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LOCAL AGENCY FORMATION COMMISSION

Desert Recreation District Municipal Service Review

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I. Overview

LAFCOs are mandated by the Cortese-Knox-Hertzberg Reorganization Act of 2000 (CKH) to encourage orderly development within their county of jurisdiction. The Act governs the boundaries of special districts and cities, consistent with each agency's principal act. To implement boundary changes, CKH directs LAFCOs to make reorganization decisions based on several factors, including the need for and efficiency of public services. To promote greater efficiency in services for future planning purposes, CKH mandates LAFCOs to conduct Sphere of Influence (SOI) reviews once every five years, as necessary. SOIs are used as a planning tool for agencies to conduct service and facility planning for areas it intends to serve in the future.

A SOI is defined as "a plan for probable physical boundaries and service area of a local agency, as determined by the Commission." Consistent with Commission SOI policies, a SOI can be a) coterminous to agency boundaries as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extended beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, or d) be designated a "zero sphere", which indicates a potential dissolution of the agency. In order to amend the sphere of influence boundaries, formal approval from the Commission is required.

Prior to or in conjunction with SOI reviews, a Municipal Service Review (MSR) must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services.

This Municipal Service Review will review the services provided by the Desert Recreation District (DRD).

Pursuant to 56430 (a), the MSR will make the following determinations:

- (1) Growth and population projections for the affected area.
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- (3) Financial ability of agencies to provide services.
- (4) Status of, and opportunities for, shared facilities.
- (5) Accountability for community service needs, including governmental structure or operational efficiencies.
- (6) Any other matter related to effective or efficient service delivery, as required by the Commission.

Provided below is a summary of what each determination will assess.

(1) Growth and population projections for the affected area.

This will evaluate the method of projection and its relationship to services and facility planning.

(2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.

The review will assess standard/objective levels of municipal services in relation to the current level of services as well as future plans to attain those objectives and/or maintain existing level of services.

(3) Financial ability of agencies to provide services.

Identifies the status of reserves, recent expenses vs. revenues, its purpose, tax rate and when the debt will be retired. In addition, general taxes, special taxes, and assessments will be identified in relation to the services funded by those monies.

In extreme cases, agencies not financially capable of providing the basic services will be identified.

(4) Status of, and opportunities for, shared facilities.

To promote greater efficiency in public services, the MSR explores opportunities for different agencies to share facilities and/or resources. By sharing facilities or other resources, agencies can eliminate the duplication of studies, planning efforts, staff or equipment, and potentially lower the cost for providing services.

(5) Accountability for community service needs, including governmental structure and operational efficiencies.

Identifies efforts made by the agency to increase public participation and accountability. Also, discusses whether audits are performed and how they are made available to the public.

(6) Any other matter related to effective or efficient service delivery, as required by Commission policy.

This will allow LAFCO to identify areas outside an agency's boundaries currently receiving or requesting services from the agency. Also, identifies inhabited areas within or outside the current sphere of influence that the District anticipates annexing within the next five years or that could benefit from services provided by the agency.

Issues unique to a particular agency or geographic area will be explored.

II. Service Review Process

In preparation of the MSR, public agency input is very important. To begin the MSR process the affected agencies were sent a questionnaire regarding services provided. Ideally, through a combination of responses from the questionnaires, follow-up conversations with the agencies and research, the MSR is prepared. Agencies are encouraged to review and comment on a draft prior to the Final Draft that will be presented before the LAFCO Commission. This is an opportunity to address any concerns of the affected agencies regarding the data presented. At the public hearing the Commission will review the final draft of the MSR. After the hearing, the draft determinations will be modified as necessary and adopted by the Commission.

III. Agency Review

The Desert Recreation District, formerly known as Coachella Valley Recreation and Park District, was formed on December 18, 1950. It was established under authority of the California Public Resources Code Sections 5780 et seq. and has served Coachella Valley for 63 years. The purpose of the organization is to administer park facilities and provide recreation program services for the residents of in the Coachella Valley area, located in Eastern Riverside County, California. These services include organizing recreational programs, maintaining parks and recreational facilities and managing capital improvement projects.

The District covers an area of approximately 1,800 square miles within its boundaries, as shown in Exhibit A. The Desert Recreation District is bounded on the north by the Riverside/San Bernardino County line, on the east by a line dividing R13E and R14E, on the south by the Riverside/San Diego/Imperial County lines, and the west by a line dividing R5E and R6E.

Within its current boundaries, the District provides services within the incorporated cities of Palm Desert, Indian Wells, La Quinta, Indio and Coachella and a portion of the City of Rancho Mirage. The District also provides services to the unincorporated communities of Thousand Palms, Thermal, Mecca, Bermuda Dunes, Sun City, Oasis, North Shore, Salton Sea, Indio Hills and Vista Santa Rosa.

When the last MSR/SOI was prepared in 2007, the LAFCO Commission amended the SOI to include the city boundaries of Rancho Mirage, Cathedral City and Palm Springs.

The District Office is located at 45-305 Oasis Street Indio, CA 92201 and the General Manager is Kevin Kalman.

The District has organized its service area into five service/electoral divisions, with a five-person elected Board of Directors. Each director represents his/her community that has been established by geographic area. These divisions were last revised in 2012 (See exhibit):

Division 1: Mecca, Oasis, Thermal, North Shore, Vista Santa Rosa, Indio and La Quinta

Division 2: Coachella, Indio and Indio Hills

Division 3: Indio

Division 4: La Quinta, Indian Wells, Palm Desert and Bermuda Dunes

Division 5: Palm Desert, Thousand Palms, Indian Wells and Rancho Mirage

The services provided by the District include:

- Development of parkland.
- Street lighting.
- Senior services.
- Maintain and operate a recreational facility.
- Landscape maintenance.
- Provide recreational programs

A. Governing Body

The Desert Recreation District is governed by a five member elected board and are elected by District residents. Board members serve staggered four year terms with elections every two years. The Board is responsible for the long term direction of the District, establishing policies and appointing the General Manager and officers of the Board.

The Board meets regularly on the second Wednesday of each month at 6 p.m. at the Indio Community Center, 45-871 Clinton Street in Indio. The public is encouraged to attend and to provide input on facilities and program needs.

All District meetings are held pursuant to the Brown Act. The District encourages public participation by maintaining a website <http://www.myrecreationdistrict.com> and publishing their Board Meeting Schedule and Agendas in addition to approved minutes.

On April 23, 2001, the Coachella Valley Community Recreation Foundation was incorporated as a California nonprofit public benefit corporation. On November 9, 2011, the Board of Directors changed the name of the Foundation to the Desert Recreation Foundation (Foundation) following the name change of the Coachella Valley Recreation and Park District to the Desert Recreation District (District) in 2011.

The specific and primary purposes of the Foundation are to initiate, sponsor, promote and carry-out plans, programs, policies and activities that tend to further park and recreational projects within the jurisdictional limits of the District. The Foundation is a permanent charitable endowment that provides sustainable, self-perpetuating resources, primarily for Desert Recreation District's park and recreation system.

As the Foundation expands upon its strategic plan, they strive to remain a valued and effective community resource, through leadership in capital planning to help fund new infrastructure, the purchase and development of land for new parks and creating new programs that serve the changing needs of residents.

Operating as an independent 501(c)3 non-profit organization, The Desert Recreation Foundation:

- Generates funds through corporate and individual gifts and grants.
- Leads the fundraising efforts to support Desert Recreation Scholarship Fund, which provide financial assistance to families and individuals in the community who may otherwise be unable to participate in recreational activities.
- Assists with the purchase of new park lands through fundraising, donations, legacy gifts and endowments.
- Purchases equipment and other items for the District's parks and facilities.

In an effort to continually improve and enhance the Desert Recreation District's services and overall organizational effectiveness, the District began an extensive process to create a Strategic Plan that was adopted March 2012 (and is available on their website). This comprehensive review and analysis will assist the District in providing a strategic direction for the next five years and refine its service provision philosophy in relation to each service's target market and service area.

A core team of staff members was formed to initiate the Strategic Plan process. This team was comprised of leadership staff from across the District. The team was also assisted by several support staff during various portions of the project.

Many public meetings and focus groups were conducted, and a Leadership Summit was convened. Leaders from across the Coachella Valley were encouraged to attend the Leadership Summit through personal invitations, letters, and phone calls. In addition, personal interviews were completed with members of the District Board and the County Supervisor.

Four specific community engagement focus groups were held, at which 34 District residents had an active “place at the table” for their voices to be heard. To encourage participation in the four focus group meetings, staff sent an email blast to 4,000 District users in their registration database, over 100 personal invitation letters, made 35 phone calls, and talked with many community center users. A public notice was sent to The Desert Sun for publication.

A variety of participants representing diverse interests were invited to take part in the guide the development of the Values, Vision, and Mission guiding this Strategic Plan process. The following are the participants who took part in development of the Strategic Plan:

Bermuda Dunes Community Council	Desert Recreation Foundation
City of Cathedral City	Family YMCA of the Desert
City of Coachella	Indio Hills Community Council
City of Indian Wells	La Quinta Community Services Commission
City of Indio Wells	Mark S. Moran & Associates
City of Indio	Rancho Mirage City Hall
City of La Quinta	Riverside County Regional Parks & Open Space District
City of Palm Desert	Riverside County Supervisor Benoit’s Office
City of Palm Springs	State of California
City of Rancho Mirage	Thousand Palms Community Council
Coachella Valley Enterprise Zone	UC Riverside – School of Medicine
Coachella Valley Housing Coalition	
Coachella Valley Unified School District	
Desert Healthcare District	
Desert Recreation District	

B. Basic Financial Information

The Desert Recreation District prepares a one–year focus budget, the latest covering fiscal years 2013-14. The District’s budgets are not posted on their website and they have not posted budgets on their website in the past. The District has completed their financial audit for FY July 1, 2012 - June 30, 2013. That audit is not available on their website. The District has adopted a Purchasing Policy, an Investment Policy and a Reserve Policy. The District’s Recreation Foundation Fiscal Year 2012 Audited Financials are posted on the District’s website.

Within FY 2012-13 there was a 4.5% increase in revenues and expenditures were reduced by -1.5%. In the last MSR that was approved in 2005 (LAFCO 2004-61-4), the financial

reporting stated that the District's budgets for the previous three years (2002-2005) had resulted in deficits.

Desert Recreation District has not been a party to legal actions in the last couple of years that have affected its financial status. However, the financial issues or challenges the District foresees in the next five years are:

- Increasing cost of providing healthcare coverage to district employees.
- Economic Uncertainty Generated by Action of Public Officials in Sacramento and Washington D.C.
- Rising Cost of Liability Insurance.
- Cost of Providing Programming and Maintenance of New Facilities from Riverside County EDA.

Pursuant to Public Resources Code Section 5788, the Board is required to adopt a Final Budget on or before August 30 of each year. At the May 22, 2013 study session, the Board of Directors reviewed and provided direction to staff on the recommended FY 2014 Preliminary Budget. Public hearings were conducted to gain residents' comments. At the June 12, 2013 regular meeting, the Board of Directors adopted the FY 2014 Preliminary Budget.

As shown in the chart below, the District has had revenues that have exceeded expenses. The FY 2013-14 Final Budget maintains an operating surplus of \$926,200 as depicted.

The District budget cycle is as follows:

- The District's fiscal year begins July 1 and ends June 30 of the following year.

Operating Budget	FY 2010-11 (actuals)	FY 2011-12 (actuals)	%change from prior year	FY 2012-13 (budget)	%change from prior year	FY 2013-14 (budget)	%change from prior year
Revenues	10,152,452	10,494,173	3.3%	10,985,407	4.5%	10,418,014	-5.4%
Expenditures	10,346,648	10,420,122	0.7%	9,347,287	-1.5%	9,491,814	1.5%
Surplus (Deficit)	(194,196)	74,051	-3.6%	1,638,120	95.5%	926,200	-76.9%

Operating revenues are more than expenses. On an operating basis, DRD has funds to cover normal operations and is not operating at a deficit.

The District is funded by various sources. In Fiscal Year 2012-13, the percentages of these funding sources were:

- Property Taxes: 40%
- Program Revenues: 30%
- Assessment Districts: 22%
- Other Revenue: 8%

The District is funded through a combination of property taxes, intergovernmental, special assessments, investment earnings, developer fees, rents and royalties, grants and donations, concessions, and charges for services.

Property tax is defined as revenue derived from taxes levied on the assessed valuation of real property and used as a source of monies to pay general obligation debt and support the General Fund. Since the District was formed prior to Proposition 13, the District receives a share of the 1 percent property tax. The District utilized the General Fund Revenue to fund district improvements and services that are considered general benefit.

Intergovernmental revenue is defined as revenue received from another governmental unit for a specified purpose. The District's intergovernmental revenue is entirely comprised of property tax pass through payments from the overlapping jurisdictions' redevelopment agencies.

Special assessment is defined as revenue derived from a compulsory levy imposed on certain properties to defray part or all of the cost associated with a specific improvement or service deemed to primarily benefit those properties.

Investment earnings are defined as revenues derived from interest earned on District cash reserves. The District holds most of its cash reserves in the Local Agency Investment Fund (LAIF) which has traditionally yielded the best return on investment without risk of loss to the district.

Developer fees are defined as revenues derived from new residential property development to mitigate the impact on existing recreational facilities and to provide resources to develop new recreational facilities. The District only has jurisdiction to collect park impact fees (Quimby) in the unincorporated areas of Riverside County that are within the District's boundaries.

Rents and royalties are defined as revenues derived from the use of District facilities or equipment. The District collects fees for the individual or private use of public parks and recreation facilities that it either owns or manages on behalf of a partnering agency.

Grants and donations are defined as revenue derived from an external source to fund a specific activity, program, or asset of the district. The District applies for grants and solicits donations to support many of its heavily subsidized programs aimed at underserved target markets.

Concessions are defined as revenues derived from the sale on non-taxable items at the District's concession stands. The District has concession operations at the Indio Community Center, Palm Desert Community Center, La Quinta Community Center, First Tee Coachella Valley and Pawley Pool Family Aquatics Center.

Per Board Secretary, the District's 2013 Master Plan will go to the Board of Directors on December 18, 2013. That plan identifies needs for the residents of the District and gaps in service while considering alternative providers. The 2013 Master Plan was not made a public document while conducting the analysis of this report. The last Master Plan that the District completed was in 2006.

In March 2012, the District hired a consultant to conduct a Strategic Plan. A specific Capital Improvement Project (CIP) plan was not determined but instead the plan identified the need to start on a major strategic funding campaign to meet the identified needs for residents of the

District and to develop implementation steps to achieve the vision of the Strategic Plan for the next three to five years. That Strategic Plan is on the District's website.

Some of the highlighted forecasted CIP projects for FY 2013-14 are Building & Park Improvements such as replacement of clubhouse facilities, district wide irrigation, clock and sprinkler head repairs and upgrades, pool plastering, Indio Center renovation project, playground replacement and cardio equipment replacement. FY 2012-13 DRD's CIP surplus was at \$36,439 and for FY 2013-14 their projected CIP budget is at \$1,553,800. The District will be at a deficit for their CIP Budget and will be using reserves for CIP projects. The CIP reserve beginning balance for 2013 was \$2,383,189.

The following are facility upgrades in the District's FY 2014 CIP Plan:

- Indio Community Center Upgrade.
- Pawley Pool Family Aquatic Complex Upgrade.
- Golf Center Clubhouse Upgrade.

Based on available funding resources, the District has limited capacity to perform infrastructure upgrades. The limited availability of capital funds, along with the loss of RDA (Redevelopment Agency) Pass-Through funds have limited the District's ability to upgrade its aging infrastructure. The Capital Improvement Project (CIP) Budget was reduced \$6,000 from the recommended FY 2014 budget with a CIP Budget deficit of \$1,553,800 as depicted in the chart below.

	Final Budget	Final Budget
CIP Budget	FY2012-13	FY2013-14
CIP Revenue	146,524	150,000
CIP Expenditures	182,963	1,703,800
CIP Surplus(Deficit)	(36,439)	(1,553,800)

If increased or upgraded infrastructure is needed to accommodate future demand it will be financed through public-private partnerships and state funding.

The percentage of the District's budget that is set aside for reserves sets aside a minimum reserve for operations of 40% and a maximum of 50% of discretionary General Funds (source: Desert Recreation District Fund Balance Policy; page 3). The establishment of a prudent financial reserve policy is important to ensure the long-term financial health of the District.

Listed below were projects from the last two years:

2011-12 Projects:

- La Quinta Community Center improvements
- Purchased equipment
- Paving of parking lot at golf center
- Irrigation improvements at golf center
- Driving range expansion improvements

2012-13 Projects:

- Acquisition of 13 Acre park site in Thousand Palms
- Mecca Community Park improvements
- Purchased 2 Golf Carts
- Purchased 2 chemical control systems for pools
- Well pump replacement at golf center
- Monument signage at all District locations

The District solicited opinions of residents through a 10,000 mailing survey to residents. The survey was conducted to see if residents were in support for the creation of a benefit district which would help develop, operate and maintain parks and creations functions through the use of a property tax. Using a 5 point scale where 1=Definitely Not Support, 2=Probably Not Support, 3= Neutral, 4=Probably Support, and 5= Definitely Support, 49% indicated a 4 or a 5 (probably/definitely support) while only 28% rated a 1 or 2 (probably/definitely not support). Nineteen percent were neutral.

Assessment Districts

Reassessment District No. 01-1 – Indio Community Center & Park Project

The Desert Recreation District (“Recreation District”), annually levies and collects assessments in order to pay debt service on bonds issued for the construction of the Indio Community Center Building and Park Site, and to provide for the annual operation and maintenance of the facilities, improvements and services within Reassessment District No. 01-1 (“District”). Annual assessments are levied for this District pursuant to the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code §22500* (“1972 Act”), and the *Improvement Bond Act of 1915 Part 1 of Division 10 of the California Streets and Highways Code §8500* (“1915 Act”) and in compliance with the provisions of the *California Constitution Article XIID* (“Article XIID”). (source: Wildan Financial Services 2013/2014 Engineer’s Report pg.1)

In Fiscal Year 1997/1998 the Recreation District carefully reviewed the provisions of Article XIID as it related to the District assessments. Both Bond Counsel and Legal Counsel for the Recreation District determined the total District assessment including the operation and maintenance (“O & M”) portion of the assessment are pledged to bond repayment based on the bond covenants. Therefore the existing District assessments are exempt from both the substantive and procedural requirements of Article XIID.

The original District—The Desert Recreation District, Limited Obligation Improvement Bonds, Assessment District No. 90-1 (Indio Community Center and Park Project)—was formed in April 1991, (“Original Bonds”), and was then refunded by the District’s Limited Obligation Refunding Bonds, Reassessment District No. 94-1 (“Prior Bonds”), dated July 26, 1994. The District’s Prior Bonds were then refunded by the District’s Limited Obligation Refunding Bonds, Reassessment District No. 01-1 (“Bonds”) dated September 6, 2001. (source: Wildan Financial Services 2013/2014 Engineer’s Report pg.1)

The District was formed in order to finance the costs of constructing, operating and maintaining the Indio Community Center Building and Park Site. Construction is complete and the facility is in operation. The project is on a six-acre site at the northwest corner of Clinton Street and Avenue 46 in the City of Indio and is owned and operated by the Recreation District. The building address is 45871 Clinton Street, Indio, CA 92201 and also houses the

meeting room for the Board of Directors of the Recreation District. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.2) The original amount of the bond was \$6,185,000.

Benefits:

The assessments for the District fund the improvements and facilities known as the Indio Community Center and Park.

The improvements include:

- Community Center and Gymnasiums (approximately 33,000 square feet).
- Paved Parking Lot (with 150 to 200 spaces).
- A two acre Park Site (including a play equipment and picnic area)
- Meeting Room for the Board of Directors of the Desert Recreation District
- A wide range of recreational programs, classes, public services and meeting facilities.

Landscape and Park Maintenance District No. 02-1 – Landscape & Park Maintenance

The Desert Recreation District ("Recreation District"), annually levies and collects special assessments in order to provide and maintain the facilities, improvements and services within Landscape and Park Maintenance District No. 02-1 ("District"). The District was formed in Fiscal Year 2003/2004 pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code* ("1972 Act"), pursuant to the provisions of the *California Constitution Article XIID*, which was enacted with the passage of Proposition 218 in November 1996 and authorizes the Recreation District to annually levy and collect assessments to maintain the services and improvements related thereto. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.1)

The District contains six tracts within a residential subdivision within the City of Coachella.

The purpose of the District is to ensure the ongoing maintenance, operation, and servicing of local street lighting, local parks and landscaping improvements installed in connection with the development of properties within the District. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.4)

The landscape improvements are as follows:

- Streetscape (parkway, entryway, and cul-de-sac islands, nine total) landscaping totaling approximately 23,220 square feet. Street trees located at the front of each parcel will not be the responsibility of the District.
- Perimeter block walls totaling approximately 10,230 linear feet; and,
- Drainage facilities (detention parcels)

Landscape and Park Maintenance District No. 03-1

The Desert Recreation District ("Recreation District"), annually levies and collects special assessments in order to provide and maintain the facilities, improvements and services within Landscape and Park Maintenance District No. 03-1 ("District"). The District was formed in Fiscal Year 2003/2004 pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code* ("1972 Act"), pursuant to the provisions of the *California Constitution Article XIID*, ("Article XIID"), which was enacted with the passage of Proposition 218 in November 1996 and authorizes the Recreation District to annually levy and

collect assessments to maintain the services and improvements related thereto. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.1)

This Landscape & Park Maintenance District (LMD) is located within the unincorporated community of Mecca and is located along the east side of Johnson Street, north of Avenue 66. This LMD consists of two subdivisions of land (Tracts 29165 and 31027).

The purpose of the District is to ensure the ongoing maintenance, operation, and servicing of local landscaping and park improvements within Tract No. 29165 and Tract No. 31027. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.4)

Assessment District 93-1 District -Wide Landscape and Park Maintenance

The Desert Recreation District ("Recreation District"), annually levies and collects special assessments in order to provide and maintain the facilities, improvements and services within Assessment District No. 93-1 ("District"). The District was formed in 1993 pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code* ("1972 Act") and authorizes the Recreation District to annually levy and collect assessments to maintain the services and improvements related thereto. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.1)

The Recreation District has established three categories of membership fee applications and use of District facilities and programs that enhances the special benefit to assessed properties: (source: Wildan Financial Services 2013/2014 Engineer's Report pg.8)

- **AD- 01-1 District Residents**— Indio residents pay the discounted rate of \$25 per year for membership. Membership entitles users to programs and use of District facilities that enhance the special benefit to residents.
- **AD 93-1 District Residents** – Residents residing in AD 93-1 pay the discounted rate of \$50.00 per year for membership. Membership entitles users to programs and use of District facilities that enhance the special benefit to residents.
- **AD 93-1 Non-District Residents**— Non-district residents pay membership fees of \$120 per year. Membership entitles users to programs and use of District facilities that enhance the special benefit to residents.

Thousand Palms Landscaping and Lighting Assessment District 97-1

The Board for the Desert Recreation District ("Recreation District") formed the Thousand Palms Landscaping and Lighting Assessment District 97-1 ("District") in Fiscal Year 1997/1998, to provide the improvements and continue the levy of special assessments previously provided and levied by the County of Riverside ("County") through County Service Area 141 ("CSA 141"); and proposes to continue the annual levy and collection of special assessments on the County tax rolls to provide funding for services required to maintain the improvements within the District. (source: Wildan Financial Services 2013/2014 Engineer's Report pg.1)

The Thousand Palms Landscaping and Lighting Assessment District boundary consists of lots and parcels previously within the boundary of County Service Area 141 and annexed into the Recreation District in 1996 and County Service Area 141 was dissolved, as approved by the County Board of Supervisors in Resolution 96-267.

The Local Agency Formation Commission of the County of Riverside (“LAFCO”), on August 22, 1996, pursuant to LAFCO 1995-13-4, approved the annexation of approximately 17.6 square miles of territory, previously CSA 141, into the Recreation District. This annexation was subject to certain terms and conditions including the transfer of unencumbered CSA 141 funds and assets to the Recreation District. In accordance with *California Government Code Section 56844 (t)*, LAFCO authorized the extension of any previously authorized charge, fee, assessment or tax by CSA 141 to the Recreation District.

The boundary of the District is coterminous with the previous boundary of CSA 141, identified by LAFCO, and includes the assessable parcels within the boundary.

Assessment Districts:	Assessment Calculation for Fiscal Year 2013/2014	Dwelling Units	Special Assessment Revenue
01-1 (Indio Community Center & Park Project)	\$54.00 per dwelling unit (\$25.02 for O&M and \$28.98 for retirement of Bond)	23,059	\$1,170,056
02-1 - Landscape and Park Maintenance (Coachella Placitas De La Paz)	\$358.08 per dwelling unit	270	\$93,530
03-1 - Landscape and Park Maintenance (Mecca Johnson)	\$339.38 per dwelling unit	271	\$88,147
93-1 – District-Wide Landscape and Park Maintenance (within the communities of Palm Desert, La Quinta, Coachella, Mecca, and Oasis)	\$9.90 single family \$39.60 – 4-plex Apt. Bldg	69,496 (534 - Condominiums 121 - Mobile Homes 973 - Multi Family Res. 67,868 – Single Family Res.)	\$753,790
97-1 - Thousand Palms Landscape & Lighting	\$44.92 per dwelling unit	6,599	\$277,028
Total Special Assessment Revenue			\$2,382,551

Intergovernmental Taxes: (RDA – Redevelopment Agency)

RDA Rancho Mirage:	\$182,260.00
RDA Palm Desert PA1:	\$447,771.00
RDA Palm Desert PA4:	\$409,960.00
RDA Indian Wells:	\$689,860.00
RDA Coachella:	\$37,420.00
RDA La Quinta:	\$295,965.00
RDA Indio:	\$160,119.00
RDA County:	\$396,695.00
Total Intergovernmental Taxes:	\$2,620,050.00

Desert Recreation District has not defaulted on repayment of any bond or public debt. On September 2002, the District issued \$2,710,000 in Certificates of Participation - Series 2002

under a 30-year lease agreement with the California Special District Finance Corporation to finance the construction of the La Quinta Community Center and Park. Interest is payable semi-annually on March 1st and September 1st of each year while principle payments are made on September 1st of each year, commencing September 1st, 2032 with interest rates ranging from 3.650% to 5.000%. A reserve fund is required to be held by the bond trustee, as defined in the bond indenture. The amount held in reserve as of June 30, 2012 was \$175,828.

The staff of Desert Recreation District reviewed their outstanding debt obligations for potential refinancing opportunities. Due to the low interest rates this created the opportunity to reduce overall borrowing costs and accelerate the repayment schedule of the bond of 30 years. On August 21, 2013, the District refinanced the outstanding bonds through a private placement, instead of a public sale of securities, which was more cost-effective structure for the refunding. By going this route the final term was reduced by 12 years and at an interest rate at 2.5%. Due to the reduced term, annual debt service will increase to \$275,000.

This plan eliminated the need for the reserve fund placed with the bond trustee freeing District resources, eliminates the need for an annual disclosure report, eliminates annual fees and reduces staff time. Gross savings are approximately 1.2 million and net present value savings are about \$401,608.

Park Service Fees:

Charges for services are defined as revenue derived from fees charged for services that are based on the cost of providing the service. Current rates and fee schedule for services were approved on June 22, 2011 for FY 2012 and are located in the Fees and Charges Policy Manual:

<http://www.myrecreationdistrict.com/assets/attachments/Fees-and-Charges-Policy-and-Manual.pdf>

The methodology in determining the service rates was implemented by their 2012 Strategic Plan in pages 23-25 by using the Public Sector Service Assessment, a tool to help them identify duplication of service or saturation in the market.

In summary, DRD has improved budget management since the last MSR. This District has consistently ended the last few fiscal years with operations surpluses. There is little money, however, to undertake large future projects. Recent, capital expenditures have been limited primarily to renovations, replacements and repairs.

C. Population & Growth

The population projection numbers come from the Desert Recreation District's Strategic Plan that was that was completed March 2012. Since detailed socio-demographic data for the District boundaries is not available, as both the U.S. Census Bureau and ESRI (Environmental Systems Research Institute) use block groups and census tracts which may not align with the District boundaries, the District utilized data from a representation of a majority of its population that is available. Demographic data was obtained using ESRI. Table 1 outlines total population in each of the three areas as well as in the SOI.

Table 1: (source: DRD Strategic Plan, page 14)

Geographic Boundary Area	Population
Cities within Desert Recreation District	223,956
Unincorporated Areas within District	102,985
Nearby Communities not within the District	120,235
District and Sphere of Influence Total	447,176

The table below represents Department of Finance (DOF) population estimates. These figures are issued annually by the State Department of Finance.

DOF	2010	2011	2012	2013
Incorporated Areas within the District – (People that reside in cities within the District boundaries based on estimates by the DOF):				
Coachella	42,591	41,339	42,030	42,784
Indian Wells	5,144	4,990	5,050	5,081
Indio	83,675	76,817	78,298	81,393
La Quinta	44,421	37,688	38,190	38,401
Palm Desert	52,067	48,920	49,619	49,949

For planning purposes this study used four defined areas to represent the broad base of users in the Desert Recreation District (DRD). The geographic boundaries identify communities for those areas within the District boundaries. The Sphere of Influence encompasses other surrounding nearby communities on the outskirts of the District boundaries whose residents might use programs, services, and facilities in DRD. A brief definition of each of the areas analyzed is below:

Desert Recreation District Boundaries – Residents within the five incorporated cities are identified as included in this area as well as those in the unincorporated areas as detailed below.

(source: DRD Strategic Plan, page 13)

Desert Recreation District – Total Estimate 2010 Population	326,941
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(source: DRD Strategic Plan, page 13)

Incorporated Areas within the District – (People that reside in cities within the District boundaries based on 2010 estimates):	
Coachella	38,892
Indian Wells	4,687
Indio (zips = 92201, 92202, 92203 which includes unincorporated Bermuda Dunes within zips 92201-92203)	87,371
La Quinta	43,778
Palm Desert (zips = 92240 and 92241 overlaps with DHS which includes unincorporated Indio Hills)	49,228
Total Estimated 2010 Population:	223,956

(source: DRD Strategic Plan, page 13)

Unincorporated Areas within District – (People that reside in areas inside of the District but in unincorporated areas. There is overlap within the zip codes of the smaller communities so the population estimates are not exact, but are a close enough representation for planning purposes):	
Zip 92201/92203 (Bermuda Dunes within Indio Zips)	9,788
Zip 92240/92241 (Indio Hills/Desert Hot Springs)	41,781
Zip 92254 (Mecca/North Shore)	14,086
Zip 92274 (Thermal/Vista Santa Rosa/100 Palms/Oasis)	29,905
Zip 92276 (Thousand Palms)	7,425
Total Estimated 2010 Population:	102,985

Sphere of Influence (SOI) – Inclusive of communities outside but contiguous to the DRD boundaries that have been officially designated as being within the DRD SOI through LAFCO.

(source: DRD Strategic Plan, page 13)

Other nearby communities outside the District within their SOI – (People residing in incorporated communities nearby DRD services, programs, and facilities):.	
Cathedral City	53,756
Palm Springs	49,756
Rancho Mirage ** Part of Rancho Mirage is within the District's boundaries.	
Total Estimated 2010 Population:	120,235

Division	Population
1: Mecca, Oasis, Thermal, North Shore, Vista Santa Rosa, Indio and La Quinta	48,293
2: Coachella, Indio and Indio Hills	50,728
3: Indio	54,691
4: La Quinta, Indian Wells, Palm Desert and Bermuda Dunes	57,234
5: Palm Desert, Thousand Palms, Indian Wells and Rancho Mirage	55,299

The District has projected population growth until 2015. These projection numbers come from the Desert Recreation District's Strategic Plan that was that was completed March 2012.

Growth across the District is projected between 11.5 and 12 percent over the next two years. The population is aging; the largest growing segments of the population across DRD boundaries are the 55-64 and 65-74 age cohorts in the unincorporated areas, and the 65-74 age cohorts in the incorporated areas of the District boundaries.

(source: DRD Strategic Plan, page 73)

District Cities:	Population in 2000	Estimated 2010	Projected 2015
Coachella	22,727	38,892	44,198
Indian Wells	3,816	4,687	4,751
Indio (Indio zips = 92201, 92202, 92203 which includes unincorporated Bermuda Dunes within zips 92201 and 92203)	49,116	87,371	98,600
La Quinta	23,694	43,778	51,045
Palm Desert (Palm Desert zips 92240 and 92241 overlap with Desert Hot Springs which includes unincorporated Indio Hills)	41,155	49,228	51,828
Total Estimated Population:	91,557	223,956	250,422

Based on the Riverside County 2012 Progress Report, the following are population projections.

District Cities:	Projected 2020	Projected 2035
Coachella	70,170	128,670
Indian Wells	5,458	5,799
Indio	91,484	111,774
La Quinta	41,623	46,297
Palm Desert	52,098	56,812
Total Estimated Population:	260,833	349,352

Based on the Riverside County 2012 Progress Report, the following are population projections.

Cities within District SOI:	Projected 2020	Projected 2035
Rancho Mirage	18,788	22,871
Cathedral City	57,034	64,607
Palm Springs	48,938	56,109
Total Estimated Population:	124,760	143,587

Based on the Riverside County 2012 Progress Report, the following are population projections.

Cities within possible SOI expansion:	Projected 2020	Projected 2035
Desert Hot Springs	43,052	58,052
Total Estimated Population:	43,052	58,052

(source: DRD Strategic Plan, page 74)

Unincorporated Areas:	Population in 2000	Estimated 2010	Projected 2015
Zip 92201/92203 (Bermuda Dunes within Indio Zips)	6,229	9,788	11,299
Zip 92240/92241 (Indio Hills/Desert Hot Springs)	29,262	41,781	46,237
Zip 92254 (Mecca/North Shore)	8,725	14,086	15,731
Zip 92274 (Thermal/Vista Santa Rosa/100Palms/Oasis)	22,408	29,905	33,672
Zip 92276 (Thousand Palms)	5,890	7,425	7,904
Total Estimated Population:	72,514	102,985	114,843

Other Communities within the SOI but not in the District:

(source: DRD Strategic Plan, page 74)

	Population in 2000	Estimated 2010	Projected 2015
Cathedral City	42,647	53,756	57,649
Palm Springs	42,807	49,756	51,777
Rancho Mirage * * Part of Rancho Mirage is within the District's boundaries.	13,249	16,723	17,812
Total Estimated Population:	98,703	120,235	127,238

The areas that are being considered for a possible SOI amendment include the City of Desert Hot Springs, Sky Valley and Desert Edge. As of January 1, 2013 the City of Desert Hot Springs has a population of 27,838 (Department of Finance). Sky Valley and Desert Edge have neither estimated population figures nor projected figures.

IV. Services

The Desert Recreation District owns and operates approximately 21 facilities throughout the Coachella Valley, as shown in the chart below, which consist of community centers, gymnasiums, health and fitness centers, pools, and ball fields.

A. Park and Recreation Services

The District works in conjunction with cities, school districts, and the County to provide facilities and a wide range of recreational programs to the residents within its boundaries. The District's boundary includes Cities of Palm Desert, Indian Wells, La Quinta, Indio, Coachella and a portion of Rancho Mirage, as well as unincorporated areas that provide various different levels of park and recreational services. In addition, the District comprises communities with wide-ranging demographics, from senior communities to family-oriented communities. Riverside County Parks and Open Space District, several YMCAs and Boys and Girls Clubs provide additional service within the District's boundaries or near the SOI.

The Mission for the Desert Recreation District:

The Desert Recreation District *maintains quality park and recreation facilities; programs and services; and facilitates leisure opportunities for residents to access:*

- **Personal Benefits** in the form of physical fitness, enrichment, relaxation, and revitalization;
- **Social Benefits** in the form of stronger and healthier families; ethnic and cultural harmony; reduced anti-social behavior; and enriched lives for persons with disabilities;
- **Economic Benefits** in the form of more productive and healthier citizens; and contributions to the quality of life sought by business and industry.

The District's Hours of Operation are as follows:

Desert Recreation District Administration Office	Monday-Friday: 8 a.m. – 5 p.m.
Indio Community Center	Monday- Friday: 6 a.m. – 9 p.m.; Saturdays 10 a.m. – 2 p.m.
Palm Desert Community Center	Monday-Friday: 6 a.m. – 9 p.m.; Saturdays 10 a.m. – 2 p.m.
La Quinta Community Fitness Center	Monday-Friday: 5:30 a.m. – 9 p.m.; Saturdays 8 a.m. – 12 p.m.

The numbers of District employees are as follows:

Full-Time Employees:	32
Part-Time Employees:	156
Independent Contractors:	32
Seasonal Employees:	65
Volunteers:	225

The following table shows parks that the District operates:

Name	Address	Community	Relationship	Maintenance	Phone Number	Acres	Notes
Bermuda Dunes							
Bermuda Dunes Community Center	78-400 Avenue 42, Bermuda Dunes, CA 92203	Bermuda Dunes Recreation	Operated by DRD (Owned by County of Riverside)	Light custodial & landscaping	(760) 347-3484	0.5	
Coachella							
Bagoduma Park Community Center & Pool	51-723 Douma Street, Coachella, CA 92236	Coachella	Operated by DRD (Owned by City of Coachella)	No	(760) 391-9448	0.89	
Placitas de la Paz	Avenue 50 & Frederick Street, Coachella, CA 92236	Coachella	Operated by DRD (Owned by Palacitas de la Paz)	Landscaping	(760) 347-3484	5	
Indio							
Indio Community Center Park & Lot	45-871 Clinton Street, Indio, CA 92241	Indio Recreation	Owned & Operated by DRD	Yes	(760) 347-4263	5.03	
Indio Hills Community Center Park	80-400 Dillon Road, Indio Hills, CA 92241	Indio Hills Recreation	Operated by DRD (Owned by County of Riverside)	Light custodial & landscaping	(760) 347-3487	2.75	
Pawley Pool Family Aquatic Complex	46-350 Jackson Street, Indio, CA 92201	Indio Pools	Owned & Operated by DRD	Yes	(760) 342-5666	2	
Desert Regional Park	Avenue 40 and Monroe Street, Indio, CA 92203	Indio	Owned & Operated by DRD	No	?	280	Undeveloped
La Quinta							
La Quinta Community Park & Fitness Center	77-865 Avenida Montezuma, La Quinta, CA 92253	La Quinta Recreation	Owned & Operated by DRD	Yes	(760) 564-9921	5.2	Partnership with Bureau of Reclamation
Coral Mountain Park in La Quinta	Avenue 58 and Jefferson, La Quinta, CA 92253	La Quinta Recreation	Operated by DRD (Owned by Bureau of Reclamation)	garbage pick up when needed/site not occupied	?	620	
Mecca							
Mecca Community Park and Pool	65-250 Coahuilla Street, Mecca, CA 92254	Mecca Recreation	Operated by DRD (owned County of Riverside)	Yes	(760) 396-0257	4.95	
North Shore							
Parque Del Pueblo	70-515 Miramar North Shore, CA 92254	North Shore Recreation	Operated by DRD (Owned by County of Riverside)	Yes	(760) 347-3484	0.33	
North Shore Beach & Yacht Club	99-155 Sea View Drive North Shore, CA 92254	North Shore Recreation	Operated by DRD (Owned by County of Riverside)	Light custodial & landscaping	(760) 347-3484	1.5	
Palm Desert							
Palm Desert Civic Center Park - Community Center & Gymnasium	43-900 San Pablo Avenue, Palm Desert, CA 92260	Palm Desert Recreation	Operated by DRD (Owned by City of Palm Desert)	Yes	(760) 568-9697	70	
Freedom Park	77-400 County Club Dr., Palm Desert, CA 92211	Palm Desert Recreation	Operated by DRD (Owned by City of Palm Desert)	Park Ambassador		26	
Holley Soccer Park	74-734 Holley Lane, Palm Desert, CA 92260	Palm Desert Recreation	Operated by DRD (Owned by City of Palm Desert)	Park Ambassador	(760) 568-9697	21	
Olsen Field	43-005 Magnesia Falls Drive Palm Desert, CA 92260	Palm Desert Recreation	Operated by DRD (Owned by City of Palm Desert)	Park Ambassador	(760) 568-9697	6	Corner Portola & Magnesia Falls
University Park	74-902 University Park Drive, Palm Desert, CA 92260	Palm Desert Recreation	Operated by DRD (Owned by City of Palm Desert)	Park Ambassador	(760) 568-9697	2.5	
Portola Community Center	45-480 Portola Avenue, Palm Desert, CA 92260	Palm Desert Recreation	Operated by DRD (Owned by City of Palm Desert)	No	(760) 568-2560	2	
The First Tee Coachella Valley	74-945 Sheryl Avenue, Palm Desert, CA 92260	Palm Desert Golf	Owned & Operated by DRD	Yes	(760) 779-1877	56	
Thousand Palms							
Thousand Palms Community Center & Park	31-188 Robert Road, Thousand Palms, CA 92276	Thousand Palms Recreation	Operated by DRD (DRD,PSUSB,County joint agreement)	Yes	(760) 343-3595	5	
Thermal							
Canal Regional Park	Pierce Street & Avenue 54, Thermal, CA 92274	Thermal	Operated by DRD (Owned by Bureau of Reclamation)	Yes	?	222	
Total DRD Ownership:		6					570.23 ac.
Operating other Agencies:		15					768.42 ac.
Total Operation:		21					1,338.65 Total Acres of Operation

Desert Recreation District operates a total of 21 facilities with a total of 1,338 acres. The District owns and operates six facilities totaling 570 acres. The Districts operates 15 other facilities of other public agencies totaling 768 acres. Desert Recreation District is currently operating four acres per 1,000 residents for the District as a whole.

Local governments in California provide a critical role in the effort to set aside parkland and open space for recreational purposes. The *Quimby Act* (California Government Code §66477) was passed in 1975, Cities and counties have been authorized to pass ordinances requiring that developers set aside land, donate conservation easements, or pay fees for park improvements. Revenues generated through the Quimby Act cannot be used for the operation and maintenance of park facilities. The requirement formula is three acres of land per one thousand people calculated by multiplying the number of dwelling units times the average density per dwelling unit in each municipal boundary according to the latest U.S. Census. In-lieu fees are based on the fair market value of land within a subdivision. Development impact fees are one-time charges imposed on development projects to recover capital costs for public facilities needed to serve those new developments and the additional residents, employees, and visitors they bring to the community. California law, with a few minor exceptions, prohibits the use of impact fees for ongoing maintenance or operations costs.

The median age varies across the District depending on the city or unincorporated area, therefore strategically planning age specific services is warranted.

The median household income in DRD varies dramatically – from \$29,459 in the unincorporated area of Thermal, Vista Santa Rosa, Thousand Palms and Oasis to \$78,822 in the City of Indian Wells.

Since the last MSR in 2005, the District has had new and additional services. Below is a detailed description of those amenities:

- **La Quinta Community Fitness Center**
The existing La Quinta Community Center (located at 77-865 Avenida Montezuma, La Quinta) was converted into a state-of-the-art Fitness Center in the summer of 2011.
- **Expansion of the District Administration Offices at 45-305 Oasis Street, Indio.**
- **Full staffing and programming of Thousand Palms and Mecca Community Centers**
In 2008, the District was provided with CSA Funding by Riverside County to fully staff and program the Thousand Palms and Mecca Community Centers.
- **Operation Splash**
In 2007, the District was given a grant of \$50,000 by Kaiser Permanente to provide swimming lessons, open swim and junior lifeguard to residents in the Eastern Coachella Valley who qualify for the program. Kaiser has been generous enough to donate \$50,000 every year since to continue this program.
- **ASES After School Program**
In 2006, the District began running the After School Education and Safety Program (ASES) throughout Desert Sands and Coachella Valley Unified School Districts with the help of Proposition 49 Funding.

- **21st Century After School Program**
In 2007, the District was able to utilize Federal Funds to begin running a 21st Century After School Program at Ronald Reagan Elementary School.
- **Operating of EDA Community Centers in Coachella Valley**
In 2011, the District partnered with Riverside County EDA to begin offering programming at the Indio Hills and Bermuda Dunes Community Centers, as well as the North Shore Beach and Yacht Club. The programs included fitness classes, music classes, after school programs and summer camps.
- **The First Tee of the Coachella Valley**
In 2008, the District began operating a local chapter of the national First Tee Program, which is an initiative of the World Golf Foundation. The First Tee fosters character development and life-enhancing values through the game of golf.
- **Operation of Jerry Rummonds Thermal Senior Community Center**
In 2013, The District partnered with the Regional Access Project and Coachella Valley Unified School District to assume responsibility for senior center operations. Programs are offered daily for seniors as well as community programming for youth, adults and families.
- **Operation of Coachella Bagdouma Park Community Center**
- **District Gymnastics Academy**
- **Humana Walk/Health Fair**
- **Fourth of July Parade**
- **Annual Hot Rod & Custom Car Show**
- **Patriot Ride**
- **Adaptive Sports and Recreation**
- **Adult Softball**
- **Variety of fitness classes**
- **Trips for Kids**
- **Aquatic Operations & Management of the John H.Furbee Aquatic Center in Desert Hot Springs, summer of 2013**
- **Swim for Health scholarship program John H. Furbee Center, summer 2013**
- **Expanded marketing effort, inclusive of KESQ weekly interviews, commercials and advertising billboards**

Since the last MSR in 2005, the District has ceased to provide these services:

- Jazzercise fitness classes
- Mommy & Me tot classes
- All large scale public concerts
- ASES After School Programming to Coachella Valley Unified School District
- Sunrise Apartments, Plaza del Sol and Las Casas Kids' Clubs

B. Other Providers

The following are other alternate providers that offer park and recreation services throughout the Coachella Valley and the District. There is a mix of responsibilities between park ownership, park maintenance and recreation programs. Please refer to the facilities chart.

City of Coachella

The City of Coachella is the easternmost city in the District, bordered on the west by Indio. It is approximately 20 square miles. As of January 1, 2013 the current population of the City of Coachella is estimated at approximately 42,784 (Department of Finance) and has 43.3 total acres of parks and amenities.

Coachella has one community park; Bagdouma Park located on 51-723 Douma Street and consists of 34 acres.

Amenities include:

- Baseball/Softball
- Tennis courts
- Swimming pool
- Restrooms
- Pavilion
- Playground
- Tables
- Benches
- Bleachers
- Parking
- Open grass
- Soccer/Football
- Basketball
- Drinking fountain

The City has eight neighborhood parks:

1. **Rancho Los Flores** – between Van Buren Street and Avenue 48.
2. **Dateland Park** – between 9th Street and Shady Lane.
3. **De Oro Park** – Avenida De Oro between Avenue 50 and Avenida del Parque.
4. **Sierra Vista Park** – Tyler Street -between Calle Mendoza and Avenue 50.
5. **Veterans Park** – 4th Street between Orchard Street and Vine Avenue.
6. **Shady Lane Park** – Intersection of Shady Lane and Avenue 52.
7. **Tot Lot Park** – Corner Avenue 53 and Calle Empalme.

8. **Ye'we'vichem Park** – between Calhoun and Avenue 48, on Agua Caliente Street.

City of Indian Wells

The City of Indian Wells is centrally located in the District between the City of La Quinta on the east and the City of Palm Desert on the west. It is approximately 14.6 square miles. As of January 1, 2013 the current population of City of Coachella is estimated at approximately 5,081 (Department of Finance). Indian Wells does not own or operate any public parks. There are two private facilities in the City; Indian Wells Tennis Garden, and Indian Wells Golf Resort.

City of Indio

The City of Indio is centrally located in the District between the City of La Quinta on the west and the City of Coachella on the east. It is approximately 29 square miles. As of January 1, 2013 the current population of the City of Indio is estimated at approximately 81,393 (Department of Finance). The city owns and operates a golf course with a driving range.

The City has eleven neighborhood parks:

1. **South Jackson Park** – Jackson Street and Date Street
2. **Yucca Park** – Kenner Avenue & Yucca Lane
3. **Dominguez Park** – Monroe Street & Crown Way
4. **North Jackson Park** - Jackson Street South of I-10
5. **Mile Avenue Park** - Miles Avenue in Old Town Indio
6. **Shields Park** – Shields Road & Avenue 46
7. **Cahuilla Park** – Hopi Avenue & Golf Center
8. **Patton Park** – Avenue 43 & Golf Center
9. **Dr. Carreon Park** – Dr. Carreon Boulevard East of Monroe Street
10. **York Plaza** – Indio Boulevard & Fargo Street
11. **Mulligan Dog Park** – Van Buren Street (Adjacent to City of Indio Animal Care Center)

The City also has two centers; the Indio Teen Center and Indio Senior Center. The two centers are less than a half-mile from each other, and blocks from the DRD Indio Community Center.

City of La Quinta

The City of La Quinta is centrally located in the District, bordered by the City of Indian Wells on the west and the City of Indio on the east. It is approximately 32 square miles. As of January 1, 2013 the current population of the City of La Quinta is estimated at approximately 38,401 (Department of Finance).

The residents are served by 14 parks (listed below) with 213 developed acres, one 40 acre undeveloped site at SilverRock, 126 acres of open space and natural areas owned by the city, and the Lake Cahuilla County Park of 710 acres (with a swim pool, camp sites, fishing, and spaces for horses). La Quinta is also served by BLM land behind the Top of the Cove.

The largest city-owned parks are La Quinta Park, at 18 acres, the Civic Center Campus at 17.5 acres, and Fritz Burns Park at 12 acres. These parks provide community-wide activities such as soccer, baseball, and tennis, as well as playgrounds, picnic shelters, and open turf for informal play.

The City's 12 parks are:

1. **Adam's Park**
2. **Civic Center Park**
3. **Colonel Mitchell Paige Middle School Fields**
4. **Desert Pride Park**
5. **Eisenhower Park**
6. **Fritz Burns Park (Dog Park Site)**
7. **La Quinta Park**
8. **La Quinta Sports Complex**
9. **Monticello Park**
10. **Pioneer Park (Dog Park Site)**
11. **Saguaro Park**
12. **Season's Park (Dog Park Site)**
13. **Velasco Park**
14. **Lake Cahuilla Regional Park**

The City also has a Senior Center, Aquatic Center, Library, Historical Museum, Silver Rock Resort and two skate parks.

City of Palm Desert

The City of Palm Desert is the westernmost city in the District, bordered on the east by the City of Indian Wells. It is approximately 24.6 square miles. As of January 1, 2013 the current population of the City of La Quinta is estimated at approximately 49,949 (Department of Finance).

A cooperative effort between the City of Palm Desert and Desert Recreation District bring facilities and activities to people of all ages. Parks are owned by the City of Palm Desert but the District operates the programs.

Many amenities in the City of Palm Desert parks are managed and operated by DRD.

Palm Desert has one regional park, Civic Center Park, which is 70 acres. It includes a 4-ballfield complex, one dog park, one destination playground, four pieces of public art located throughout the site, a skate park, six tennis courts, four volleyball courts, and an amphitheater. The City has 211.9 total acres of parks.

There are six community parks and seven neighborhood parks:

1. **Cahuilla Hills Park**
2. **Cap Homme/Ralph Adams Park**
3. **Freedom Park**
4. **Palm Desert Soccer Park**
5. **Ironwood Park**
6. **Magnesia Falls City Park**

The neighborhood parks are:

1. **Joe Mann Park**
2. **The Community Gardens**
3. **Palma Village Park**

4. **University Dog Park**
5. **University Park East**
6. **The Washington Charter School Park that is open after school and on weekends to the public.**
7. **Portola Park**

The Palm Desert YMCA and the Palm Desert Aquatic Center are both owned by the City of Palm Desert, and operated by the YMCA, and are on the same site as the Palm Desert Community Center operated by DRD and does offer some competing programs, although the two facilities do also partner other programs as well.

Other Providers

Boys and Girls Clubs of Coachella, Palm Springs and Cathedral City - After School Education and Safety (ASES and potentially ASSETS)
 The Family YMCA of the Desert Centers (Preschool and ASES)
 Coachella Valley Unified School District (ASES and ASSETS)

Riverside County Regional Parks and Open Space District (RivCoParks)

The following information was taken directly from the draft *2013 Comprehensive Park, Resources, and Recreation Service Plan* for Riverside County Parks.

Lake Cahuilla Recreation Area

Approximate Acreage: 710

Location: 58-075 Jefferson St., La Quinta, CA

Ownership: Coachella Valley Water District Bureau of Land Management, and the District

Operator: District

Status: Developed

Constructed: 1960s/70s

Season: Open all year with seasonal operation of Friday through Monday only from May to September due to the extreme summer heat.

Amenities:

- Tent Camping (electric/water)
- RV Camping (electric/water)
- Group Camping
- Primitive Camping (self-contained)
- Handicap Site
- Dumping Station
- Barbeques
- Special Events
- Hiking Trails
- Equestrian Trail access
- Biking Trail and Mountain Biking Trail
- access
- Restrooms
- Showers
- Playground
- Fishing
- Swimming Lagoon (zero-depth, walk-in)
- Equestrian Camping/Water Trough
- Picnic Areas

Park Space:

Desert Recreation District is looking at acquiring land for future park development for 15 acres in Oasis, five acres in North Shore and 13 acres in Thousand Palms.

DRD has the following undeveloped parkland:

- Thousand Palms Community Park– 13 acres
- Canal Regional Park in Thermal– 260 acres (limited development)
- Desert Regional Park in Indio – 280 acres (limited development due to Coachella Valley Mountain Ranges and Horse rescue.
- Coral Mountain Park in La Quinta – 620 acres, seeking funding to build.

V. Sphere of Influence

The John H. Furbee Aquatics Center is a 32,000 sq. ft. New Wellness and Aquatic Center located at 11-750 Cholla Drive in the City of Desert Hot Springs (DHS). The center was made available for residents within the DHS community that was funded by grant money (\$19.2 million dollars). However, the City needed assistance from the Desert Recreation District to manage and operate the services of the center. DHS only operates a Senior Center, which is operating under contract by the Family Service Association. Desert Hot Springs does not run their City Recreational programs. Residents of DHS were able to utilize the facility under a short term contractual agreement that appointed the Desert Recreation District to manage the pool from June 2, 2013 until September 2, 2013 (Labor Day).

Since DHS and the Desert Recreation District had an arrangement in the past, expanding the District's sphere to include the incorporated boundaries of the City of Desert Hot Springs and the City's SOI, will allow an opportunity for the District to provide services to the residents of DHS in the future. Discussions should be pursued of how annexation of the entire city boundary and their respective SOI so that DRD can operate the John H. Furbee Aquatics Center as long as funding sources are secured.

Sky Valley & Desert Edge communities should be considered in the SOI amendment, since these communities are lacking programs & services and are accessing the District's programs.

The City of Cathedral City is possibly pursuing annexation of the Thousand Palms Community in the near future. In September 2011, LAFCO Commission approved a SOI expansion (LAFCO 2011-03-4) eastward to encompass the inhabited and developable portions of the Thousand Palms community. This would create another partially funded portion of a city, since Thousand Palms is currently within the DRD's boundaries, while Cathedral City is not.

A portion of the City of Rancho Mirage is also within DRD's boundaries while the remainder is within the District's SOI. The District and the City should discuss options for the City of Rancho Mirage to consider annexation of the entire city into DRD.

In 2007, the Commission amended the District's SOI to include the remaining portions of the Cities of Rancho Mirage, Palm Desert, Cathedral City and Palm Springs. There are discrepancies between the written staff recommendation and the map that was prepared in

the staff report in 2007, the written recommendation mentioned only the corporate boundaries of the aforementioned cities to be added to the District SOI. The map, however, included portions of the Cities' SOIs, as well. Since the expansion of the District's SOI, DRD and the cities of Palm Springs and Rancho Mirage have not had discussions since the last MSR cycle regarding annexation to extend services into those cities. The District has had discussions with Cathedral City over the past 18 months to explore either annexation and or contracting for services with DRD.

Through this MSR process, these discrepancies, the City of Palm Spring's SOI, and the City of Cathedral City's SOI, the incorporated boundaries of the City of Desert Hot Springs and its respective SOI and the communities of Sky Valley and Desert Edge should be considered in the current round of SOI reviews. It is anticipated that the DRD SOI review, will be brought to the Commission in January 2014.

VI. MSR Determinations:

(1) Growth and population projections for the affected area.

The District uses the U.S. Census Bureau and Environmental Systems Research Institute, Inc (ESRI) data for growth projections. Since detailed socio-demographic data for the District boundaries is not available, as both the Census and ESRI use block groups and census tracts which may not align with the District boundaries, the District utilized data from a representation of a majority of its population that is available. Demographic data was obtained using ESRI.

The District has projected population growth until 2015. These projection numbers come from the Desert Recreation District's Strategic Plan that was that was completed March 2012 and projections is based from the Census. The total estimate 2010 population is at 365,265 people within its District boundaries.

(source: DRD Strategic Plan, page 73)

District Cities:	Projected 2015
Coachella	44,198
Indian Wells	4,751
Indio (Indio zips = 92201, 92202, 92203 which includes unincorporated Bermuda Dunes within zips 92201 and 92203)	98,600
La Quinta	51,045
Palm Desert (Palm Desert zips 92240 and 92241 overlap with Desert Hot Springs which includes unincorporated Indio Hills)	51,828
Total Estimated Population:	250,422

(source: DRD Strategic Plan, page 74)

Unincorporated Areas:	Projected 2015
Zip 92201/92203 (Bermuda Dunes within Indio Zips)	11,299
Zip 92240/92241 (Indio Hills/Desert Hot	46,237

Springs)	
Zip 92254 (Mecca/North Shore)	15,731
Zip 92274 (Thermal/Vista Santa Rosa/100Palms/Oasis)	33,672
Zip 92276 (Thousand Palms)	7,904
Total Estimated Population:	114,843

Other Communities within the SOI but not in the District:

(source: DRD Strategic Plan, page 74)

	Projected 2015
Cathedral City	57,649
Palm Springs	51,777
Rancho Mirage * * Part of Rancho Mirage is within the District's boundaries.	17,812
Total Estimated Population:	127,238

Growth across the District is projected between 11.5 and 12 percent over the next five years. The population is aging; the largest growing segments of the population across DRD boundaries are the 55-64 and 65-74 age cohorts in the unincorporated areas, and the 65-74 age cohorts in the incorporated areas of the District boundaries.

This is a constraint to predict future service demands, especially in areas where growth is expected and whose resources are limited. However, there are projections from the Riverside's County 2012 Progress Report until 2020 and 2035. Actual development approvals are much lower versus the last MSR. Hence, regional projections may be low compared to what actually may occur.

The projected demands for service or future infrastructure/service needs for the next five to ten years are the North Shore Community Park, Oasis Community Park and the Indio BMX to be located at the Desert Regional Park location.

Desert Recreation District operates a total of 21 facilities with a total of 1,338 acres. The District owns and operates six facilities totaling 570 acres. The Districts operates 15 other facilities of other public agencies totaling 768 acres. Desert Recreation District is currently operating just a little over four acres per 1,000 residents for the District as a whole. Their objective is five acres per thousand but the actual amount of parkland the District either owns or operates is 4.09 acres per 1,000 residents.

(2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.

The District's 2013 Master Plan will go to the Board of Directors on December 18, 2013, for adoption. This plan identifies needs for the residents of the District and gaps in service while considering alternative providers. The primary goal of DRD's Master Plan is to develop implementation steps to achieve the vision of the Strategic Plan that was adopted in 2012 and to achieve those steps for the next three to five years. The plan also identified opportunistic

ventures; consolidate existing infrastructure needs, life-cycle repair and replacement programs, and low scoring amenities; and outlines a capital campaign strategy/program to deal with growth and unmet needs across DRD and the Coachella Valley. The updated Capital Improvement Project will identify any infrastructure needs and deficiencies.

Some of the highlighted forecasted CIP projects for FY 2013-14 are Building & Park Improvements such as replacement clubhouse facilities, district wide irrigation, clock and sprinkler head repairs and upgrades, pool plastering, Indio Center renovation project, playground replacement and cardio equipment replacement. FY 2012-13 DRD's CIP Surplus was at \$36,439 and for FY 2013-14 their projected CIP budget is at \$1,553,800. The District will be at a deficit for their CIP Budget and will be using Reserves for CIP projects. The CIP reserve beginning balance of 2013 was \$2,383,189.

(3) Financial ability of agencies to provide services..

The District is funded through a combination of property taxes, benefit assessment districts, fees for service through Intergovernmental contracts (example: City of Palm Desert), School Board Funding from the ASES program, fees and charges for participation, and alternative funding sources . The Desert Recreation District prepares a one-year focus budget, the latest covering fiscal years 2013-14. The District adopted its FY 2013-14 Final Budget on June 26, 2013. The District has had revenues that have slightly exceeded expenses. The FY 2013-14 Final Budget maintains an operating surplus of \$926,200 and operating revenues are more than expenses at \$10,418,014. On an operating basis, DRD has funds to cover normal operations and is not operating at a deficit. The District continues to provide maintain existing levels of services and adequate services within its boundaries.

The District's budgets are not posted on its website and have not been posted on its website in the past. It is suggested that the District post budgets on its website so the District can demonstrate to the public how public funds and taxpayer investments are being utilized. Perhaps use charts and graphs to explain the value and cost of providing desired facilities and their necessary costs to the public.

In the last MSR, the District was running on a deficit for three years. From the result of budget deficit issues, the District did not ignore the root cause of the deficit and focused on reducing costs which included cutting its workforce by 14 full-time employees in May 2012. Since then DRD has not hired full-time positions, the District is utilizing professional services and contractors instead.

The District currently has 32 full-time and 156 part-time employees. In addition the District has 32 contract-employees, 65 seasonal-employees and 225 volunteers. However, DRD cannot pursue the growth in the next few years with limited staff. Perhaps, the District might want to create and employ key staff positions to achieve goals in their Strategic Plan that was adopted in 2012 to monitor investments, accounting and budget development.

The District also activated its dormant foundation; the Desert Recreation Foundation in 2011. The specific and primary purposes of the Foundation are to initiate, sponsor, promote and carry-out plans, programs, policies and activities that tend to further park and recreational projects within the jurisdictional limits of the District. As the Foundation expands upon its strategic plan, they strive to remain a valued and effective community resource, through leadership in capital planning to help fund new infrastructures, the purchase and

development of land for new parks and creating new programs that serve the changing needs of residents.

The District has several arrangements for operation of the District, which provide management efficiencies and/or cost avoidance opportunities by lowering the interest rate of its outstanding debt obligations for potential refinancing opportunities, due to the low interest rates. This created the opportunity to reduce overall borrowing costs and accelerate the repayment schedule of the bond of 30 years. Gross estimated savings are approximately 1.2 million and net present value savings are about \$401,608. By going this route the final term can be reduced by twelve years and at an interest at 2.5%. Due to the reduced term, annual debt service will increase to an estimated \$275,000. This plan eliminates the need for the reserve fund placed with the bond trustee freeing District resources, eliminates the need for an annual disclosure report, eliminates annual fees and reduces staff time. The refinance of the bond occurred on August 21, 2013.

Based on available funding resources, the District has limited capacity to do infrastructure upgrades. The limited availability of Capital funds, along with the loss of RDA Pass-Through funds has limited the District's ability to upgrade its aging infrastructure. The Capital Improvement Project (CIP) Budget was reduced \$6,000 from the recommended FY 2014 Budget with a CIP Budget deficit of \$926,200. If increased or upgraded infrastructure is needed to accommodate future demand it will be financed through public-private partnerships and state funding.

To avoid unnecessary costs the District has adopted a Purchasing Policy, an Investment Policy and a Reserve Policy, which will guide financial practices of the District. It is suggested that the District wait until revenue levels return and stabilize before taking on new significant service upgrades.

The District should explore and participate in potential cost avoidance opportunities with other agencies in the area. Ideas that could be explored include shared funding for facilities, programs, studies, and equipment.

Desert Recreation District has a joint power agreement with California JPIA for Liability Protection, Worker's Compensation, Property Insurance, Crime Insurance, Pollution and Remediation Legal Liability, Special Event Tenant/User Liability and Vendors/Contracts Liability. The District member of Joint Powers Authority and benefits from insurance coverages offered at a lower rate than if the District could purchase on its own.

The District and Board of Directors adjust user fees were approved on June 22, 2012 and adopted for 2013. In general these are small, incremental adjustments that reflect increases in direct costs to deliver services. Each year, the Board adopts a Fees and Charges Manual that includes all fees and charges for that year.

(4) Status of, and opportunities for, shared facilities.

The District has taken advantage of several opportunities to partner with other public entities. Most of the District's services are provided through a shared facility or cooperative arrangement. Joint ventures include:

- City of Palm Desert (Contract - Recreation)
- Desert Sands Unified School District (Contract)

- Bureau of Reclamation (Contract)
- Coachella Valley Unified School District (MOU)
- City of Coachella (MOU – Pools in the Summer)
- City of Desert Hot Springs (Short term Contractual Agreement – John H. Furbee Aquatics Center)
- Riverside County Economic Development Agency (Licensing Agreement)

With DRD's multiple-jurisdiction overlap there is always the potential for alternative service providers. The District has identified agencies that provide similar services, or overlap service responsibilities with another agency. Those agencies include: Family YMCA of the Desert and the Boys & Girls Club of Coachella Valley (non-profits), City of La Quinta, Palm Desert Aquatic Center, Coachella Unified School District, Desert Sands Unified School District, Palm Springs Unified School District and Mecca Elementary School.

(5) Accountability for community service needs, including governmental structure and operational efficiencies.

Based on the current provision of service, it is reasonable to conclude that public services can continue to be provided by the District under the existing government structure. However, by including the spheres of influence of the cities of Rancho Mirage, Cathedral City, Palm Springs and Palm Springs it will provide for accountability and planning if the cities are already in the District. This opens the door for better contracting or possible annexation. In addition, expanding the SOI to include the unincorporated communities of Sky Valley and Desert Edge since these communities are lacking programs & services and are accessing the District's programs.

If any of these municipalities or communities may want to possibly annex into the District or by contracting for DRD to provide services on their behalf, the addition of these cities and communities into the District will require additional tax funding or a proportional operational commitment to add services to the complement of existing DRD parks, facilities, programs, and services.

The District, Cities and unincorporated communities that are served by the District have worked out a system of coordination to ensure a cooperative arrangement that efficiently utilizes resources to provide services to area residents. The unincorporated communities of the Coachella Valley have a lack of services due to availability of transportation, geography, income levels and availability of facilities. Therefore, continued close coordination with the needs of the communities and the agencies' plans for future facilities and services is important to avoid any future duplication of services and promote the continued efficient provision of services.

The District has several arrangements for operation of the District, which provide management efficiencies and/or cost avoidance opportunities by hiring consultants rather than hiring full-time staff.

The public is welcome to all Board meetings and encouraged to provide input on facilities and program needs. All District meetings are held pursuant to the Brown Act. In addition, the public can run in an election to become part of the Board of Directors, or can be a part of the Non-profit entity The Desert Recreation Foundation.

The District is committed to promoting active public participation and to creating a system of government truly representative of all its residents. The District has several methods to ensure that public processes are open and accessible to the public. The District's website was created to provide the community with up-to-date information on park & recreation services, events, press releases and all Public Board meetings with agendas posted in compliance with the Brown Act. The District also relies heavily on social media such as mass emails, Facebook and Twitter to distribute information to the public. However, the District's Parks and Recreation Activity Guide is the most common method of receiving information about park, recreation facilities, services and programs offered by the District. This is available by print that is mailed to the residents and is available on the District's website. In addition, there is an activity guide that is catered to specific communities and is distributed two to three times a year. Another source is the Coachella Valley TV stations. The City also participates in various community events to facilitate direct interaction with the public. Information is disseminated to the public by District Staff attending public meetings (e.g., City Council, Community Council, Commissions, etc.), RFP and RFQ Advertisements in local paper, flyers and banners on District operated facilities.

The District website includes:

- Program Information (i.e., Category of Recreation Activities and Specific Classes Within Those Categories)
- Recreation information broken down by particular Cities or Unincorporated Communities of Riverside County along with links to those Cities and Communities.
- Healthy Lifestyle Tips on Homepage
- Link to District's Online Registration System
- Facts about the District
- District's Mission, Vision and Values
- List of Current Board of Directors along with past Board Meeting Agendas and Minutes
- Staff Directory
- Current Job Openings and District's hiring procedure
- Information about Volunteer Opportunities
- Links to District Press Releases, Announcements and Video Clips
- Calendar of Upcoming Events
- Information about rentals with the District
- Link to District's Strategic Plan PDF
- Links to District's Facebook and Twitter Pages

The District has an ongoing effort to improve its S.W.O.T. Analysis, which is a structured planning method used to evaluate the Strengths, Weakness, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. Desert Recreation District is using this model on engaging the public to attend public meetings and sitting on commissions.

The District contracts for the performance of an independent audit each fiscal year to ensure the information in the financial statement is reliable. The audit for fiscal year 2012-13 was completed and presented to the Board on July 10, 2013. The CPA firm of Charles Z. Fedak

& Company completed the audit of Desert Recreation District's financial statements for the year ending on June 30, 2013, and concluded that the District followed all accounting rules appropriately and that the financial reports are accurate reflections of the District's financial conditions. Audited Financial Statements are available but are not posted on the District's website. As of June 30, 2013, The District's General Fund reported a fund balance of \$9,287,820. The District should consider making current and past budgets and audits available on the District website.

The District solicited opinions of residents through a 10,000 mailing survey to residents. The survey was conducted to see if residents were in support for the creation of a benefit district which would help develop, operate and maintain parks and creations functions through the use of a property tax. The results were only for moderate support for raising revenue generating increased revenue through taxes or assessments.

(6) Any other matter related to effective or efficient service delivery, as required by Commission policy.

The City of Desert Hot Springs' John H. Furbee Aquatics Center could be more efficiently served by the District due to DRD's aquatic facility management experience. The City of Desert Hot Springs does not have a Parks and Recreation Department, nor does it have an established "preferred-provider" relationship with a private entity. Expansion of the DRD SOI could be a precursor to more stable provision of recreational services in the Desert Hot Springs area.