

SECTION 1.0 INTRODUCTION

1.1 Overview

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 governs city and special district boundary changes and reorganizations, and charges the Local Agency Formation Commission (LAFCO) in each county to perform studies and make reorganization decisions that promote efficient public services. The *Western Coachella Valley Municipal Service Review* is a comprehensive overview of municipal services within the western portion of the Coachella Valley in eastern Riverside County. The study area includes six cities and eight dependent special districts. The Coachella Valley Recreation and Park District is included as well because the District provides services within the study area; the complete review of the District is in the *Southern Coachella Valley Municipal Service Review* (2005). This report addresses the public services being provided by the agencies subject to LAFCO’s boundary regulation under state law. Although not under LAFCO jurisdiction, services provided by the County of Riverside within the study area are included in order to provide a comprehensive overview of municipal services throughout the study area.

The following agencies are included in this review:

Western Coachella Valley Study Area	
Cities	Dependent Special Districts
City of Cathedral City	County Service Area 13: North Palm Springs
City of Desert Hot Springs	County Service Area 15: Palm Springs
City of Indian Wells	County Service Area 47: West Palm Springs
City of Palm Desert	County Service Area 60: Pinyon Flats
City of Palm Springs	County Service Area 104: Sky Valley
City of Rancho Mirage	County Service Area 105: Indio Hills
Independent Special District	County Service Area 115: Desert Hot Springs
Coachella Valley Recreation and Park District <i>(study area information only; District reviewed in Southern Coachella Valley MSR)</i>	County Service Area 152: Countywide Streetsweeping
	County Service Area 152: City of Desert Hot Springs NPDES
	County Service Area 152: City of Palm Springs NPDES
	County Service Area 152: City of Rancho Mirage NPDES

This review includes the following municipal services: law enforcement, fire, solid waste, stormwater drainage, roads and circulation, parks and recreation, library and animal control. Water and wastewater services in the area are reviewed in the *Coachella Valley Water and Wastewater Municipal Service Review* (2004). The cities and County Service Areas to the east of the study area are reviewed in the *Southern Coachella Valley Municipal Service Review* (2005) and the *County Service Areas within Western Riverside and the Southern Coachella Valley Service Review* (2005). *Figure 1.1, Western Coachella Valley*, identifies the study area and location of the cities and special districts.

Insert Figure 1.1, Regional Map

1.2 Service Review Purpose

LAFCO has boundary authority over special districts and cities, but does not have authority over private entities. In accordance with Government Code §56430, LAFCO must conduct service reviews prior to or in conjunction with the mandated five-year schedule for updating Spheres of Influence (SOIs) for the agencies under its jurisdiction. The service review report must include an analysis of the issues and make written determinations for each of the following:

- Growth and population projections for the affected area;
- Infrastructure needs or deficiencies;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

The Western Coachella Valley Municipal Service Review will be available for use by LAFCO, the County, cities, special districts and the public to better understand how public services are provided within this area of Riverside County. The Service Review will be used by LAFCO to update the spheres of the cities and special districts including expansions or reductions in the sphere of influence (SOI) boundaries or creation of new SOIs.

LAFCO is NOT required to initiate any boundary changes based on service reviews. LAFCO, other local agencies (including cities, special districts, and the County) or the public may subsequently use the service review together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

LAFCO may also use the information in this service review in reviewing future proposals, and other entities as well as the public may use this report as a foundation for further study and analysis of issues relating to municipal services within this county.

1.3 Service Review Process

A collaborative approach has been used throughout the preparation of the Western Coachella Valley Municipal Service Review. The input of the public agencies is valuable, and opportunities were provided for their involvement. The agencies were initially asked to complete a service review questionnaire and provide supporting data for use in the analysis. The data was collected and forwarded to the consulting

team for review; follow-up discussions were conducted where clarification and additional information were needed. The agencies provided review and comments on an administrative draft of the document.

LAFCO will hold a Public Hearing on this Service Review prior to adopting the written determinations. Agencies and interested members of the public are encouraged to submit written comments in advance of the hearing, and to attend and summarize their main observations orally at the hearing. After the hearing, LAFCO will revise the draft determinations as needed, and subsequently adopt them.

1.4 Key Issues

The key issues within the western Coachella Valley study area are growth, financing and governance. The western Coachella Valley is a growth area with some of the highest projected growth rates within Riverside County over the next 25 years. The population is expected to increase by 220,000 residents during that period, with the majority of the growth occurring in currently unincorporated areas. This level of growth will affect how services are provided and the level of services. The amenities within the region and the availability of affordable homes have increased the number of permanent residents. The substantial seasonal population has different expectations and makes different demands on the cities and other land uses, including commercial and institutional services and park and recreation facilities.

The cities are highly dependent on the revenue generated by growth. The vast amount of vacant land within the Coachella Valley creates competition for desirable new development types. Sales tax and transient occupancy taxes are critical to the financial stability of the cities. Two of the cities – Rancho Mirage and Indian Wells – are no/low property tax cities. Cathedral City was incorporated after Proposition 13 and does not share in the ad valorem property tax. Throughout the region the redevelopment agencies play an important role for the tax revenue they bring into the area that can be used for capital improvements and other enhancements. The cities have established Community Facilities Districts and assessments districts to provide the revenue needed to provide services to new development. Of the six cities, Cathedral City, Desert Hot Springs and Palm Springs are challenged to operate with a balanced budget. The challenges for Cathedral City and Desert Hot Springs are even greater; Cathedral City voters have repeatedly rejected measures that would replace the revenue lost from the Community Services District that was dissolved by the voters. Desert Hot Springs is emerging from its Chapter 9 bankruptcy and working through critical management issues.

The Cove Community Services Commission was formed in 1981 by the Cities of Palm Desert, Rancho Mirage and Indian Wells in an effort to provide a “fiscally responsible, well-coordinated, and effective fire protection and paramedic program.” The Commission is comprised of six elected City Council members, two from each participating city. The Commission’s purpose has expanded to include other programs that are a resource to the three cities, including the Joslyn Senior Center, Children’s Discovery Museum of the Desert, and general law enforcement issues. In 2005, the City of Palm Desert provided

notice that it was no longer going to participate in the Joint Powers Agreement for fire and emergency medical services. As a result, the three cities now contract with the Riverside County Fire Department individually.

Governance continues to be an issue with the City of Desert Hot Springs; this is an important issue as this City has the highest projected growth rate within the western Coachella Valley. Recent Council actions, such as the hiring of an experienced City Manager and appointment of a new City Attorney, indicate that the City is moving in a positive direction. Incremental changes are being made in city management that are providing improved stability and bolstering the City's financial position, such as the recent reduction in force through the elimination of 37 positions. However, the City Council has not been in agreement on numerous issues, and the relationship between the Mayor and the Council has been openly divisive. There is considerable interest by the development community to establish large, new communities that would potentially be served by the City of Desert Hot Springs. The City has the opportunity to build on the progress within city management to ensure that service levels are maintained, that programs are put in place that provide value and benefit to current residents, and that the appropriate long-term planning occurs to serve future growth.

1.5 Additional Review Process Information

Additional background documents, such as previous sphere studies, are available from the LAFCO office:

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In addition, information about this document's public review and adoption process are available at the LAFCO office as well as through the LAFCO web page:

<http://www.lafco.org>