

**CITY OF RICHMOND
ENGINEER'S REPORT
FORMATION OF THE
MARINA BAY
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT
FISCAL YEAR 2009/2010**



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Formation of the Marina Bay Landscaping and Lighting Maintenance District And establishment of Annual Assessments for said District

City of Richmond,
County of Contra Costa,
State of California

This Report and the enclosed descriptions, budget and assessment diagram outline the plans and specifications for the formation of the Marina Bay Landscaping and Lighting Maintenance District and establishment of the proposed assessments for each lot, parcel, and subdivision of land within said District commencing in Fiscal Year 2009/2010. Reference is hereby made to the Contra Costa County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2009.

Willdan
Assessment Engineer
On Behalf of the City of Richmond

By: _____

Jim McGuire
Senior Project Manager

By: _____

Richard Kopecky
R. C. E. # 16742

CERTIFICATE

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Richmond City Council pursuant to the provisions of Article XIIIID, Section 4 of the California Constitution, and Section 12.60.240 of the Richmond Municipal Code. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

Dated: _____

By: _____

Rich Davidson, City Engineer
R.C.E. No.38042

I HEREBY CERTIFY that the enclosed Engineer's Report, including the Assessment Roll and Assessment Diagram, was filed with me on the _____ day of _____, 2009.

By: _____

Diane Holmes, City Clerk
City of Richmond, California

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram, was accepted and confirmed by the City Council on the _____ day of _____, 2009.

By: _____

Diane Holmes, City Clerk
City of Richmond, California

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram, was approved and adopted by the City Council on the _____ day of _____, 2009. The adoption of this Report confirms the formation of the Marina Bay Landscaping and Lighting Maintenance District, the establishment of the maximum assessments for the District and the levy of and collection of assessments for fiscal year 2009/2010 related thereto.

By: _____

Diane Holmes, City Clerk
City of Richmond, California

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Introduction

The City Council of the City of Richmond, County of Contra Costa, State of California (hereafter referred to as "City"), has by resolution initiated proceedings that called for the preparation and filing of an Engineer's Report to establish a special benefit assessment district within the City to be designated as the:

Marina Bay Landscaping and Lighting Maintenance District

(hereafter referred to as "District"), for the purpose of funding in whole or in part, the ongoing operation, maintenance and servicing of various public landscaping and lighting improvements within the area of the City known as Marina Bay that have been determined to be of special benefit to properties therein. The City Council proposes to form the District and to levy and collect annual assessments on the County tax rolls to fund such improvements and appurtenant facilities authorized pursuant to the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code commencing with §22500* (hereafter referred to as the "1972 Act"). In conjunction with the authority of the 1972 Act, the proposed assessments shall be established and made in compliance with the substantive and procedural requirements of the *California State Constitution Article XIID* (hereafter referred to as the "California Constitution").

This Engineer's Report (hereafter referred to as "Report") has been prepared in connection with the establishment of said District and the levy and collection of annual special benefit assessments related thereto commencing in fiscal year 2009/2010, pursuant to *Chapter 1, Article 4 beginning with §22565* of the 1972 Act and the in compliance with the substantive and procedural provisions of the California Constitution. Said District shall include all lots and parcels of land within the area of the City known as Marina Bay that have been identified as receiving special benefits from the public improvements to be maintained by the City within the boundaries of the District which are described herein.

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

In accordance with the provisions of Government Code, Section 53753 and California Constitution, Article XIID Section 4, as part of this District formation, the City shall conduct a property owner protest ballot proceeding for the proposed new assessments. In conjunction with this ballot proceeding, the City Council shall conduct a public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public testimony at the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists (ballots shall be proportionally weighted based on each parcel's proposed assessment obligation), and upon completion of that ballot tabulation, by resolution the City Council will confirm the results of that ballot tabulation. If majority

protest exists, the City Council shall abandon the formation of the District and the proposed levy of assessments described herein. If majority protest does not exist, the City Council may by resolution, adopt this Report (as submitted or amended) including the assessment diagram; order the formation of the District; approve the levy and collection of the assessments including the assessment range formula as described herein; and order the improvements to be made. In such case, the assessments for Fiscal Year 2009/2010 (as provided herein or as amended) shall be submitted to the Contra Costa County Auditor/Controller for inclusion on the property tax roll for Fiscal Year 2009/2010.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council that includes a description of any proposed changes to the District or improvements, the proposed budget and assessments for that fiscal year, and the City Council shall hold a public hearing regarding these matters prior to approving and adopting the annual levy of assessments for that fiscal year.

To support the District the City intends to establish an advisory committee for the District comprised of property owners within the District. This committee will review District improvements and provide the District Administrator with feedback and input on improvements as well as identify areas that need additional attention. This committee may review services and make recommendations for priority repairs, replacements, or rehabilitations as may be funded from available assessment revenues (excluding funds dedicated to the regular operation and maintenance of the improvements) and matching outside funds or in-kind services.

This Report consists of five (5) parts:

Part I

Plans and Specifications: Provides a description of the District and a summary of the various local public landscaping and lighting improvements and facilities within the Marina Bay area that will be supported by the District assessments. Although the District includes all properties determined to receive special benefits from the improvements to be provided, it has been determined that some properties do not receive special benefits from each of the various improvements and facilities to be funded by the District assessments. Therefore to identify these differences in benefit, the District will initially be formed with two (2) zones of benefit (hereafter referred to as "Zones"), which are described in more detail in this section of the Report as well as Part II (Method of Apportionment). A diagram showing the exterior boundaries of the District and the Zones established therein is attached and incorporated herein under Part IV (District Diagrams).

Part II

Method of Apportionment: This section of the Report provides a discussion of benefits to properties within the District, the apportionment of the improvement costs, the method of calculating each property's proportional special benefit and calculation of annual assessments. This section also identifies and outlines an Assessment Range Formula that provides for an annual inflationary adjustment to the maximum assessment rates initially

established by this Report. This Assessment Range Formula limits increases on future assessments, but also provides for reasonable cost adjustments due to inflation in subsequent fiscal years without the added expense of additional property owner protest ballot proceedings to approve such anticipated cost increases.

Part III

The District Budgets: An estimate of the annual funding required for the estimated annual maintenance, servicing and operation of the local parks, trails, streetscape landscaping, decorative and bollard lighting and related improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated ongoing annual expenses to service, maintain and operate the improvements within the District and each respective Zone's proportional special benefit costs and expenses authorized by the 1972 Act. This budget establishes the initial maximum assessment rate for each Zone of the District and the proposed budget and assessment rates applicable to properties within the District commencing in Fiscal Year 2009/2010. Because the annual cost of maintaining these improvements will clearly be affected by inflation over the years, an annual inflationary adjustment (Assessment Range Formula) will be applied in subsequent fiscal years to the assessment rates established herein.

Part IV

District Diagram: A Diagram showing the exterior boundaries of the District and the current Zones therein is provided in this section of the Report and includes all parcels of land that will receive special benefits from the improvements and for which an assessment may be imposed as part of this District. Reference is hereby made to the Contra Costa County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District. This section of the Report also contains various improvement maps that show the extent and location of the various District improvements.

Part V

Assessment Roll: A listing of each parcel (Assessor's Parcel Number) within the District and its corresponding zone designation, maximum assessment amount to be presented to the property owner(s) of record in the protest ballot proceedings ("Balloted Assessment"). The proposed maximum assessment amount for each parcel is based on the parcel's proportional special benefit as calculated in accordance with the method of apportionment (Part II — Method of Apportionment) and the corresponding maximum assessment rate calculated from the net annual cost for the maintenance, operation and servicing of the improvements for that parcel's Zone as established in the budget incorporated herein under Part III (District Budget).

Part I — Plans and Specifications

Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land in the southern section of the City of Richmond known as Marina Bay, and is generally located: south and west of Interstate 580; north of the Pacific Ocean (Bay); and adjacent to and east of Harbor Way.

The District generally includes all or a portion of the parcels identified on the following Contra Costa County Assessor's Parcel Maps:

- ❖ Book 560, Pages 09 through 15;
- ❖ Book 560, Pages 17 through 19;
- ❖ Book 560, Pages 26 and 27;
- ❖ Book 560, Page 37;
- ❖ Book 560, Pages 45 through 47;
- ❖ Book 560, Pages 53 through 56;
- ❖ Book 560, Pages 59 through 63; and
- ❖ Book 560, Pages 68 through 81

A boundary diagram incorporated herein under Part IV (District Diagram) of this Report outlines the boundaries of the District and the Zones therein. This diagram incorporates all lots, parcels and subdivisions of land within the District and Zones as the same existed at the time this Report was prepared, a complete listing of which is provided in Part V (Assessment Roll) of this Report and together the District Diagram and parcels within the Assessment Roll constitutes the Assessment Diagram for the District.

Within the boundaries of the District, two (2) Zones have been established to identify parcels and areas within the District that for reasons of variations in proximity and extent of the improvements, it has been determined that the parcels within these Zones receive differing degrees of special benefits from the improvements and services to be provided by the District.

- ❖ Zone 01 incorporates parcels within the District that receive direct and particular special benefits from the various local District improvements including parks, trails, streetscape landscaping and associated lighting improvements based on factors that consider their proximity and nexus to these various improvements.
- ❖ Zone 02 incorporates parcels within the District that receive similar direct and particular special benefits from the District's parks, trails and associated lighting improvements based on factors that consider their proximity and nexus to these various improvements (Similar to Zone 01 parcels), but it has been determined that parcels within Zone 02 do not receive a direct and particular special benefit nexus to the District's current streetscape landscaping.

These two Zones within the District and the improvements and benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) section of this Report.

Description of Improvements and Services

Improvements and Services Authorized by the 1972 Act

As generally defined by the Landscaping and Lighting Act of 1972 and applicable to this District, landscaping and lighting improvements and associated special benefit assessments may include but are not limited to some or all of the following:

Improvements

Means one or any combination of the following:

- ❖ The installation or planting of landscaping.
- ❖ The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- ❖ The installation or construction of public lighting facilities.
- ❖ The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- ❖ The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
- ❖ The maintenance or servicing, or both, of any of the foregoing.
- ❖ The acquisition of land for park, recreational, or open-space purposes.
- ❖ The acquisition of any existing improvement otherwise authorized pursuant to this section.
- ❖ The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.

Maintain or Maintenance

Means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- ❖ Repair, removal, or replacement of all or any part of any improvement.
- ❖ Providing for the life, growth, health, and beauty of the landscaping including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.

- ❖ The removal of trimmings, rubbish, debris, and other solid waste.
- ❖ The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Service or Servicing

Means the furnishing of:

- ❖ Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements.
- ❖ Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

Incidental Expenses

Include all of the following:

- ❖ The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- ❖ The costs of printing, advertising and the giving of published, posted, and mailed notices.
- ❖ Compensation payable to the county for collection of assessments.
- ❖ Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.
- ❖ Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- ❖ Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5 of the 1972 Act.
- ❖ Costs associated with any elections held for the approval of a new or increased assessment.

District Improvements and Facilities

The City has proposed the formation of this District as a mechanism to provide a funding source to ensure that the properties within the District receive an appropriate and enhanced level of ongoing maintenance, operation and servicing of local landscaping and lighting improvements established or installed in connection with the development of those properties and for which such properties receive special benefits. These improvements include various amenities within the street right-of-ways and public places including, but not limited to, landscaped parkways, medians and entryways; weed abatement areas; park and recreational facilities and equipment; trails, paths and related facilities; and lighting facilities within the parks and trails that will be maintained by the City through the District.

The maintenance and servicing of the improvements generally include, but are not limited to, the materials, equipment, utilities, labor and incidental expenses including administrative expenses required for the annual operation of the District as well as the performance of

periodic repairs, replacement and rehabilitation activities as needed to provide for the growth, health, and beauty of landscaping and the proper operation and function of related lighting, irrigation, drainage facilities, signage; and recreational facilities. The following provides a summary overview of the of the District improvements. Detailed maps and descriptions of the location and extent of the improvements to be maintained by the District are on file at the City, and by reference are made part of this Report. Reference is also made to the "Marina Bay Neighborhood Landscape Management Plan" and its associated inventory data base for applicable improvements and appurtenances.

Streetscape Landscaping

Landscape improvements along the street right of ways within the District (Streetscape) may include, but are not limited to: turf; shrubs and plants; trees; ground cover (both hardscape and vegetation); weed and vector control; irrigation and drainage systems; ornamental lighting structures; related curbs, sidewalks (including Bay Trail connections on sidewalks), masonry walls or other fencing within public areas or right-of-ways; entryway monuments or other ornamental structures and signs; and associated appurtenant facilities located within and associated with the District, including:

- ❖ 54,958 square feet of landscaping associated with Regatta Gateway.
- ❖ 23,110 square feet of landscaping associated with Regatta Blvd. Medians;
- ❖ 8,265 square feet of landscaping associated with Marina Bay Parkway Medians;
- ❖ 17,820 square feet of landscaping associated with Marina Way South Medians;
- ❖ 22,500 square feet of landscaping associated with Hall Avenue, Wright Avenue and Harbor Way South Frontages; and,
- ❖ 3,400 square feet of landscaping associated with Bayside Drive Medians.

Parks and Trails

The landscaping and related amenities associated with the five park areas within the District and the trail system that connects or provides access to those parks and/or the bay waters may include, but are not limited to, turf; shrubs, plants; trees; ground cover (both hardscape and vegetation); weed and vector control; irrigation and drainage systems; ornamental and safety lighting; various sidewalks, walking trails and bicycle-paths; masonry walls, retaining walls or other fencing; monuments; signs; water features; trash receptacles; benches; tables; picnic areas; drinking fountains; exercise stations or other passive recreational facilities; as well as active recreational facilities and equipment including tennis courts, restrooms, parking facilities; and appurtenant facilities located within and associated with:

- ❖ Park landscaped areas including, but not limited to:
 - 566,280 square feet associated with the contiguous Marina Bay Park, Rosie the Riveter Monument Park and Marina Green;
 - 261,360 square feet associated with Barbara & Jay Vincent Park;
 - 130,680 square feet associated with Shimada Friendship Park;
 - 87,120 square feet associated with Lucretia Edwards Park; and,

- 43,560 square feet associated with Sheridan Point Park.
- ❖ Trail landscaped areas including, but not limited to:
 - 45,671 square feet associated with the Bay Trail — Esplanade;
 - 219,551 square feet associated with the Bay Trail — Bay Shoreline;
 - 162,987 square feet associated with the Bay Trail — Meeker Slough; and
 - 8,500 square feet associated with Bayside/Meeker connector trail.

Park and Trail Lighting Improvements

Lighting improvements to be funded by the District assessments may include, but are not limited to: electric current or other illuminating agent; and all works or improvements used or useful for the lighting within public places, including ornamental standards, fixtures, luminaries, poles, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenant facilities associated with approximately 606 identified decorative and bollard lights primarily found in the parks and trails, including but not limited to:

- ❖ 77 Type-A lights (shoebox single square lens lights).
- ❖ 6 Type-B lights (shoebox dual square lens lights).
- ❖ 13 Type-C lights (shoebox dual concrete pedestal lights).
- ❖ 50 Type-D (CL ornamental acorn fixture lights).
- ❖ 66 Type-E (FG ornamental acorn fixture lights).
- ❖ 55 Type-F (acorn fixture park lights).
- ❖ 45 Type-G (peaked top fixture park lights).
- ❖ 28 Type-H (peaked top fixture boathouse parking lot lights).
- ❖ 76 Type-I (Esplanade / Marina bollard lights).
- ❖ 9 Type-J (Bay Trail / Shimada Park fixture lights).
- ❖ 15 Type-K (wall / vent lights).
- ❖ 5 Type-L (Harbor Master fixture / HMB roundabout lights).
- ❖ 58 Type-M (Bay Trail / Vincent Park bollard lights).
- ❖ 102 Type-N (Bay Trail / East Trail bollard lights).
- ❖ 1 Type-O (HBM sign spotlight).

The maintenance, operation and servicing of the District improvements generally include:

- ❖ Regularly scheduled maintenance and servicing of the various improvements within the public right-of-ways, easements and other public places as determined by the City and available funding, including the furnishing of the labor, materials, equipment and utilities.

- ❖ Periodic repair and rehabilitation of the improvements, equipment and facilities as deemed necessary by the City and as funding allows, including replacement of damaged equipment with new or reconditioned equipment; rehabilitation of landscape materials; repair and/or renovation of irrigation or drainage facilities; and repair, removal and/or replacement of safety lights and ornamental lighting within maintained public places; and repair, removal and/or replacement of recreational equipment and related facilities.
- ❖ Not included in the District's annual budget is funding for Capital Improvement Projects that may include, but is not limited to the installation and construction of new buildings, lighting facilities, landscaped areas, park and trail facilities; or the reconstruction and major renovation of existing facilities. The need and extent of such projects as well as the cost of such projects is difficult to predict and while assessment revenues may be utilized to support such projects in the future, the proposed budget that establishes the maximum assessments herein, does not specifically include set-aside funding for such projects. If such projects are required in the future, the funding cost of such projects would likely require funding from other sources above the regular District revenue stream identified in this Report including but not limited to a new or increased assessment on properties within the District and/or funds contributed by the City or available from grants, endowments and donations.
- ❖ Also not included in the District's annual budget is funding for street lighting and traffic signals. While the maintenance of such improvements are certainly authorized by the 1972 Act and are clearly a local improvement that exist throughout the District and could be incorporated into the District budget, because street lighting throughout the City is currently funded entirely by the City and not through any assessments, it has been determined that the cost of these improvements will not be incorporated into this District at this time. However, if at a latter date it is determined that additional funding for local street light improvements is desired or required, those costs could be incorporated into the District budget to fund the costs associated with upgrades or expansion of the street lighting system and related maintenance and servicing costs. Upgrades or expansion of the street lights may include, but are not limited to the installation and construction of new lighting facilities, replacement of standard street lights with decorative light standards, solar lighting or other energy efficient systems, and replacement or renovation of existing lights. The need and extent of such projects as well as the cost of such projects is difficult to predict and while assessment revenues may be utilized to support such projects in the future, the proposed budget that establishes the maximum assessments herein, does not specifically include funding for such projects. If such projects are required in the future, the additional funding would likely come from other sources including but not limited to a new or increased assessment on properties within the District and/or funds contributed by the City or available from grants, endowments and donations.
- ❖ All specific improvements and subsequent maintenance services to be performed are directed by the City of Richmond Parks & Landscaping Superintendent as the District Administrator.

Part II — Method of Apportionment

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarize an analysis of the benefits associated with the maintenance, operation and servicing of the local landscaping, lighting, parks and trails to be provided within the District; the resulting District structure (zones of benefit); the formulas used to calculate each parcel's proportional special benefit and assessment obligation (method of assessment); and the establishment of an inflationary formula for the assessments to address anticipated cost increases due to inflation (assessment range formula).

Benefit Analysis

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which includes the operation, maintenance, and servicing of landscaped areas, public lighting, parks, trails and appurtenant facilities.

The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the Improvements."

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

Article XIID Section 2d defines *District* as:

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

Article XIID Section 2i defines *Special Benefit* as:

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

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

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

General Benefit

While it has been determined that each of the various District improvements are clearly local amenities directly associated with the development of the properties within the District and these improvements are more extensive and are provided at a level of service that is notably higher than typically provided by the City and are clearly a special benefit to those properties, it is also recognized that many of these improvements (specifically the parks and trails) are also accessible and utilized by other residents and property owners and therefore provide some measure of general benefit to the public at large and to properties within the District. Although there is no direct way to measure the specific use of these improvements by individuals from outside the District, an overall comparison of the park area and trails per parcel within the District compared with that of the City as a whole indicates that the Marina Bay area collectively has approximately 4.03 times the park and trail area per parcel than parcels in the City as a whole. The following table provides a summary of this statistical data:

	Number of Parcels	Square Feet of Parks & Trails	Square Feet per Parcel
Marina Bay Parks & Trails	2,549	2,127,470	835
Citywide Parks & Trails *	35,050	7,251,275	207
		Ratio	4.03
Percentage of square feet per parcel (Citywide/Marina Bay)			25%

* Square footage of Parks and Trails is based on facilities similar to those in Marina Bay. (Includes only Class1 Trails and excludes Community Parks)

Based on the preceding evaluation it is reasonable to conclude that other properties in the City and the City as a whole has approximately one-quarter (1/4) or twenty-five percent (25%) of the park and trail improvement area of that associated with parcels in Marina Bay (207 Square Feet per parcel for the City/835 Square Feet per parcel for Marina Bay = 25%). Therefore, it is reasonable to conclude that approximately 25% of the District's regular maintenance costs of the improvements could be considered general benefit.

In support of this general benefit nexus, an independent cost evaluation for the annual maintenances of the Marina Bay improvements utilizing the service level and cost factors applied to the City's other parks and trails (man hours, materials, utilities and service frequencies) resulted in a budget that was approximately 27% of the costs being proposed for the maintenance of the park and trail improvements within Marina Bay. In addition although not directly related, a similar but independent general benefit percentage (25%), was previously established for the landscape improvements within the City's existing Hilltop Landscape Maintenance District.

Conservatively, based on these considerations, it has been determined that the City's annual funding obligation for general benefit associated with the District's improvements including streetscape landscaping shall not be less than 30% of the overall annual maintenance direct costs budgeted for the District each fiscal year (Excludes budgeted costs for administration; funds collected for long term activities such as replacements and rehabilitation; funds collected for reserves or other incidental expenses).

While the preceding analysis identifies and quantifies the City's general benefit support obligation for the maintenance of the District improvements and associated costs, the City also recognizes that because these parks and trails are located near or adjacent to the Bay and include a National Park monument, these facilities are a destination point for many residents and visitors to the of the City and generally have a higher visitation rate than typically associated with other City parks and trails. Because this higher visitation tends to be predominantly passive in nature, it has little direct impact on the regular annual maintenance of the improvements, but recognizing the visual importance of these improvements, in addition to the City's general benefit obligation for annual maintenance, the City will also contribute additional funds to support the improvements. This additional contribution is reflected in the "Additional City Support" column of the budget presented in this Report and generally represents an added contribution of approximately ten percent of the park and trail maintenance; thirty percent of the overall utility costs (electricity and water); half of the budgeted administrative expenses (excluding County fees); and twenty-five percent of the long term repair and rehabilitation budgeted each year. Collectively, the City's overall annual contribution to the District improvements (general benefit and additional support) shall be forty-two percent (42%) of the "Total Annual Costs and Expenses" budget each fiscal year, with property owners being assessed for fifty-eight (58%) of those costs plus any funds collected for Reserves. Refer to Part III (District Budget) of this Report for a summary of cost allocations.

Special Benefit

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from the various local improvements and services that are funded by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits compared to other properties that receive special benefits as outlined in the preceding definitions contained in the 1972 Act and the California Constitution. To identify and determine the proportional special benefit to each parcel, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit directly from those improvements. The District's improvements and the associated costs described in this Report, have been reviewed, identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of those improvements determined to be of special benefit to properties within the District. The location and extent of the various public improvements within the District and the associated costs to provide such improvements have been identified as either "general benefit" (not assessed) or "special benefit".

In reviewing the location and extent of the various improvements (parks, trails, and streetscape landscaping) and the relationship these improvements have to properties within the District, it has been determined that these improvements are clearly local amenities that were installed in connection with the development of nearby properties or are otherwise directly associated with or desired for the development of such properties to their full and best use. In addition, it has been determined that the overall extent of the improvements and the level of service associated with the improvements within Marina Bay is substantially greater than similar improvements and amenities typically found in other parts of the City.

As such, these local improvements have a direct and particular special benefit to the properties within the District based on their close proximity to such improvements; the extent of the landscape and lighting amenities concentrated in the area, the immediate access to the various recreational areas and amenities; and the overall enhanced level of service provided for such improvements.

Parks and Trails:

The five designated park areas within the boundaries of the District (Marina Bay Park, Rosie the Riveter Monument Park and Marina Green cluster; Barbara & Jay Vincent Park; Shimada Friendship Park; Lucretia Edwards Park; and, Sheridan Point Park) are identified by the City as "Neighborhood Parks" and these parks were constructed either as a direct result of property development within the District and/or to encourage property development within the Marina Bay area. As with any neighborhood park, these parks have a direct and particular connection to the properties in the Marina Bay area, and with the trail system that connects these parks, each property has direct and/or easy access to multiple park sites unlike most other areas of the City.

Although the specific special benefits each property receive from these local parks may vary depending on the use of the property, each has a clear proximity to such improvements and the net annual cost of maintaining these neighborhood parks (excluding general benefit) should be shared proportionately by all properties in the District based on the method of apportionment established herein.

Streetscape Landscaping:

Typically, the installation and location of local streetscape landscaping (parkways and medians) is the result of property development or the specific needs of nearby properties. Clearly these improvements have a direct and particular connection to those properties and are neither required nor necessarily desired by any other properties or the public at large. While the general public may certainly view and appreciate these landscaped areas as they drive through the District, the various landscaped areas were installed solely to enhance the Marina Bay area and the properties therein, and the need to maintain these improvements are entirely for the special benefit of the properties associated with those improvements and the developments that access the streets where the improvements are located.

Unlike the park and trail improvements that are considered local amenities servicing and shared by each property in the District, streetscape landscaping (parkway and/or median) improvements are not present in all parts of the District. In reviewing the location of the various streetscape improvements, it has been determined that certain properties and developments are not located on streets that have streetscape landscaping nor would the properties be typically accessed by the streets or the portions thereof where the improvement are located. Therefore it has been determined that those properties and developments that are not in close proximity or have no direct local nexus to such improvements do not receive special benefits from those particular improvements. In recognition of these benefit differences, the District shall initially be established with two (2) non-contiguous Zones to reflect the benefit differences to properties from the District's local streetscape landscaping and associated amenities. Those properties that do not receive

direct and special benefits from the ongoing maintenance, operation and servicing of the existing streetscape improvements are identified in the District as Zone 02 properties. A diagram showing the exterior boundaries of the District, the Zones and the location of the improvements is provided in Part IV (District Diagrams).

The District Budget incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the various District improvements and the allocation of those special benefit costs to properties within each of the District Zones.

Assessment Methodology

In order to calculate and identify the proportional special benefit received by each parcel and their proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District.

Article XIIIID Section 4a reads in part:

“...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Most public improvements including parks, trails, landscaping and lighting, provide varying degrees of benefit (whether they be general or special) based largely on the extent of such improvements, the location of the improvements in relationship to the properties, and the reason or need for such improvements as it relates to individual properties. In this District these issues are each considered in determining the proportional special benefit to each parcel by the use of benefit zones that reflect the extent and location of the improvements in relationship to the properties, as well as the specific characteristics (use and size) of each property which reflects each parcel's need for such improvements and its reasonable cost of the proportional special benefit as compared to other properties that benefit from those improvements.

For the improvements and assessments outlined in this Report, it has been determined that the most appropriate proportional special benefit calculation for each parcel is reasonably determined by three basic property characteristics:

- ❖ **Location** — As previously noted, each parcel in the District shall be identified and grouped into one of two Zones based on each parcel's proximity and relationship to the District improvements;
- ❖ **Land use** — Residential Uses (Single-family, multi-family, and condominiums); Non-Residential Uses (Privately owned commercial, industrial, and Institutional properties); Vacant Land (Undeveloped property), Public properties etc.; and,
- ❖ **Property Size** — Acreage for non-residential properties; Units for residential properties. Property size (acreage or units) provides a definable and comparative

representation of each parcel's proportional special benefit not only to similar types of properties but to other property types as well. The size of a property provides an appropriate and overall reflection of numerous considerations associated with each parcel's special benefits including vehicular trip generation, average population and development densities.

Zones of Benefit

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones ("Zones") as authorized pursuant to *Chapter 1 Article 4, Section 22574* of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

While the California Constitution states that *"The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement..."*; it is reasonable to conclude that certain improvements (i.e. streetscape landscaping) are associated with and provide special benefits to specific areas of the District, but not necessarily to each property in the District. Unlike the parks and trails which serve and are clearly associated with each of the properties in the Marina Bay area, streetscape landscaping is most often installed and has a more direct connection to specific developments and properties or would otherwise be necessary for the development of such properties to their full and best use. While the installation of various segments of these types of improvements are usually the result of a specific development or developments the collective result of these improvements are not mutually exclusive or isolated to a particular parcel, but are rather shared and directly effect entire neighborhoods or groups of parcels immediately adjacent or in close proximity to those improvements.

Based on a through review of the location and extent of the District's improvements and the direct proximity and relationship to surrounding properties, it has been determined that there are clear and definable differences in benefit to the various improvements provide to properties in the District. In recognition of these differences, the District shall initially be established with two (2) non-contiguous Zones to reflect the proportional special benefits that properties receive from the parks and trail improvements as well as streetscape improvements. The following provides a description of the two Zones:

Zone 01

Zone 01 incorporates and includes those parcels within the District that receive direct special benefits from both local streetscape landscaped areas and the overall park and trail improvements within Marina Bay. This Zone represents approximately 98.6% of the parcels in the District and each parcel therein will proportionately share in the net annual District expenses for park and trail maintenance, streetscape maintenance, administrative expenses,

funds collected for long term repair and rehabilitation of those improvements, as well as funding collected for related incidental expenses including but not limited to reserve funds that are authorized by the 1972 Act.

Zone 02

Zone 02 incorporates and includes those parcels within the District that receive direct special benefits from the overall park and trail improvements within Marina Bay, but are not directly associated with the existing streetscape landscape improvements to be maintained through the District. This Zone currently include approximately thirty-four parcels located in three non-contiguous regions of the District for which the properties and developments are not located on streets that have streetscape landscaping nor would the properties be typically accessed by the streets or the portions thereof where these improvement are located. Therefore it has been determined that these properties do not receive special benefits from those particular improvements. The three areas of the District that comprised the parcels within Zone 02 are generally located along Harbour Way South; along Meeker Avenue west of Marina Bay Parkway; and along Seaver Avenue east of Marina Bay Parkway.

A diagram showing the exterior boundaries of the District, the Zones and the location of the improvements is provided in Part IV (District Diagrams).

Land Use Benefit Rationale

While properties within Marina Bay clearly receive special benefits from the District improvements and there are differences in those benefits based on their proximity to various improvements (zones of benefit), the special benefits associated with each parcel also varies with the use of that property (property type). Although some special benefits may be shared by most property types, there are special benefits associated with different land use types. The special benefits that the District improvements provide to various properties in the District include, but are not limited to the following:

Residential Properties

- ❖ Increased sense of pride in property ownership through association with well maintained neighborhood parks, streetscape landscaping and recreational amenities.
- ❖ Improved aesthetic appeal of residential properties and developments that are directly adjacent to and associated with well maintained streetscape landscaping and recreational amenities which provide a positive representation of the surrounding area and desirability to won such properties.
- ❖ Local environmental enhancements to the parcels through proper erosion control, dust and debris monitoring, graffiti abatement and proper maintenance of the various improvements.
- ❖ Direct and immediate access to interconnecting parks and trails that increase health and social opportunities for residents of the properties, and encourage active involvement for families, youth and senior citizens.

- ❖ Enhanced local urban environment for residential properties established by adequately and properly maintained green spaces and landscaping and recreational amenities in close proximity to the property.
- ❖ Reduced property-related crimes (especially vandalism), resulting from well-maintained streetscape landscaping, parks, trails and other public facilities that encourage community awareness and positive youth activities.
- ❖ Increased access and opportunities for the owners of residential property to enjoy the tranquility and beauty of the Bay that is an integral part of their local neighborhood, community and property appeal.

Developed Non-Residential Properties

- ❖ Enhanced local urban environment of the property established by adequately and properly maintained green spaces and landscaping and recreational amenities in close proximity to the property that attracts and helps retain both employees and patrons.
- ❖ Increased sense of pride in property ownership through association with well maintained neighborhood parks, streetscape landscaping and recreational amenities.
- ❖ Heightened local business opportunities resulting from the local recreational improvements and facilities that encourage an active community and demand for products and services in the immediate area.
- ❖ Local environmental enhancements to the parcels through proper erosion control, dust and debris monitoring, graffiti abatement and proper maintenance of the various improvements.
- ❖ Increased opportunities and areas for staff and employees to relax and participate in health and social activities, stimulating the work environment and business growth which are created by the availability of nearby parks, trails and recreational facilities.
- ❖ Reduced property-related crimes (especially vandalism), resulting from well-maintained streetscape landscaping, parks, trails and other public facilities that encourage community awareness and positive youth activities.

Vacant Land

- ❖ Increased access and opportunities to enjoy the tranquility and beauty of the Bay that is an integral part of this local community which in turn enhances development opportunities.
- ❖ Provides established and well-maintained local public amenities that would otherwise be required for the development of property and provides a positive asset for the owner and investors toward development of the property as well as future sale opportunities.
- ❖ Reduced property-related crimes (especially vandalism), resulting from well-maintained streetscape landscaping, parks, trails and other public facilities that encourage community awareness.

Developed Public Property

- ❖ Direct and immediate access to interconnecting parks and trails that enhance or expand the properties existing recreational facilities.
- ❖ Increased opportunities and areas for employees, staff and/or students to relax and participate in health and social activities, stimulating the work and educational environment, created by the availability of nearby parks, trails and recreational facilities.
- ❖ Reduced property-related crimes (especially vandalism), resulting from well-maintained streetscape landscaping, parks, trails and other public facilities that encourage community awareness and positive youth activities.

Special Benefit Proportionality

In addition to the use of Zones, the method of apportionment established for this District to reflect proportional special benefit, utilizes a weighted methodology of apportionment typically referred to as an Equivalent Benefit Unit (EBU). This method of apportionment utilizes the single-family home site as the basic unit of assessment. A parcel identified by the County Assessor as a single-family residential property is assigned one Equivalent Benefit Unit and other property types (land uses) are proportionately weighted (weighted EBU) based on a formula that equates each property's specific characteristics and special benefits to that of the single-family residential unit. This proportional weighting may be based on several considerations that may include, but are not limited to the type of development (land use), development-status (developed versus undeveloped), size of the property (acreage or units), densities or other property related factors including any development restrictions or limitations; as well as the property's location and proximity to the improvements (which is addressed by its Zone designation).

The following outlines the equivalent benefit unit calculations to be applied to various land use classifications to establish each parcel's proportional special benefit compared to other parcels within each respective Zone of the District. Not all classifications are currently found in the District, but may be applicable to future property development.

Single-Family Residential Property — is defined as a fully subdivided residential home site with a single residential unit developed on the property. For purposes of establishing the proportional special benefits and equivalent benefit units for other land uses in this District, the single-family residential land use is designated as the basic unit of assessment and shall be assigned 1.000 EBU per parcel (unit).

Multi-Family Residential Property — is defined as a fully subdivided residential parcel that has more than one residential unit associated with the parcel. (Includes apartments, duplexes, triplexes, etc., but does not include condominiums, town-homes). This designation may also include parcels identified by the County Assessor's Office as mixed use properties for which there is more than one residential unit, but the parcel may also include a non-residential component or unit (However, the parcel's primary use is considered residential).

Although multi-family residential properties receive similar special benefits to that of single-family residential property and a comparative calculation of proportional special benefits is reasonably reflected by the parcel's total number of residential units, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that multi-family residential developments impact public infrastructure at reduced levels compared to a single-family residence, which is reflective of their reduced structure size, people per unit, trip generations and need for many public improvements. Based on these considerations, it is reasonable to conclude that an appropriate weighting of proportional special benefit per unit (compared to a single-family residential) is best represented by the following sliding scale: 0.750 EBU per unit for the first 5 units; plus 0.625 EBU per unit for units 6 through 25; plus 0.500 EBU per unit for units 26 through 50; plus 0.375 EBU per unit for units 51 through 100; plus 0.250 EBU per unit for units 101 or above.

Condominium Property — is defined as a fully subdivided residential condominium or town-home parcel (not typically classified as a detached single-family residential unit). These residential properties may include attached residential properties that have a shared (common) wall or driveway, but each residential unit is assigned a specific Assessor's Parcel Number. These properties are generally part of a multi-unit development for which each condominium parcel shares or has common interest with one or more of the other residential parcels in that development (common areas).

The development attributes of condominiums tend to be a blend of the single-family residential and multi-family residential properties. Like single-family residential properties, condominiums are individual residential units that are privately owned, and tend to be owner occupied with relatively fewer vacancies per unit than multi-family residential properties. However, because this property type usually has a much higher development density (greater number of units per acre) and typically has a reduced population density per unit than single-family residential properties, it is reasonable to conclude that the parcel's proportional special benefit is less than that of a single-family residential property. Conversely, because condominiums are typically owner occupied with relatively fewer vacancies per unit than multi-family residential properties, they in turn have a greater overall need and use of local public improvements per unit than multi-family residential properties.

In consideration of the characteristics discussed above, it has been determined that an appropriate allocation of special benefit for condominiums and similar residential properties is best represented by an assignment of 0.750 EBU per unit and because each parcel typically represents a single residential unit or small group of units that are each privately owned, no adjustment for multiple units is applicable.

Developed Non-Residential Property — is defined as a developed property with identifiable property improvements (buildings, parking lots, etc.) for which the primary use of the property is not considered residential, whether the property is being utilized (occupied) or not. This land use classification includes:

- All types of commercial enterprises including, but not limited to: retail, food services, banks, private recreational facilities, office and professional buildings, hotels or motels;
- All types of industrial uses including, but not limited to, service centers, warehousing, storage facilities, transportation facilities, and manufacturing; and
- Private institutional facilities including, but not limited to, Places of Worship, Day Care Centers, Fraternal Organizations, Private Schools, Hospitals, Convalescent or Retirement Homes, or other similar public service or assembly type properties.

Utilizing trip generation data outlined by the Institute of Transportation Engineers Informational Report, Seventh Edition; developed non-residential properties collectively generate on average approximately four times the daily vehicular trips per acre than the trips generated by a single-family residential property (approximately 9.6 trips per single-family residential unit compared to 42.3 trips per acre for non-residential properties). While the actual trips generated by a property may be greater or less than these averages, it does provide a definable indicator of proportionality between these property types and need for overall public infrastructure. In support of this weighted comparison of benefit, residential developments typically yield approximately four residential units per acre on average, although this density is slightly higher in the Marina Bay area. Collectively this suggests that it is reasonable to assign a weighting factor of 4.000 EBU per acre to non-residential properties to reflect their proportional special benefit compared to a single-family residential property. However, it is reasonable to conclude that there is a limit to the proportional special benefit that any single parcel receives from the improvements. In a review of parcel acreages for developed non-residential properties within Marina Bay, it has been determined that only a small percentage of the parcels are greater than fifteen acres (15.0 acres) and therefore the maximum acreage applied to any one parcel for the calculation of proportional special benefit shall be fifteen acres, which sets the maximum EBU at 60.000 EBU for any one parcel in this land use classification.

Vacant Property — is defined as property that has been identified as undeveloped, but has reasonable development potential (Few or no development restrictions).

In an evaluation of the special benefits associated this land use as compared to that of developed properties it becomes evident that the proportional special benefits associated with vacant property is clearly less than that of developed properties. Although vacant properties certainly derive special benefits from local public improvements, these special benefits are limited to the land (lot) itself while the direct and immediate special benefits for developed properties is interrelated to the owners, residents, employees and others that occupy and utilize those properties. Therefore it has been determined that the Equivalent Benefit Units applied to these properties should be half that of developed properties. Consequently, vacant lands (zoned either as residential or non-residential) shall be assigned an equivalent benefit unit based on 2.000 EBU per acre with the same maximum acreage limit that is applicable to developed non-residential properties (15.0 acres), which represents

a maximum of 30.000 EBU for any one parcel in this land use classification. While the calculation of equivalent benefit units for parcels in this land use classification has no minimum acreage limit, because the County does not typically indicate acreage information on the Assessor's roll for fully subdivided residential lots, all fully subdivided residential parcels shall be assigned 0.500 EBU, which is half the amount assigned to a developed single-family residential parcel.

Developed Public Property — is defined as developed public or government owned property used for public related services or activities, including but not limited to city owned facilities such as community centers, fire and police stations or other city buildings (excluding District improvements such as parks and trails); federal, state or county offices and facilities including but not limited to public schools, state or county offices, US postal service facilities, public utility facilities, or other similar public properties. While many of these properties have the potential to be converted or utilized as commercial or other non-residential enterprises, their purpose and function is specifically for public related services and activities, and it has been determined that their proportional special benefit from other public improvements (the proposed District improvements) is no more than that of a single-family residential property and these properties shall be assigned 1.000 EBU per parcel.

Exempt Parcels — include parcels of land that receive no measurable special benefits from the District improvements and are assigned 0.000 EBU. This land use classification may include, but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility right-of-ways, greenbelts, parkways, parks, trails or other publicly-owned or utility-owned land that are considered part of the District improvements or that serves the community or general public and are not considered or classified as developed public properties;
- Parcels of land that are privately owned, but cannot be developed independently from an adjacent property or is part of a shared interest with other properties, such as common areas, sliver parcels, bifurcated lots or properties with very restrictive development potential or use.

Special Case Property — In many districts where multiple land use classifications are involved, there may be one or more properties that the standard land use classifications do not accurately identify the use and special benefits received from the improvements. The most common reason for identifying a parcel as a Special Case is usually related to property development. Examples of such special cases may include: A parcel that the County identifies as vacant land, but the property is either being developed or has already been developed; A property that would normally be identified as vacant land, but only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel.

Therefore, the Equivalent Benefit Units assigned to Special Case Properties will vary depending on the circumstances and reasons for treating the property as a Special Case. The Equivalent Benefit Unit(s) assigned to each such parcel may be based on adjusted acreage, units or a combination of those factors. The City and/or the assessment engineer tasked with the administration of the District shall annually review each parcel designated as a Special Case Property and based on that review shall make appropriate adjustments to that property's land use and Equivalent Benefit Unit assignment as warranted.

For this Report, one parcel has been identified as a Special Case Property and that property incorporates the entire Marina area. The Marina parcel (APN 560-181-111) is 159.39 acres with 850 berths. While the Marina parcel is largely a commercial enterprise property, it also has a residential use with approximately sixty of the berths currently used as live-aboard berths. In consideration of the live-aboard berths, this parcel has been assigned 60.000 EBU.

The following is a summary of property types and the Equivalent Benefit Unit assignments described above:

Land Use	Benefit Unit Calculations	Total Parcels	Total EBU
Single-Family Residential Property	1.000 per unit	365	365.000
Multi-Family Residential Property	0.750 per unit (units 1-5) 0.625 per unit (units 6-25) 0.500 per unit (units 26-50) 0.375 per unit (units 51-100) 0.250 per unit (units greater than 100)	N/A	N/A
Condominium Property	0.750 per unit	1,792	1,344.000
Developed Non-Residential Property	4.000 per acre Maximum of 60 EBUs	43	623.004
Vacant - Undeveloped Property	2.000 per acre Maximum of 30 EBUs	36	52.854
Vacant Subdivided Residential Lot	0.500 per parcel	156	78.000
Developed Public Property	1.000 per parcel	1	1.000
Exempt Property	0.000 per parcel	155	-
Special Case Property	varied based on circumstances	1	60.000
Total		2,549	2,523.858

Allocation of Improvement Costs

Pursuant to the provisions of the California Constitution, the proportionate special benefit derived by each parcel within the District and its corresponding assessment obligation shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement. The following formulas are used to calculate each parcel's Levy Amount (proportional assessment obligation):

Step 1: Based collectively on the preceding discussion and findings, the estimated annual cost to provide the various District improvements have been identified as either general benefit or special benefit. Those improvement costs determined to be of general benefit shall not be assessed to properties within the District (as previously noted, 30% of the annual direct maintenance costs have been identified as General Benefit). In addition to the General Benefit costs, the City shall annually contribute funds representing approximately twelve percent (12%) of the total annual costs and expenses in support of the District improvements. Collectively, the City's total annual contribution (general benefit and additional support) will be forty-two percent (42%) of the annual budgeted (excluding funds collected for reserves). These general benefit and additional City support contributions from the City (referred to collectively in the budget as "Total City Allocation"), shall be deducted from the total annual costs budgeted to establish the improvement costs to be levied as special benefit costs each year.

$$\text{Total Budget} - \text{Total City Allocation} = \text{Total Special Benefit Costs}$$

Step 2: Those improvement costs allocated as special benefit costs (referred to in the budget as "Total Property Allocation"), are apportioned to each of the two Zones in proportion to the cost of providing the various improvements for that Zone. As previously noted, it has been determined that properties within Zone 02 do not receive special benefits from local streetscape landscaping and these costs are not allocated to that Zone.

$$\text{Zone Specific Special Benefit Costs} = \text{Total Zone Budget}$$

Step 3: Each parcel's proportional special benefit is calculated based on the Equivalent Benefit Unit rationale previously discussed:

$$\text{Parcel's Land Use Benefit} \times (\text{Acreage or Units}) = \text{Parcel's EBU}$$

Step 4: The total number of Equivalent Benefit Units for the District and each Zone therein is determined by the sum of all individual EBU(s) applied to parcels that receive a special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for each Zone is established by taking the Balance to Levy in that Zone, and dividing that amount by the total number of EBU(s) for that Zone.

$$\text{Total Balance to Levy} / \text{Total EBU} = \text{Assessment Rate (Calculated for each Zone)}$$

Step 5: This Assessment Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation.

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

The budget that establishes the proposed maximum assessment rate for Fiscal Year 2009/2010 in each Zone is outlined in Section III (District Budget) of this Report. While it is anticipated that the budgeted costs for various improvements and services will fluctuate from year to year, the percentage allocations between the City's total contribution and the

amount assessed to property owners within the District for the various improvements and activities shall remain substantially the same as those described in the preceding (42% of the "Total Annual Costs and Expenses" being funded by the City and 58% of those costs being funded proportionately by the property owners within the District). Adjustments in the annual assessments to property owners within the District resulting from increases or decreases in expenses (excluding reserve funding) shall have like adjustments to the City's contributions based on the percentages outlined in this Report.

Assessment Range Formula

Pursuant to the California Constitution Article XIIIID, the imposition of any new or increased assessment requires certain noticing and meeting requirements. Prior to the passage of Proposition 218 (Now Articles XIIIIC and XIIIID of the California Constitution), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed."

As part of this District formation and establishment of annual assessments to fund the ongoing operation, maintenance and servicing of those improvements, the proposed assessments submitted to the property owners of record shall include an annual inflationary adjustment referred to as an Assessment Range Formula. The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment that are inevitably associated with providing such improvements and activities, thereby reducing the need for additional noticing and mailing procedures simply because of inflationary factors. This Assessment Range Formula is defined by the following:

The "Proposed Maximum Rates" for this District as presented in this Report for Fiscal Year 2009/2010 shall be annually adjusted by three percent (3%) to establish the new Maximum Assessment Rates authorized for the District each fiscal year. (These new rates may be referred to as Adjusted Maximum Assessment Rates). This 3% adjustment is based on historical inflationary adjustments and is slightly less than the average annual percentage change in the Consumer Price Index (CPI) identified by the U.S. Department of Labor; Bureau of Labor Statistics for "All Urban Consumers" in the San Francisco-Oakland-San Jose Area over the past twenty years.

Beginning in the District's second fiscal year (Fiscal Year 2010/2011) and each fiscal year thereafter, the Maximum Assessment Rates will be recalculated and new Adjusted Maximum Assessment Rates will be established for the fiscal year utilizing the Assessment Range Formula described above. The Adjusted Maximum Assessment Rates shall be calculated independently of the District's annual budget and proposed assessments. Any proposed annual assessment (Rate per EBU) less than or equal to the Adjusted Maximum Assessment Rate for each respective Zone shall not be considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIIIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners, through the balloting process, must approve such a new or increased assessment before that new or increased assessment may be imposed.

Part III — District Budget

The District budget identifies an estimate of anticipated annual expenses associated with the ongoing operation, maintenance and servicing of the District improvements determined to be of special benefit as outlined in the previous sections of this Report.

The budget on the following page presents the overall estimated annual cost to provide the various District improvements, that portion of the costs that are considered to be general benefit, supported by additional City funding and the costs to be assessed against properties in the District as special benefit. The budget also identifies the proportional allocation of those special benefit costs to the two Zones in the District to establish the proposed initial maximum assessment rates to be applied to the various parcels within each Zone. (Initial Maximum Assessment per EBU (Rates) and Proposed Assessment Rates for Fiscal Year 2009/2010).

While it is anticipated that the budgeted costs for various improvements and services will fluctuate from year to year, the percentage allocations between the City's total contribution and the amount assessed to property owners within the District for the various improvements and activities shall remain substantially the same as those described in the method of apportionment (42% of the "Total Annual Costs and Expenses" being funded by the City and 58% of those costs being funded proportionately by the property owners within the District). Adjustments in the annual assessments to property owners within the District resulting from increases or decreases in expenses (excluding reserve funding) shall have like adjustments to the City's contributions based on the percentages outlined in this Report. At a minimum, (per the contribution shown in the following budget) the City shall contribute \$303,305 towards the "Total Annual Costs and Expenses" budgeted each fiscal year. However, any surpluses revenues from the previous fiscal year shall be credited proportionately to both the City's annual contribution and the proposed assessments on properties within the District based on the 42% and 58% split.

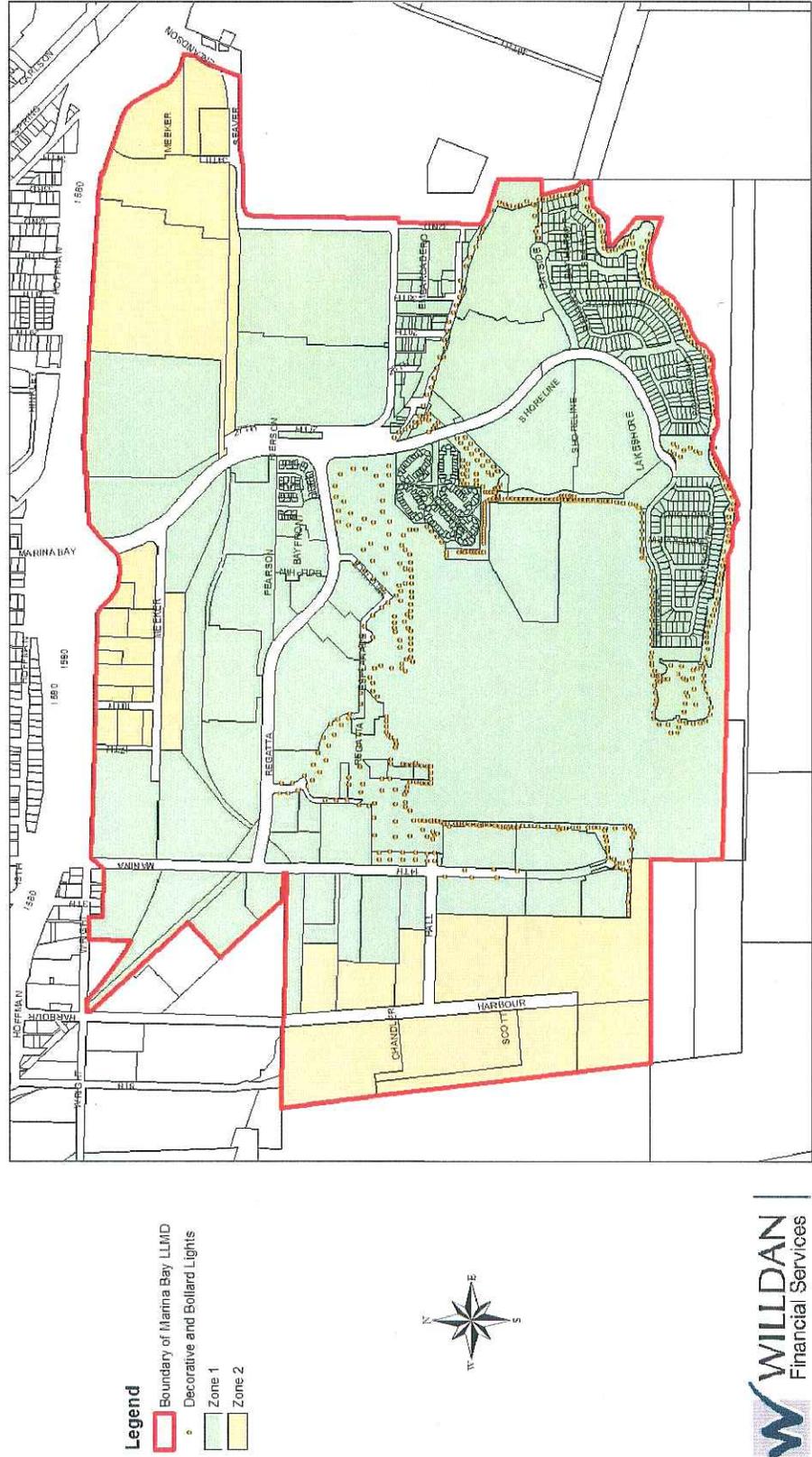
BUDGET ITEM	Total Budget	General Benefit	Additional City Support	Total City Allocation	Total Property Allocation (Special Benefit)	Zone 01 Annual Budget (Max Rate)	Zone 2 Annual Budget (Max Rate)
ANNUAL MAINTENANCE (DIRECT COSTS)							
Streetscape Maintenance	48,745	14,622	-	14,622	34,121	34,121	-
Trail Maintenance	153,295	45,989	15,330	61,319	91,976	82,944	9,032
Park Maintenance	228,742	68,623	22,874	91,497	137,245	123,767	13,478
Decorative and Bollard Lighting Maintenance	44,823	13,447	-	13,447	31,376	28,295	3,081
Electricity	44,694	13,408	6,703	20,111	24,583	22,169	2,414
Water	78,410	23,523	31,365	54,888	23,522	21,493	2,029
Total Annual Direct Maintenance Costs	598,707	179,612	76,272	255,884	342,823	312,789	30,034
ADMINISTRATION							
City Administration Expenses	68,840	-	34,420	34,420	34,420	31,040	3,380
County Administration Fee	2,069	-	-	-	2,069	1,866	203
Total Annual District Administration	70,909	-	34,420	34,420	36,489	32,905	3,583
REPAIRS/REHABILITATION (CIP)							
Streetscape Repairs/Rehabilitation	7,467	-	1,867	1,867	5,600	5,600	-
Trail Repairs/Rehabilitation	16,067	-	4,017	4,017	12,050	10,867	1,183
Park Repairs/Rehabilitation	23,540	-	5,886	5,886	17,654	15,920	1,734
Decorative and Bollard Lighting Repairs/Rehabilitation	4,922	-	1,231	1,231	3,691	3,329	362
Total Annual Repairs/Rehabilitation	51,996	-	13,001	13,001	38,995	35,716	3,279
Total Annual Costs and Expenses	721,612	179,612	123,693	303,305	418,307	381,410	36,897
LEVY ADJUSTMENTS							
Reserve Fund Collection	43,608	-	-	-	43,608	39,762	3,846
General Benefit (City Contribution)	(179,612)	(179,612)	-	(179,612)	-	-	-
Revenues from Other Sources (City Contribution)	(123,693)	-	(123,693)	(123,693)	-	-	-
Total Levy Adjustments	(259,697)	(179,612)	(123,693)	(303,305)	43,608	39,762	3,846
BALANCE TO LEVY	\$ 461,915	\$ -	\$ -	\$ -	\$ 461,915	\$ 421,172	\$ 40,743
DISTRICT ASSESSMENTS							
Total Parcels					2,549	2,516	33
Parcels Levied					2,394	2,367	27
Total EBU					2,523,858	2,276,012	247,846
Calculated Levy per EBU					\$185.04	\$185.04	\$164.38
Initial Maximum Assessment per EBU (Rates) (Proposed Assessment Rates for Fiscal Year 2009/2010)					\$186.00	\$186.00	\$165.00
Amount Balloted					\$464,232.88	\$423,338.20	\$40,894.68

Part IV — District Diagrams

The parcels within the District generally consist of the lots, parcels and subdivisions of land within the area of the City known as Marina Bay. The following District Diagrams are based on the Contra Costa County Assessor's Maps and the Contra Costa County Assessor's information that existed at the time this Report was prepared. The combination of the Boundary Diagram and the Assessment Roll contained in Part V of this Report; collectively constitute the District's Assessment Diagram.

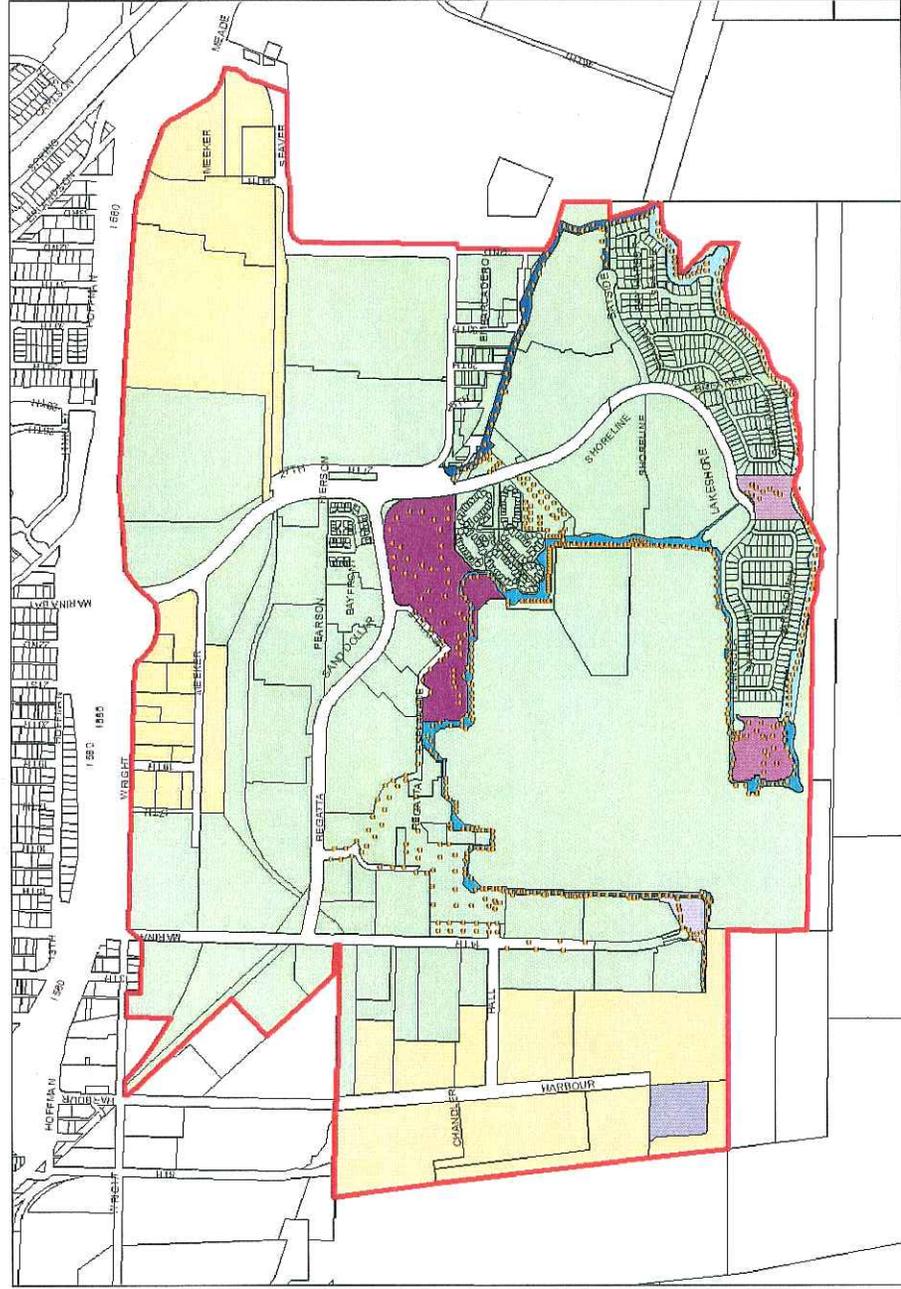
Decorative and Bollard Lighting Diagram

City of Richmond Marina Bay Landscaping and Lighting Maintenance District (Decorative and Bollard Lighting Diagram)

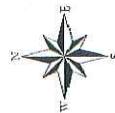


Parks and Trails Diagram

City of Richmond Marina Bay Landscaping and Lighting Maintenance District (Parks and Trails Diagram)



- Legend**
- Bay Trail Bay Front
 - Bay Trail Esplanade
 - Bay Trail Slough
 - Boundary Line of Marina Bay LUMD
 - Decorative and Bollard Lights
 - Lucretia Edwards Park
 - Marina Park and Green
 - Sheridan Point Park
 - Shimada Park
 - Vincent Park
 - Zone 1
 - Zone 2



Part V — Assessment Roll

Parcel identification for each lot or parcel within the District is based on the District Diagrams presented herein and available parcel maps and property data from the Contra Costa County Assessor's Office at the time this Report was prepared. A listing of the parcels to be assessed within this District along with the assessment amounts are provided herein.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rates described in this Report as approved by the City Council rather than a proportionate share of the original assessment.

The following is a list of the parcels and proposed assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment previously described.