Name	Number of Employees	Percent of Total Employment (%)
Renaissance Esmeralda Resort	499	27.72%
Hyatt Grand Champions	465	25.83
Indian Wells Golf Resort ⁽¹⁾	233	12.94
Miramonte Resort and Spa	207	11.50
El Dorado Country Club ⁽²⁾	206	11.44
Toscana Country Club	172	9.56
Indian Wells Country Club	128	7.11
Desert Horizons Country Club	84	4.67
Indian Wells Resort Hotel	79	4.39
Merrill Lynch Wealth Mgmt.	50	2.78
	<hr/> 2,123	<hr/> 117.94%
Total Top Employers		
Total City Employment ⁽³⁾	1,800	

(1) Includes Seasonal Employees.

(2) Count is at peak of season.

(3) Total City Labor Force provided by EDD Labor Force Data.

Source: MuniServices, LLC.

Unemployment statistics for the County, the State and the United States are set forth in the following table:

**COUNTY OF RIVERSIDE
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA**

	2010	2011	2012	2013	2014
County ⁽¹⁾	13.8%	13.2%	11.6%	9.9%	8.2%
California ⁽¹⁾	12.2	11.7	10.4	8.9	7.5
United States ⁽²⁾	9.6	8.9	8.1	7.4	6.2

(1) Data is not seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.

(2) Data is seasonally adjusted.

Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics

Commercial Activity

Commercial activity is an important factor in the County's economy. Much of the County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in the County.

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Annual figures are not yet available for 2014.

**COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS
(IN THOUSANDS)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Motor Vehicles and Parts Dealers	\$2,449,747	\$2,620,568	\$3,010,487	\$3,493,098	\$3,965,201
Furniture and Home Furnishings	381,643	412,325	436,482	441,649	486,061
Electronics and Appliances Stores	476,455	470,784	478,406	488,419	510,423
Building Materials, Garden Equipment and Supplies	1,237,518	1,232,145	1,303,073	1,365,513	1,535,178
Food and Beverage Stores	1,251,220	1,267,758	1,304,731	1,356,148	1,421,590
Health and Personal Care Stores	389,620	400,207	454,268	490,238	523,724
Gasoline Stations	2,300,247	2,685,840	3,300,785	3,516,040	3,456,322
Clothing and Clothing Accessories Stores	1,293,271	1,391,174	1,505,821	1,672,482	1,771,603
Sporting Goods, Hobby, Book and Music Stores	411,301	428,121	454,971	467,536	499,366
General Merchandise Stores	2,855,733	2,947,905	3,051,709	3,174,022	3,298,920
Miscellaneous Store Retailers	641,954	652,273	700,338	742,118	758,664
Nonstore Retailers	101,925	92,916	101,876	142,081	243,334
Food Services and Drinking Places	2,266,853	2,317,486	2,473,339	2,668,324	2,836,388
Total Retail and Food Services	<u>\$16,057,488</u>	<u>\$16,919,500</u>	<u>\$18,576,285</u>	<u>\$20,016,668</u>	<u>\$21,306,774</u>
All Other Outlets	6,170,390	6,233,280	7,065,212	8,079,341	8,758,693
Total All Outlets	<u>\$22,227,877</u>	<u>\$23,152,780</u>	<u>\$25,641,497</u>	<u>\$28,096,009</u>	<u>\$30,065,467</u>

Source: California State Board of Equalization, Research and Statistics Division.

Building and Real Estate Activity

The two tables below are a five-year summary of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) since 2009.

COUNTY OF RIVERSIDE BUILDING PERMIT VALUATIONS ⁽¹⁾ (IN THOUSANDS)

	2009	2010	2011	2012	2013
RESIDENTIAL					
New Single-Family	\$ 891,825	\$ 914,058	\$ 651,747	\$ 854,814	\$1,134,158
New Multi-Family	76,717	71,152	115,064		99,578
Alterations and Adjustments	85,148	94,429	119,684		84,517
Total Residential	\$1,053,690	\$1,079,639	\$ 886,495	\$1,038,963	\$1,365,081
NON-RESIDENTIAL					
New Commercial	94,653	191,324	152,160	346,865	80,510
New Industry	12,278	6,686	10,000	3,767	140,972
New Other(1)	107,334	98,105	99,898	78,602	184,500
Alterations & Adjustments	162,557	243,265	297,357	154,325	364,616
Total Nonresidential	376,822	539,380	559,415	583,559	770,598
TOTAL ALL BUILDING	\$1,430,512	\$1,619,019	\$1,445,910	\$1,602,522	\$2,135,679

(1) Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings, photovoltaic systems and other non-residential buildings and structures.

Source: Construction Industry Research Board for 2009 through 2011, California Homebuilding Foundation for 2012 through 2013.

COUNTY OF RIVERSIDE NUMBER OF NEW DWELLING UNITS

	2009	2010	2011	2012	2013
Single Family	3,424	4,031	2,676	3,455	4,671
Multi-Family	784	526	1,073	829	1,415
TOTAL	4,208	4,557	3,749	4,284	7,886

Source: Construction Industry Research Board for 2009 through 2011, California Homebuilding Foundation for 2012 through 2013.

Below is a five year summary of new building permit valuations and new dwelling units authorized by the City since 2009.

**CITY OF INDIAN WELLS
Building Permit Valuations
Calendar Years 2009 through 2013**

Valuation (\$000's)	2009	2010	2011	2012	2013
Residential	\$ 8,439,410	\$5,334,427	\$5,210,608	\$14,021,144	\$ 9,874,287
Non-Residential	3,720,026	1,182,536	668,000	520,787	18,302,769
Total	\$12,159,436	\$6,517,063	\$5,878,608	\$14,541,931	\$28,177,056
New Housing Units					
Single Units	9	15	15	34	26
Multiple Units	0	0	0	0	0
Total	9	15	15	34	26

Source: City of Indian Wells.

The following table sets forth a comparison of annual median housing prices for Los Angeles County, Riverside County and Southern California for the years indicated.

**COUNTY OF RIVERSIDE
COMPARISON OF MEDIAN HOUSING PRICES**

Year	Los Angeles	Riverside	San Bernardino	Southern California ⁽¹⁾
2008	400,000	260,000	225,000	340,000
2009	320,000	190,000	150,000	270,000
2010	335,000	200,000	155,000	290,000
2011	315,000	195,000	150,000	280,000
2012	330,000	210,000	163,000	300,000
2013	412,000	259,000	205,000	370,000

(1) Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
Source: MDA DataQuick Information Systems.

The following table sets forth a comparison of home and condominium foreclosures recorded in Los Angeles County, Riverside County, San Bernardino County and Southern California for the years indicated.

**COUNTY OF RIVERSIDE
COMPARISON OF HOME FORECLOSURES**

Year	Los Angeles	Riverside	San Bernardino	Southern California ⁽¹⁾
2008	35,366	32,443	23,601	125,117
2009	29,943	25,309	19,560	100,106
2010	26,827	20,598	16,757	86,853
2011	25,597	17,383	14,181	77,105
2012	15,271	10,657	9,262	47,347
2013	6,469	4,191	4,088	19,470

(1) Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
Source: MDA DataQuick Information Systems.

Agriculture

Agriculture remains an important source of income in the County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, bell peppers, dates, lemons and avocados.

Four areas in the County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County’s eastern border.

The value of agricultural production in the County for 2009 through 2013 is presented in the following table.

**COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION**

	2009	2010	2011	2012	2013
Citrus Fruits	\$ 101,652,000	\$ 140,501,000	\$ 119,942,513	\$ 125,684,390	\$ 142,404,000
Trees and Vines	191,682,600	164,994,000	232,649,262	217,073,170	232,536,000
Vegetables, Melons, Miscellaneous	221,286,700	292,002,200	278,628,295	286,172,478	340,407,000
Field and Seed Crops	69,699,800	81,328,300	149,198,052	147,185,665	154,582,000
Nursery	206,499,900	169,341,300	200,154,964	190,878,100	191,215,000
Apiculture	5,017,600	4,631,700	4,844,400	4,983,400	4,715,000
Aquaculture Products	5,243,900	4,921,700	4,808,250	4,204,750	2,262,000
Total Crop Valuation	<u>\$ 801,082,500</u>	<u>\$ 857,720,200</u>	<u>\$ 990,225,736</u>	<u>\$ 976,181,953</u>	<u>\$1,068,121,000</u>
Livestock and Poultry Valuation	214,672,800	235,926,300	292,030,380	276,548,118	259,683,000
Grand Total	<u>\$1,015,755,300</u>	<u>\$1,093,646,500</u>	<u>\$1,282,256,116</u>	<u>\$1,252,730,071</u>	<u>\$1,327,804,000</u>

Source: Riverside County Agricultural Commissioner.

Utilities

Water and sewer services for the City are provided by the regional Coachella Valley Water District. Electricity is supplied by the Southern California Edison Company and the Imperial Irrigation District and natural gas is supplied by the Southern California Gas Company. General Telephone provides telephone service to the City.

Transportation

State Highway 111 passes through the City. Highway 111 is the principal highway connecting the desert communities of eastern Riverside County. State Highway 74, which links with Highway 111 at Palm Desert, leads to San Diego. Highway 111 intersects Interstate 10, a major transportation artery connecting Los Angeles to Phoenix and parts east. Interstate 10 provides access from Indian Wells to the major interchange at Beaumont where the San Bernardino, Pomona and Riverside Freeways all meet.

Approximately 17 miles to the north in Palm Springs is the county's largest airport, Palm Springs Municipal Airport. With a 7,000 foot runway and modern terminal, the airport serves as the flight hub for the Coachella Valley.

A Southern Pacific main line moves 5 miles north of the City. The Sunline System provides bus service between the Coachella Valley communities, while Greyhound and Continental Trailways provide expanded regional bus transportation out of Palm Springs. Overnight delivery service is available to Los Angeles, San Diego, Phoenix and San Francisco. Two direct truck carriers run daily to Los Angeles.

Education

Indian Wells is part of the Desert Sands Unified School District. Children in grades K through 2 attend school one mile away at the Gerald Ford Elementary School. Two Palm Desert Schools also serve Indian Wells, Grades K through 5 at the Washington School and Grades 3 through 5 at the Lincoln School. Palm Desert Middle School is for grades 6 through 8, and Palm Desert High School is the area's high school (grades 9-12). The Desert Sands Unified School District also operates an adult continuation school.

The College of the Desert is a public community college offering two year programs and is located midway between Indian Wells and Palm Springs. Other community colleges in the area include Mt. San Jacinto College and Riverside City College.

California State University, San Bernardino has established a satellite campus in nearby Palm Desert to serve the residents of the Coachella Valley.

The Riverside Campus of the University of California is located 75 miles west of Indian Wells. Other institutions of higher education in the general area include Loma Linda University, California Baptist College, the University of Redlands, California Polytechnic College at Pomona and the Claremont Colleges.

Community Facilities

Resort amenities coupled with a spectacular contrast between the desert and the mountains make Indian Wells a popular location for retirees and tourists. In addition to the golf resorts, Indian Wells enjoys a close proximity to the San Bernardino National Forest and the San Jacinto Wilderness Area. Camping, hiking, fishing and mountain climbing are all regional attractions.

Nine television stations (via cable) and at least seven radio stations serve the Indian Wells area. In addition to the Los Angeles Times, Indian Wells receives local news in the daily Desert Sun. A paper of more regional interest, the Riverside Press Enterprise is also circulated in Indian Wells.

Medical Facilities

Although Indian Wells has no major hospitals within its incorporation limits, there are two major medical facilities within five miles either east or west of the City. The John F. Kennedy Memorial Hospital in Indio serves Indian Wells and has 162 beds. The Eisenhower Medical Center, nationally known for its Betty Ford Center, is in Rancho Mirage and has a 261 bed capacity.

Indian Wells, along with the communities of Palm Desert and Rancho Mirage formed the Joint Power Agreement of the Cove Communities Public Services Commission to pool paramedic, firefighting resources and certain recreation services. As a result, the communities have realized greater economies in the provision of these services.

APPENDIX C

**EXCERPTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX E

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES 2015A BONDS

Upon issuance of the Series 2015A Bonds, Jones Hall, A Professional Law Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series 2015A Bonds in substantially the following form:

[Closing Date]

Successor Agency to the
Indian Wells Redevelopment Agency
44-950 El Dorado Drive
Indian Wells, California 92210

OPINION: \$ _____ Successor Agency to the Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project Area
Subordinated Tax Allocation Refunding Bonds, Series 2015A

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Indian Wells Redevelopment Agency (the "Successor Agency") of its \$ _____ aggregate principal amount of Successor Agency to the Indian Wells Redevelopment Agency Consolidated Whitewater Redevelopment Project Area Subordinated Tax Allocation Refunding Bonds, Series 2015A (the "Bonds"), under the Community Redevelopment Law (being Part 1 of Division 24 of the California Health and Safety Code (the "Law"), under Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (the "Dissolution Act"), under the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law"), and under an Indenture of Trust dated as of May 1, 2014, as supplemented and amended by a First Supplemental Indenture of Trust dated as of July 1, 2015 (as amended, the "Indenture"), each by and between the Successor Agency and MUFG Union Bank, N.A., as trustee. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Successor Agency is a public entity validly existing under the laws of the State of California with the power to enter into the Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Indenture has been duly approved by the Successor Agency and constitutes a valid and binding obligation of the Successor Agency enforceable against the Successor Agency in accordance with its terms.

3. Pursuant to the Law, the Dissolution Act and the Refunding Law, the Indenture creates a valid first lien on the Tax Revenues pledged by the Indenture for the security of the Bonds, on a parity with any Parity Debt heretofore or hereafter issued in accordance with the Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of ____ 1, 2015, (this "Disclosure Certificate"), is executed and delivered by the SUCCESSOR AGENCY TO THE INDIAN WELLS REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California (as successor agency to the Indian Wells Redevelopment Agency, the "Agency"), in connection with the issuance of the Successor Agency to the Indian Wells Redevelopment Agency Consolidated Whitewater Redevelopment Project Area Subordinated Tax Allocation Refunding Bonds, Series 2015A (the "Bonds") pursuant to an Indenture of Trust, dated as of ____ 1, 2015 (the "Indenture"), between the Agency and Union Bank, N.A., as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, successor agencies to former community redevelopment agencies are permitted to refund tax increment obligations pursuant to California Assembly Bill 1484 (Stats 2012 c. 26) ("AB 1484") in order to provide debt service savings to successor agencies and to increase property tax revenues available for distribution to affected taxing entities; and

WHEREAS, the Agency is empowered under the provisions of Section 34177.5(b) of the California Health and Safety Code authorizes a successor agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, including tax allocation refunding bonds issued by said successor agencies, as described in Section 34177.5(a)(1) of the California Health and Safety Code; and

WHEREAS, the Agency has determined to issue the Bonds in order to provide funds to acquire bonds issued by the Agency, in order to assist the Agency in refunding certain of its outstanding bonds pursuant to AB 1484; and

WHEREAS, such Refunding Bonds will be secured by a pledge of, and lien on, and shall be repaid from Pledged Tax Revenues (as defined in Indenture) deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

WHEREAS, this Disclosure Certificate is being executed and delivered by the Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the underwriters of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Certificate have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

"Annual Report" means any Annual Report provided by the Agency pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is the first day of the month following the ninth month after the end of the Agency’s fiscal year, which date, as of the date of this Disclosure Certificate, is March 1.

“Agency” means the Successor Agency to the Indian Wells Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

“City” means the City of Indian Wells, California.

“County Auditor-Controller” means the Auditor-Controller of the County of Riverside.

“Disclosure Representative” means or other as shall designate in writing to the Agency and the Dissemination Agent (if other than the Agency) from time to time.

“Dissemination Agent” means the Agency, acting in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by the Agency and which has filed with the Agency a written acceptance of such designation.

“Listed Events” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the Official Statement, dated _____, 2015, relating to the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Project Area” shall have the meaning specified in the Official Statement.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Trustee” means Union Bank, N.A., as trustee under the Indenture, or any successor thereto as trustee thereunder, substituted in its place as provided therein.

Section 2. Provision of Annual Reports. (a) The Agency shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2013-14 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Agency, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Agency’s fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Agency shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency and the Dissemination Agent to determine if the Agency is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Annual Report shall be prepared by the Agency and shall contain or include by reference the following:

(a) The Agency's separate audited financial statements, or the City's audited financial statements including Agency operations as a trust fund, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to that used for the audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Agency, substantially similar to that provided in the corresponding tables relating to the Agency and the Project Area in the Official Statement (and where not specified by date or period for the preceding fiscal year):

(i) Taxable assessed values for the most recent fiscal year in substantially the format of Table 4 of the Official Statement;

(ii) Pledged Tax Revenues for the most recent fiscal year;

(iii) An update of the ten largest assesseees in substantially the format of Table 1 of the Official Statement for the most recent fiscal year;

(iv) An update of Debt Service Coverage for the Bond Year ending on the immediately preceding September 1 in substantially the format of Table 5 of the Official Statement;

(v) If the Agency is not in a County Teeter Plan, tax levy, percentage of current year levy collected, percentage of current levy delinquent, total collections and total collections as a percentage of the most recent year's tax levy;

(vi) Information related to Project Area assessed valuation appeals.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items described above may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been submitted to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Agency shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Agency to give, or cause to be given, with respect to the Bonds, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Redemptions and Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section, the Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Agency to give, or cause to be given, with respect to the Bonds, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(ii) Modifications to rights of holders of the Bonds.

(iii) Optional, unscheduled or contingent Bond calls.

(iv) Release, substitution, or sale of property securing repayment of the Bonds.

(v) Non-payment related defaults.

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Agency shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and the Dissemination Agent and inform such persons of the event.

(d) Whenever the Agency obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Agency, as applicable shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Agency obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that the occurrence of a Listed Event described in subsection (b) of this Section is material under subsection (d) of this Section, the Agency shall, or shall cause the Dissemination Agent (if the Agency is not the Dissemination Agent) to, file a notice of the occurrence of such Listed Event with the MSRB within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (a) of this Section and in paragraph (vii) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the Agency and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds [relating to the Refunding Bonds] or the legal defeasance, prior prepayment or payment in full of all of the Refunding Bonds, if earlier. If such termination occurs prior to the final principal payment date of the Bonds, the Agency shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent (if the Agency is not the Dissemination Agent) to assist it in carrying out its

obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent (if other than the Agency or the Trustee), with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the Agency.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Agency may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsections (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Agency shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other reasonable means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Agency chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. The parties hereto acknowledge that in the event of a failure of the Agency or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency or the Dissemination Agent, as the case may be, to comply with its obligations

under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall (so long as the Agency is the Dissemination Agent) be entitled to the protections and limitations from liability afforded to the Agency under the Indenture. The Dissemination Agent shall be not responsible for the form or content of financial statements made part of any Annual Report or notice of Listed Event or for information sourced to the Agency. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent (if other than the Agency or the Agency acting in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Certificate. To the extent permitted by law, the Agency shall indemnify and save the Dissemination Agent (if other than the Agency) and the Agency harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Dissemination Agent, the Participating Underwriter and the holder and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

SUCCESSOR AGENCY TO THE INDIAN WELLS
REDEVELOPMENT AGENCY

By: _____
Executive Director

ACCEPTED AND AGREED:

RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent

By: _____
Authorized Officer

ACKNOWLEDGED AND AGREED:

UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Successor Agency to the Indian Wells Redevelopment Agency
Name of Issue: Successor Agency to the Indian Wells Redevelopment Agency
Consolidated Whitewater Redevelopment Project Area Subordinated Tax
Allocation Refunding Bonds, Series 2015A
Date of Issuance: _____, 2015

NOTICE IS HEREBY GIVEN that the Successor Agency to the Indian Wells Redevelopment Agency (the "Agency") has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Certificate, dated as of _____ 1, 2015, by the Agency. The Agency anticipates that the Annual Report will be filed by

Dated: _____, 2015
_____ on behalf of the
Successor Agency to the INDIAN WELLS
REDEVELOPMENT AGENCY

cc: Successor Agency to the Indian Wells Redevelopment Agency

APPENDIX G

DTC AND BOOK-ENTRY ONLY SYSTEM

The information in this Appendix G concerning the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2015A Bonds, payment of principal of and interest on the Series 2015A Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2015A Bonds, and other Series 2015A Bonds-related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Successor Agency believes to be reliable, but the Successor Agency does not take responsibility for the completeness or accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2015A Bonds. The Series 2015A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate for each maturity of the Series 2015A Bonds will be issued for the Series 2015A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by such reference or otherwise.

Purchases of Series 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2015A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners

will not receive certificates representing their ownership interests in Series 2015A Bonds, except in the event that use of the book-entry system for the Series 2015A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Series 2015A Bonds may wish to ascertain that the nominee holding the Series 2015A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2015A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015A Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such

circumstances, in the event that a successor depository is not obtained, Series 2015A Bond certificates are required to be printed and delivered.

APPENDIX H
FORM OF DEBT SERVICE RESERVE FUND POLICY

APPENDIX I
FORM OF MUNICIPAL BOND INSURANCE POLICY

APPENDIX J

**STATE DEPARTMENT OF FINANCE DETERMINATION LETTER
APPROVING THE SERIES 2015A BONDS**