

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Jennifer Hennessy, Director of Finance

DATE: July 23, 2024

SUBJECT: Adopt Resolution to Establish the Amount of the Voter-Approved Measure C Annual Special Tax Levy for Fiscal Year 2024-25

PREPARED BY: Ward Komers, Assistant Director of Finance

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA ESTABLISHING THE AMOUNT OF THE
SPECIAL TAX LEVY FOR FISCAL YEAR 2024-25 TO
PROVIDE FOR RECREATION AND HUMAN SERVICES
PROGRAMS AND THE OPERATION, MAINTENANCE AND
SERVICING OF PUBLIC PARKS AND RECREATIONAL
FACILITIES, MEDIAN LANDSCAPING, AND ARTERIAL
STREET LIGHTS AND TRAFFIC SIGNALS

BACKGROUND: Beginning Fiscal Year 1997-98, the Community Services, Parks and Recreation and Arterial Street Lights Rates and Charges previously levied by the Temecula Community Services District (TCSD) were replaced by the City of Temecula's Parks/Lighting Services Special Tax approved by the voters as Measure C on March 4, 1997. The purpose of the Parks/Lighting Services Special Tax is to provide for the ongoing operations, maintenance and servicing of the City's public parks, recreational facilities; recreational and human services programs; landscaped median maintenance costs; and energy costs for arterial street lighting and traffic signals.

Pursuant to City Ordinance 96-21, the City Council is also empowered to establish the amount of the tax levy each fiscal year. As a result, it is recommended that the amounts to be levied for Fiscal Year 2024-25 shall be the maximum tax rate approved by voters within the following categories:

- \$ 74.44 per single family residential dwelling unit
- \$ 55.83 per multi-family residential dwelling unit
- \$ 148.88 per acre of vacant property in a residential zone
- \$ 297.76 per acre of vacant property in a non-residential zone
- \$ 446.64 per acre of non-residential improved property

\$ 148.88 per acre of golf course property
\$ 37.22 per acre of agricultural property

The Parks/Street Lighting Services Special Tax is levied in the same manner, at the same time as the TCSD Rates and Charges, and collected on the annual property tax bills.

The anticipated revenue based on the assessed rate from all taxable parcels within the City for Fiscal Year 2024-25 is \$3,846,134. This revenue is allocated 50% to the General Fund, to provide funding for Parks Maintenance and 50% to the Temecula Community Services District, to provide funding for the multitude of recreation programs, services and facilities. The difference in operating costs over levy revenue is offset by recreational revenues, user fees, interest income, fund balance, and contributions from the voter-approved one-cent sales tax (Measure S). This will be the twenty-fourth consecutive year that the General Fund, and now the Measure S Fund, has contributed to the funding of the parks, programs, facilities, and services provided by the TCSD.

To make the City's levy of the special tax consistent with the County's application of ad valorem property taxes and with the City's historical administration of the special tax, City Staff further recommends that the tax rate be set at \$0.00 for any parcel of property that: (i) qualifies for an exemption from ad valorem taxation under California law, (ii) is owned by a federally recognized Tribal Government, (iii) is owned by a homeowners association and used by the owners and/or occupants of the respective residential development in a manner incidental to residential occupancy or (iv) is zoned for use as open space.

FISCAL IMPACT: The \$3,846,134 in Special Tax revenue will fund park and recreational facilities maintenance, recreational, human services and cultural arts programs throughout the City. Fifty percent of the levy is receipted in the City's General Fund and 50% is receipted in the Temecula Community Services District Fund.

ATTACHMENTS: Resolution