



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Nate Smith, Deputy Director of Public Works/City Engineer
Art Vela, Director of Public Works

MEETING DATE: April 28, 2026

SUBJECT: Consideration of Resolution 2026-67, Confirming the Levy and Collection of Assessments within the City of Banning's Landscape Maintenance District No. 1 for Fiscal Year 2026/2027

RECOMMENDATION:

Adopt Resolution 2026-67

BACKGROUND:

In accordance with the "Landscaping and Lighting Act of 1972" ("1972 Act") of the Streets and Highways Code, the City Council adopted a resolution on August 14, 1990 ordering the formation of LMD No. 1 ("the District"). An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution 2005-36 on May 10, 2005. Tract No. 32370 was annexed into the LMD on November 14, 2023, when the City Council approved Annexation No. 2. A map displaying the District and its' Zones is shown as Attachment 2. On January 27, 2026 the City Council approved Resolution 2026-17, initiating proceedings for the fiscal year update of LMD No. 1 and ordering the City Engineer to prepare and to file a Report in accordance with the 1972 Act. The District, by special benefit assessments, provides funding for the operation and maintenance of certain landscape areas within the City of Banning, all of which were constructed as part of private development projects and all of which are located in the public right-of-way. The 1972 Act requires that assessments be levied according to benefit rather than according to assessed value.

Subsequently, on March 24, 2026, the City Council adopted Resolution 2026-54, approving the Engineer's Report. If approved, Resolution 2026-67 will confirm the assessments for the Fiscal Year 2026/2027. The schedule updating LMD No. 1, and the Notice of Public Hearing advertised in the Record Gazette on April 10, 2026 are shown attached herein.

For Fiscal Year 2026/2027, the Engineer's Report does reflect a Consumer Price Index (CPI) percentage increase of 3.25% on the assessments over the last fiscal year applied only to those tracts annexed into the District in 2005 and 2023, respectively: Tracts 28252, 30793, 31833, 31834, 31835, 30906, and 32370, zones six through eleven. The annual Engineer's Report approved as part of Resolution 2026-54 lists the Assessment Unit (AU) rates and costs to be levied to the property owners within LMD No. 1 for FY 2026/2027 and a summary is shown herein as Attachment 5.

During the upcoming Fiscal Year 2026-27, Engineering Division staff will prepare a detailed analysis of the costs to create and maintain a new Zone 12, consisting of the major thoroughfares currently in LMD No. 1. The streets may include: Wilson Street, Highland Home Road, S. Hathaway Street, and S. Hargrave Street. The feasibility of a new Zone 12 to include landscape maintenance and utility costs will

be analyzed.

JUSTIFICATION:

The City Council approved the formation of LMD No. 1 by adopting Resolution No. 1990-59 on August 14, 1990. The adoption of this Resolution will enable the City of Banning to assess the property owners located within the District to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

FISCAL IMPACT:

Based on the proposed assessments in the Engineer's Report, the estimated revenues for Fiscal Year 2026/27 for LMD No. 1 will be approximately \$164,031.63, with the 3.25% CPI increase applied to the existing tracts annexed into the District in 2005 and 2023, respectively: Tracts 28252, 30793, 31833, 31834, 31835 and 30906, Zones six through ten and Tract 32370, Zone 11 of Annexation No. 2. If approved, the annual assessment for a single-family dwelling in Zones six through ten would increase from the current rate of \$267.55 to \$276.25 and for Zone 11 from \$415.83 to \$429.35.

The estimated expenses for FY 26/27 are \$183,492 (based on FY 2025/2026 actual costs). About \$40,000 of these expenses are from each Zones' reserves in Zones 2, 6 and 10 and are being used for projects that have not previously been done and include: removal of diseased trees and sidewalk repair in Zone 2; converting to a drip irrigation system and refreshing plants in Zone 6; and tree trimming along Mountain Ave. in Zone 10.

It should be noted that each zone within the District has its own fund balance separate from other zones.

Attachment 6 identifies funding reserve balances in each zone. Some of the zones (Zones 3,4,5 and 9) do not have sufficient reserves to cover the projected expenses in future years; therefore, a further reduction in maintenance services is imminent to reduce costs.

ATTACHMENTS:

1. [Resolution 2026-67 Confirming Levy and Collection of LMD Assessments.docx](#)
2. [LMD No.1 Map of Zones 1 thru 11 Combined.pdf](#)
3. [Schedule for Updating LMD No. 1.pdf](#)
4. [Proof of Publication, 4.10.26.pdf](#)
5. [LMD No. 1 Tracts, Zones and Assessments for FY 26-27.pdf](#)
6. [Zone Funding.pdf](#)
7. [Resolution No. 2026-17, CC Meeting on 1.27.26.pdf](#)
8. [Resolution No. 2026-54, CC Meeting on 3.24.26.pdf](#)