

COUNTY OF VENTURA

Oak View School Preservation and Maintenance District

ENGINEER'S REPORT

Fiscal Year 2002-03

May 2002

(Pursuant to the Landscaping and Lighting Act of 1972
and Article XIID of the California Constitution)

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**COUNTY OF VENTURA
OAK VIEW SCHOOL PRESERVATION AND MAINTENANCE DISTRICT**

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I. INTRODUCTION

This Engineer's Report ("Report") was prepared to establish the budget for acquisition, improvement and maintenance of the Oak View School site that would be funded by the proposed 2002-03 assessments, determine the benefits received from the assessments and the method of assessment apportionment to lots and parcels within the Oak View area. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the *California Streets and Highways Code* (the "Act") and Article XIII D of the California Constitution (the "Article"). For a more complete description of the Act and the Article, please refer to Appendix A and Appendix B.

Following submittal of this Report to the County Board of Supervisors (the "Board") for preliminary approval, the Board may, by Resolution, call for an assessment ballot proceeding, and Public Hearing on the proposed establishment of the assessments for park maintenance and recreation improvements.

If the Board approves such Resolution, a notice of assessment and assessment ballot would be mailed to all property owners within the boundaries of the proposed Oak View School Preservation and Maintenance District (the "District"). Such notice would include a description of the proposed assessments as well as an explanation of the method of voting on the assessments. Each notice would also include a detachable postage prepaid ballot on which the property owner could mark his or her approval or disapproval of the proposed assessments.

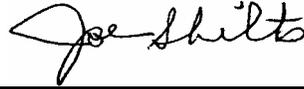
After the ballots are mailed to property owners in the Oak View area, a minimum 45-day time period must be provided for the return of the assessment ballots. Following this 45 day time period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed assessments. This hearing is currently scheduled for July 16, 2002. At this hearing, the public would have the opportunity to speak on this issue and tabulation of ballots can commence after the conclusion of the hearing. The tabulation will be performed by Assistance Plus, an independent ballot tabulation firm. The results of the balloting are scheduled to be presented at the Board meeting on July 23, 2002.

If it is determined at the July 23rd Board meeting that the assessment ballots submitted in opposition to the proposed assessments do not exceed the assessment ballots submitted in favor of the assessments (weighted by the proportional financial obligation of the property for which ballots are submitted) the Board may take action to approve the levy of the assessments for fiscal year 2002-03. If the assessments are so confirmed and approved, the levies would be submitted to the County Auditor/Controller for inclusion on the property tax roll for Fiscal Year 2002-03.

**COUNTY OF VENTURA
OAK VIEW SCHOOL PRESERVATION AND MAINTENANCE DISTRICT**

II. CERTIFICATES

1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the Ventura County Board of Supervisors adopted on April 23, 2002.



Engineer of Work, License No. C14084

2. I, the Clerk of the Ventura County Board of Supervisors, County of Ventura, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on _____, 2002.

Clerk of the Board

3. I, the Clerk of the Ventura County Board of Supervisors, County of Ventura, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the Board on _____, 2002, by Resolution No. _____.

Clerk of the Board

4. I, the Clerk of the Ventura County Board of Supervisors, County of Ventura, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of Ventura, California, on _____, 2002.

Clerk of the Board

5. I, the County Auditor of the County of Ventura, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2002-03 was filed with me on _____, 2002.

County Auditor, County of Ventura

III. PLANS & SPECIFICATIONS

The work and improvements proposed to be undertaken by County of Ventura's Oak View School Preservation and Maintenance District (the "District") and the cost thereof, including any debt service on bonds, lease payments or other indebtedness issued for the work and improvements, paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the "Act") the work and improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, including, but not limited to acquisition of the Oak View School site, improvement and maintenance of facilities and improvements, playing fields, playground equipment, hard court surfaces, buildings, facilities, irrigation and sprinkler systems, landscaping, turf facilities, as applicable, for property within the District owned, maintained or acquired by the County of Ventura. Installation means the construction or reconstruction of recreational improvements, buildings and facilities, including, but not limited to, land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, recreational facilities, public facilities and public restrooms, as well as debt service, issuance costs and other expenses associated with the issuance and administration of bonds, certificates of participation or other financing for the improvements. Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of said improvements, including repair, removal, or replacement of all or part of any improvement; providing for the life, growth, health and beauty of landscaping; and cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti. Servicing means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements. Any plans and specifications for these improvements will be filed with the County of Ventura and are incorporated herein by reference.

IV. FISCAL YEAR 2002-03 ESTIMATE OF COST AND BUDGET

A. Summary of Improvement Plans

The budget to be financed from the District assessments will provide funding primarily to acquire and maintain the Oak View School site (the "Site"). If additional revenues are procured from other sources, or the future revenues from the District allow, additional improvements on the site may be funded.

1. Oak View Site Acquisition and Improvement Summary

The District budget would provide funding for the purchase the Oak View School Site, the proposed demolition of antiquated facilities, the old library building, and a restroom building, repair, replacement and / or weatherproofing of existing buildings, walkway and other ADA improvements, replacement or repair of damaged windows as necessary, and other common area site improvements including outdoor lighting, tree trimming and surface repair of the parking lot along Mahoney Street. The total estimated cost for these improvements and site acquisition is estimated to be between \$2.0 million and \$2.4 million. Other revenue sources that would be added to the budget include approximately \$496,000 from Proposition 12 Park Bond proceeds, \$120,000 from the sale of two excess lots on the site. In addition, other revenues may be procured for additional improvements to public facilities on the site.

The preliminary budget for fiscal year 2002-03 results in a net amount allocated to parcels of \$143,899. The notice and ballot for the proposed assessments will indicate that the assessments would be continued in future years and would include an annual adjustment tied to the annual change in the Consumer Price Index for the Los Angeles Area as of January of each succeeding year, with the maximum annual adjustment not to exceed 3%. These funds would be used to fund the acquisition of the Site, the maintenance of the grounds and facilities on the site and some improvements to the buildings and facilities. If additional revenue sources are identified, additional improvements and maintenance services may be provided in fiscal year 2002-03, or future years.

B. Budget for Fiscal Year 2002-03

The following budget lists the scope of work that would be funded by the District in Fiscal Year 2002-03, if the proposed assessments are approved by property owners in the ballot proceeding and confirmed by the County of Ventura Board of Supervisors.

Table 1 - Estimate of Cost, FY 2002-03

Oak View School Preservation and Maintenance District

	<i>F.Y. 2002-03</i>
	<i>Budget</i>
Beginning Reserve Fund Balance, July 02	\$0
Installation, Maintenance & Servicing Costs	
Acquisition and Improvement Expenditures ¹	\$92,000
Maintenance and Operation ²	\$45,000
	<hr/>
Totals for Installation, Maintenance and Servicing	\$137,000
Incidental Costs	
Collection and Administration	\$860
Allowance for Uncollectible Assessments	<hr/> \$2,000
Subtotals - Incidentals	\$2,860
Contribution to/(from) Reserve Fund/Improvement Fund ³	\$4,039
	<hr/>
Total Preservation and Maintenance District Budget (Net Amount to be Assessed)	<hr/> \$143,899

Budget Allocation to Property

	<u>SFF Units</u>	<u>Budget *</u>	<u>Rate per SFF</u>
Zone A	2,334.42	\$114,386.58	\$49.00
Zone B	955.54	\$23,410.73	\$24.50
Zone C	249.05	\$6,101.73	\$24.50
Total District		\$143,899.04	

Note:

* All assessments are rounded to the penny. Therefore, the budget amount may slightly differ from the assessment rate.

Note to Estimate of Cost:

1. The initial year 12-month expenditure for fiscal year 2002-03 for the acquisition and improvement of the Site to be used for payment of lease obligations from a Certificate of Participation issue or other bonds or debt payments is estimated to be \$100,000. The earliest date that such acquisition and improvement obligations could commence is August 2002, so the budget includes the proportional 11-month amount.
2. Funds available for the maintenance and operation of the Site. Since the full level of maintenance and servicing of the Site should not commence until several months into the fiscal year, any unused maintenance and operation proceeds could be deposited in the reserve fund, or could be reallocated to Acquisition and Improvement Expenditures.
3. The Act stipulates that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, July 1, must be carried over to the next fiscal year. The District may also establish a reserve fund for contingencies and special projects as well as a capital improvement fund for accumulating funds for larger capital improvement projects or capital renovation needs. The reserve fund amounts shown in this budget could be used for the acquisition and improvement costs or maintenance and operation costs for this fiscal year, or they could be reserved for future fiscal years. Any remaining balance in the installation, maintenance and servicing budget could either be placed in the reserve fund, or could be used to reduce future years' assessments.

V. METHOD OF APPORTIONMENT

A. Method of Apportionment

This section of the Engineer's Report includes an explanation of the benefits to be derived from the installation, maintenance and servicing of the Oak View School Site, and the methodology used to apportion the total assessment to properties within the District.

The District consists of all Assessor Parcels within the boundaries of the attached Assessment Diagram. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the installation, maintenance and servicing of improvements to be funded by the assessments, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

B. Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the County's recreational facilities or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"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."

"The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) [of the Streets and Highways Code, State of California]."

Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIII A of the California Constitution.

Seven benefit categories have been established that represent the types of special benefit to residential, commercial, industrial, institutional and other lots and parcels resulting from the installation, maintenance and servicing of parks and recreation improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies, which describe the types of special benefit received by property from acquisition, maintenance and improvements such as those proposed by the District. These types of special benefit are summarized as follows:

- Enhanced recreational opportunities and expanded access to recreational facilities for all residents throughout the Oak View community.

Residential properties benefit from the enhanced recreational opportunities offered by the improvements and maintenance services that would be funded with the assessments. These include a new public parks and recreational facilities. These park facilities will be available to residents and guests of property owners within Oak View, thereby making these properties in the District more valuable.

Non-residential properties also will benefit from the improved park facilities in many ways. Employees will have better and well-maintained recreational facilities to utilize for exercise, recreational activities, sporting events, picnics, company gatherings or other uses. These improvements, therefore, enhance an employer's ability to attract and keep quality employees. The benefits to employers ultimately flow to the property because better employees improve the business prospects for companies and enhanced economic conditions benefit the property by making it more valuable.

In "Trends: Parks, Practice and Program" by Love, L. and Crompton, J. (1993) the authors found that:

"The provision of parks and recreation services play an influential role in a community's economic development efforts. When companies choose to set up business or relocate, the availability of recreation, parks and open space is high on the priority list for site selection. Recreation and parks have a significant influence on people's preferred living locations."

All properties will benefit from the assessments that will be used to that public recreational facilities are expanded, well maintained and safe.

- Protection of views, scenery and other resources values and environmental benefits enjoyed by residents, employees, customers and guests and the preservation of public assets within Oak View.

The proposed District will provide funding to acquire, maintain and improve the public resources and facilities of Oak View. For example, the assessments will provide funding to remove graffiti from Site facilities, to keep Oak View School site park grounds clean with consistent trash removal and to adequately maintain the grounds and facilities so that turf areas remain green and health.

With regard to the environmental benefits of parks and the public vegetation they support, the Florida Department of Natural Resources found that:

"In a City environment, every tree is worth \$275 in benefits each year due to reductions in air-conditioning costs, erosion control, wildlife protection, and air pollution control."

Further, the American Forestry Association found that:

"The average economic contribution of a single tree is \$73 in energy conservation, \$75 for erosion control, \$75 for wildlife shelter, and \$50 for air pollution benefits. Over its lifetime, an average tree provides more than \$57,000 in environmental and economic benefits."

"Other studies show that the carbon dioxide emitted into the atmosphere by burning fossil fuels (cars and power plants are the worst offenders) are absorbed by a single mature tree at the rate of 48 pounds a year. This same tree releases enough oxygen to support two human beings."

These benefits ultimately accrue to properties because properties are more desirable in areas that offer environmental and economic benefits. This benefits properties by maintaining and improving the aesthetics and attractiveness of public resources in the community, as well as ensuring that such resources remain useable and well maintained.

- Increased economic activity.

Well-maintained, expanded and improved park facilities will allow for expansion of recreation programs and increased use of the facilities. Expanded use and activities facilitated by new and refurbished facilities brings greater numbers of people in the area who can utilize the services of businesses within the District. The users of Oak View's recreational facilities will be more likely to shop and eat locally. Increased use leads to increased economic activity in the area, which is a benefit ultimately to residential, commercial, industrial and institutional property.

"California's public parks generate more than \$35 million annually from businesses for local events. Visitors to public parks and outdoor recreation areas support approximately 235,000 jobs in California's economy." (California Park and Recreation Society)

- Expanded employment opportunity.

Improved recreational facilities and public resources foster business growth, which, in turn, creates additional employment opportunities for Oak View residents. In addition, the assessments expand local employment opportunities by funding new projects that may create the need for additional construction or maintenance jobs.

Improved and well-maintained recreational facilities also provide business properties with an opportunity to attract and keep employees due to the benefits provided by these recreational facilities.

The California Park and Recreation Society, in 1997 found that:

"Recreation and park amenities are central components in establishing the quality of life in a community, [business'] main resource is their employees for whom quality of life is an important issue. The availability and attractiveness of local parks and programs influences some companies relocation decisions and the presence of a park encourages real estate development around it."

- Reduced cost of local government in law enforcement, public health care, fire prevention and natural disaster response.

Improved recreational facilities allow residents and employees in the District to enjoy activities close to home, thereby not spending time driving to other areas.

Improved and well-maintained recreational facilities can also serve to improve public safety and reduce the cost to local government by providing a healthy alternative for youth and adult activities. Studies have shown that adequate park and recreation facilities and recreation programs help to reduce crime and vandalism.

"The Phoenix (AZ) Parks, Recreation and Library Department (1994), when expanding its late night/weekend activities over the summer months, found that such programs result in a 52% reduction in juvenile crime. Such programs were provided at a cost of 74 cents per person whereas the cost to incarcerate one teen for one year is \$38,000."

"It is estimated that every additional mile walked by a sedentary person adds 20 minutes to the person's life and saves society 34 cents in medical and related costs. (RAND Corporation, 1993)"

"Exercise derived from recreational activities lessens health related problems and subsequent health care costs. Every year, premature deaths cost American companies an estimated 132 million lost work days at a price tag of \$25 billion. Finding and training replacements costs industry more than \$700 million each year. In addition, American businesses lose an estimated \$3 billion every year because of employee health problems (National Park Service, 1983)."

"As the federal government struggles to trim the nation's health-care costs it cannot afford to ignore relatively inexpensive environmental changes that may foster health in millions of Americans for years to come." (The Case for Urban Open Space. Poole, William. 1993)

All of these factors ultimately benefit property by making the community more desirable and property, in turn, more valuable.

- Enhanced quality of life and desirability of the area.

The assessments will provide funding to expand and improve the District's public recreational facilities and to ensure that the recreation facilities remain operable, safe, and well maintained. Such improved and well-maintained grounds and facilities enhance the overall quality of life and desirability of the area. This is a benefit to residential, commercial, industrial and other properties.

Further, the improved park and recreation facilities will enhance the quality of life in specific ways:

"Without the cooling and moderating effect of trees and green-spaces in our urban environments, urban areas grow hotter and dryer - a heat island effect. Approximately 5 to 10 percent of the current electric demand in cities is spent to cool buildings just to compensate for the heat island effect. In Los Angeles this translates to \$150,000 per hour and in Washington, DC, close to \$40,000 per hour during peak times. Nationally the hourly cost may be as high as \$1 million." (Rodbell, Phillip, Greg McPherson and Jim Geiger. 1991. "Planting the Urban Desert." Urban Forests, June/July.)

Having a well-maintained and improved neighborhood park serves as an important environmental feature for which the community of Oak View will be known. This, in turn,

makes Oak View a more attractive and desirable place to live and to locate new businesses by improving overall quality of the community, providing pleasant places for residents to enjoy, and increasing recreational opportunities.

- Specific enhancement of property values.

The above benefit factors, when applied to property in Oak View, create specific enhancement of property values. For example, the assessments will provide funding to expand and improve the District's public recreational facilities, grounds and play areas and to ensure that the grounds and facilities remain operable, safe, clean and well maintained. In turn, property values are specifically enhanced by the availability of improved, safe and well-maintained recreation facilities and public resources within a community. Values of commercial and industrial property increase based on these same elements and the enhanced economic activity derived from quality of public resources in the area.

The correlation between enhanced property values and improved and well-maintained recreational facilities has been documented. The United States Department of the Interior, National Park Service determined that:

"An investment in parks and recreation helps reduce pollution and noise, makes communities more livable, and increases property value. Parks and recreation stimulate business and generate tax revenues. Parks and recreation help conserve land, energy and resources. Public recreation benefits all employers by providing continuing opportunities to maintain a level of fitness throughout one's working life, and through helping individuals cope with the stress of a fast-paced and demanding life."

Additionally, the National Recreation and Park Association, in June 1985, stated:

"The recreation value is realized as a rise in the value of land and other property in or near the recreation area, and is of both private interest to the landowner and others, holding an economic stake in the area, and of public interest to the taxpayers, who have a stake in a maximum of total assessed values."

Moreover, the Supreme Court of California and the United States Supreme Court have found that improved and well-maintained park facilities confer special benefits to property by enhancing property values. In Knox v. City of Orland,⁴ Cal.4th 132, 143 (1993) the Supreme Court of California found that:

"Plaintiff's basic argument that a special assessment is never appropriate to fund park improvements is unconvincing. Significantly, plaintiff's attempt to differentiate between street lights, sewers, sidewalks and flood control as constituting proper subjects for special assessment, and public parks as matters of such a general nature as to not justify a special assessment, is virtually identical to an argument rejected nearly a century ago by the United States Supreme Court in Wilson v. Lambert."

In Wilson v. Lambert (1898) 168 U.S. 611, 616 [42 L.Ed. 599, 601, 18S.Ct.217] the United States Supreme Court stated:

"The residents and property holders in the District of Columbia must be regarded as coming within the class of beneficiaries; and, so far from being injured by the declaration that the park shall also have national character, it is apparent that thereby the welfare of the inhabitants of the

District will be promoted. Whatever tends to increase the attractiveness of the city of Washington, as a place of permanent or temporary residence, will operate to enhance the value of private property situated therein or adjacent thereto.”

In addition, professional property appraisers and instructional books on the subject find that well-maintained public recreational grounds and facilities enhance property values in a community.

“In Boise, Idaho, over \$10 million has been invested into a greenbelt: the appraised value of undeveloped land near that greenbelt average an estimated 2-to-2.5 times higher than it would without the greenbelt.

A 1993 study in Greeley, Colorado suggests that homes located close to quality recreation facilities sold for 8 to 10 percent higher than other homes.”

The cost of improving and maintaining the parks and recreation facilities for use and enjoyment by property owners, residents, employees, and customers in the District is a special benefit to property in the District because the improvements and maintenance services confer the special benefits described above. The assessments provide special benefits to the community by supporting a higher level of park maintenance, recreation facilities and public improvements than would otherwise be provided. These special benefits ultimately flow to property by specifically enhancing property values in the community.

C. General versus Special Benefit

The cost of improving and maintaining the grounds and facilities for use and enjoyment by property owners, residents, employees, and customers in the Oak View area is a special benefit to property in Oak View because the improvements and maintenance confer the special benefit factors described above. In absence of the assessments, the Oak View School Site would not be acquired, improved and maintained as a public resource. Therefore, the assessments provide special benefits to properties in the District by creating a higher level of public resources than would otherwise be provided.

A measure of this general benefit is the proportionate amount of time that the Site may be used and enjoyed by individuals who are not residents, employees, customers or property owners in the District¹. A survey of such usage conducted by Shilts Consultants, Inc. found that less than 8% of the Site usage is by those who do not live or work within District boundaries.² Therefore, 7% of the benefits conferred by the proposed acquisition, maintenance and improvements are determined to be general in

¹ . When District facilities are used by those individuals, the facilities are not providing benefit to property within the District. Such use under these circumstances is a measure of general benefit. For example, a non-resident who is drawn to utilize the District facilities and shops at local businesses while in the area would provide special benefit to business properties as a result of his or her use of the improvements. Conversely, someone who uses District facilities but does not reside, work, shop or own property within the District boundaries does not provide special benefits to any property and is considered to be a measure of the general benefits.

² . A total of 139 park users were surveyed on different days and times between the months of January 2002 and April 2002. 10 respondents (7%) indicated that they did not reside or work within the District (Oak View area).

nature and must be funded by sources other than the assessment. (It should be noted, however, that benefit factors such as protection of resource values, reduced cost of local government and specifically enhanced property values are conferred to property in the District regardless of the use of the parks and facilities. Therefore, this measure of general benefits is conservative because many special benefit factors are not related to usage by the greater public.)

The District's current total estimated budget for the acquisition, maintenance and improvement of the Oak View School site is \$2.0 million. Of this total budget amount, the estimated amount of \$616,000 will be funded from sources other than the assessments. This contribution equates to approximately 31% of the total budget for maintenance and improvements and constitutes significantly more than the amount attributable to the general benefits.

D. Method of Assessment

The second step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a single family home on one parcel. In this case, the "benchmark" property is the single family detached dwelling which is one Single Family Equivalent or one SFE.

E. Zones of Benefit

Oak View School is centrally located within District at 555 Mahoney Avenue, Oak View. The outlying, areas of the District are generally less proximate to the Oak View School facilities. Therefore, these areas receive relatively lesser special benefits from the assessments than properties located more proximate to the Oak View School Site. These areas of lesser benefit are generally defined to include all parcels within District boundaries that are located outside the 93022 zip code, hereinafter referred to as Zone of Benefit Zone B, and the southern section generally known as the Casitas Springs and hereinafter referred to as Zone of Benefit Zone C. All parcels within Oak View or within the unincorporated areas described as Oak View are classified into Zone of Benefit A or Zone A. Boundaries for the District and all Zones of Benefit are depicted on the Assessment Diagram included with this Report.

Relative proximity and access to the Oak View School site is a measure of the level of special benefit conferred by the assessments. Parcels in Zone B and Zone C are, on average, approximately two times farther removed from the Oak View School site as those within Zone A; therefore these properties are determined to receive 1/2 (50%) the level of benefit as those within Zone A.

The summary of parcels and assessments by Zone of Benefit is listed in the following table.

Table 2 - Summary of Parcels and Assessments by Zone of Benefit

Zones of Benefit	A	B	C	Total
Total Parcels	2,349	1,064	246	3,659
SFE Units (Unadjusted for Weighting)	2,334.42	955.54	249.05	3,539.01
Benefit Adjustment Factor	100%	50%	50%	
Assessment Rate Per SFE	\$49.00	\$24.50	\$24.50	
Total Assessment	\$114,386.58	\$23,410.73	\$6,101.73	\$143,899.04

The Zones of Benefit are shown on the Assessment Diagram and are listed for each parcel on the Assessment Roll.

F. Assessment Apportionment

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, an assessment only for all residential improved property was considered but was determined to be inappropriate because commercial, industrial and other properties also receive benefits from the assessments.

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that would benefit from well maintained and improved parks and recreational facilities. This benefit ultimately flows to the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

As stated previously, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner's use of the improvements, or a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who value the special benefits described above, use and enjoy the community's park and recreational facilities, and control property values by placing a value on the special benefits to be provided by the improvements.³ In other words, the benefits

³ . In essence, when property owners are deciding how to cast their ballot for a proposed assessment, each property owner must weigh the perceived value of the improvements and services proposed with the cost of the assessment for their property. If property owners of a certain type of property are either opposed to or in support of the assessment in much greater percentages than owners of other property types, this is an indication that the apportionment of benefit (and assessments) was too high or too low for that property type. In other words, property owners, by their balloting, ultimately indicate if they support or oppose the proposed assessment and if the proposed assessment for their property is consistent with the opinion of the relative benefit to their property and relative to owners of other types of property (the benefit apportionment).

derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is an indicator of the relative level of benefit received by a property.

The Engineer determined that the appropriate method of assessment should be based on the type of property, the location of the property, the relative size of the property and the potential use of property by residents and employees. This method is further described below.

1. Residential Properties

All improved residential properties that represent a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses and townhomes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. The population density factors for the City of Ojai are deemed to be reflective of Oak View, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain property type in the area of the City of Ojai from the 1990 Census and dividing it by the total number of such households, finds that approximately 2.74 persons occupy each single family residence, whereas an average of 1.75 persons occupy each multi-family residence. Using the ratio of one SFE for each single-family residence, which equates to one SFE for every 2.74 persons, SFE would equate to one multi-family unit or 0.64 SFE for every 1.75 residents. Likewise, each condominium unit receives 0.75 SFE and each mobile home receives 0.73 SFE.

Table 3 - Residential Density and Assessment Factors

	Total Population	Occupied Households	Persons per Household	SFE Factor
Single Family Residential	5,751	2,097	2.74	1.00
Condominium	497	243	2.05	0.75
Multi-Family Residential	998	571	1.75	0.64
Mobile Home on Separate Lot	14	7	2.00	0.73

Source: 1990 Census, County of Ventura

The single family equivalency factor of per dwelling unit for multifamily residential properties applies to such properties with 20 or fewer units. Properties in excess of 20 units typically offer on-site recreational amenities and other facilities that tend to offset some of the benefits provided by the improvements. Moreover, the Engineer's experience with property owners of larger multifamily units has consistently found these owners place a lower level of benefit per dwelling unit to their property from the

proposed improvements relative to owners of single family residences. Therefore the benefit for properties in excess of 20 units is determined to be SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

2. Commercial/Industrial Properties

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single family residential property and the average commercial/industrial property. The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously are also related to the average number of people who work at commercial/industrial properties.

In order to determine employee density factors, the findings from the San Diego Association of Governments Traffic Generators Study (the "SANDAG Study") are used because these findings were approved by the State Legislature as being a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24.

In comparison, the average number of people residing in a single family home in the area is 2.74. Since the average lot size for a single family home in the District is approximately 0.32 acres, the average number of residents per acre of residential property is 8.57.

The employee density per acre is generally 3 times the population density of single family residential property per acre (24 employees per acre / 8.57 residents per acre). Therefore, the average employee density can be used as the basis for allocating benefit to commercial or industrial property since a commercial/industrial property with 3 employees receives generally similar special benefit to a residential property with 1 resident. This factor of equivalence of benefit between 1 resident to 3 employees is the basis for allocating commercial/industrial benefit. Table 4 shows the average employees per acre of land area or portion thereof for commercial and industrial properties and lists the relative SFE factors per one-third acre for properties in each land use category.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per half acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres.

Institutional properties that are used for residential, commercial or industrial purposes are also assessed at the appropriate residential, commercial or industrial rate.

Table 4 – Commercial / Industrial Density and Assessment Factors

Type of Commercial/Industrial Land Use	Average Employees Per Acre ¹	SFE Units per 1/3 Acre ²
Commercial	24	1.00
Office	68	2.84
Shopping Center	24	1.00
Industrial	24	1.00
Self Storage or Parking Lot	1	0.05

Source: San Diego Association of Governments Traffic Generators Study.

Notes:

¹ SFE rate shown is for the first 5 acres of parcel size. Additional acreage is benefited at the rate show above per acre.

² The SFE factors for commercial and industrial parcels are applied by the half acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

3. Vacant Properties

The benefits to be received from the construction and maintenance of recreational facilities throughout Oak View include active benefits, which are related to the use and enjoyment of property in Oak View, and passive benefits, which are related to the underlying land. An example of a passive benefit is enhancement of property value that will accrue to a vacant parcel from the park maintenance and improvements based on its future potential use. Another example of a passive benefit factor is increased economic activity because all properties in areas with increased economic activity are generally more valuable. Undeveloped property also benefits from the installation and maintenance of recreational facilities because when the property is developed, the recreational facilities will be available to the developed property.

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of active benefits. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the property data for the District from the County of Ventura, found that 45% of the assessed value of improved properties is classified as the land value. It is reasonable to assume, therefore, that approximately 45% of the benefits are related to the underlying land and 55% are related to the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.45 per parcel.

As properties are approved for development, their value increases. Likewise, the special benefits received by vacant property increases as the property is approved for development, or becomes closer to being fully improved. When property is approved for development with a final map, the property has passed the final significant hurdle to development and can shortly undergo construction. Since the property is nearing the point of development, its special benefits increase. In addition, these properties are generally sold soon after completion of improvements, so the properties receive the

additional benefit of desirability from prospective buyers due to the special benefits provided by the acquisition of the Oak View school site. It is therefore determined that property with final map approval receives 50% of the relative benefit on a future dwelling unit or improved business acreage basis relative to improved property of similar use-type.

4. Other Properties

Article XIIID stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.

All properties that are specially benefited are assessed. Public right-of-way parcels, well, reservoir or other water rights parcels that cannot be developed into other improved uses, limited access open space parcels, watershed parcels and common area parcels typically do not generate employees, residents, customers or guests. Moreover, many of these parcels have limited economic value and, therefore, do not benefit from specific enhancement of property value. Such parcels are, therefore, not specially benefited and are not assessed.

Other publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property.

Church parcels and property used for educational purposes typically generate employees on a less consistent basis than other non-residential parcels. Many of these parcels also provide some degree of on-site amenities that serve to offset some of the benefits from the District. Such public use tends to reduce the use and wear of Oak View facilities. Therefore, these parcels receive minimal benefit and are assessed an SFE factor of 1.

5. Appeals of the Assessment Levies to Property

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the County Clerk or his or her designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the County Clerk or his / her designee will promptly review the appeal and any information provided by the property owner. If the County Clerk or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the County Clerk his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the County Clerk or his or her designee shall be referred to the County Board and the decision of the Board shall be final. The County Clerk is hereby designated as the party to handle any such appeals for fiscal year 2002-03.

VI. ASSESSMENT

WHEREAS, on April 23, 2002 the County Board of Supervisors adopted its Resolution Initiating Proceedings For The Formation Of A Oak View School Preservation and Maintenance District Under The Landscaping And Lighting Act Of 1972, County of Ventura, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (collectively "the Act"), to proceed with the proposed levy of assessments;

WHEREAS, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the Board of said County of Ventura, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto, to be paid by the District for the fiscal year 2002-03 is generally as follows:

SUMMARY COST ESTIMATE

	<i>F.Y. 2002-03</i>
	<u>Budget</u>
Acquisition and Improvement Expenditures	\$92,000
Maintenance and Operation	\$45,000
Reserve Fund/Contingency	\$4,039
Incidental Expenses	<u>\$2,860</u>
TOTAL BUDGET	\$143,899
NET AMOUNT TO ASSESSMENTS	<u><u>\$143,899</u></u>

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said District. The distinctive number of each parcel or lot of land in the said District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said District, in accordance with the special benefits to be

received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the Los Angeles Area as of January of each succeeding year, with the maximum annual adjustment not to exceed 3%. In the event that the annual change in the CPI exceeds 3%, any percentage change in excess of 3% can be cumulatively reserved for years in which the CPI change is less than 3%.

The assessment is made upon the parcels or lots of land within the District in proportion to the special benefits to be received by the parcels or lots of land, from said improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Ventura for the fiscal year 2002-03. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2002-03 for each parcel or lot of land within the said District.

Dated: May 8, 2002

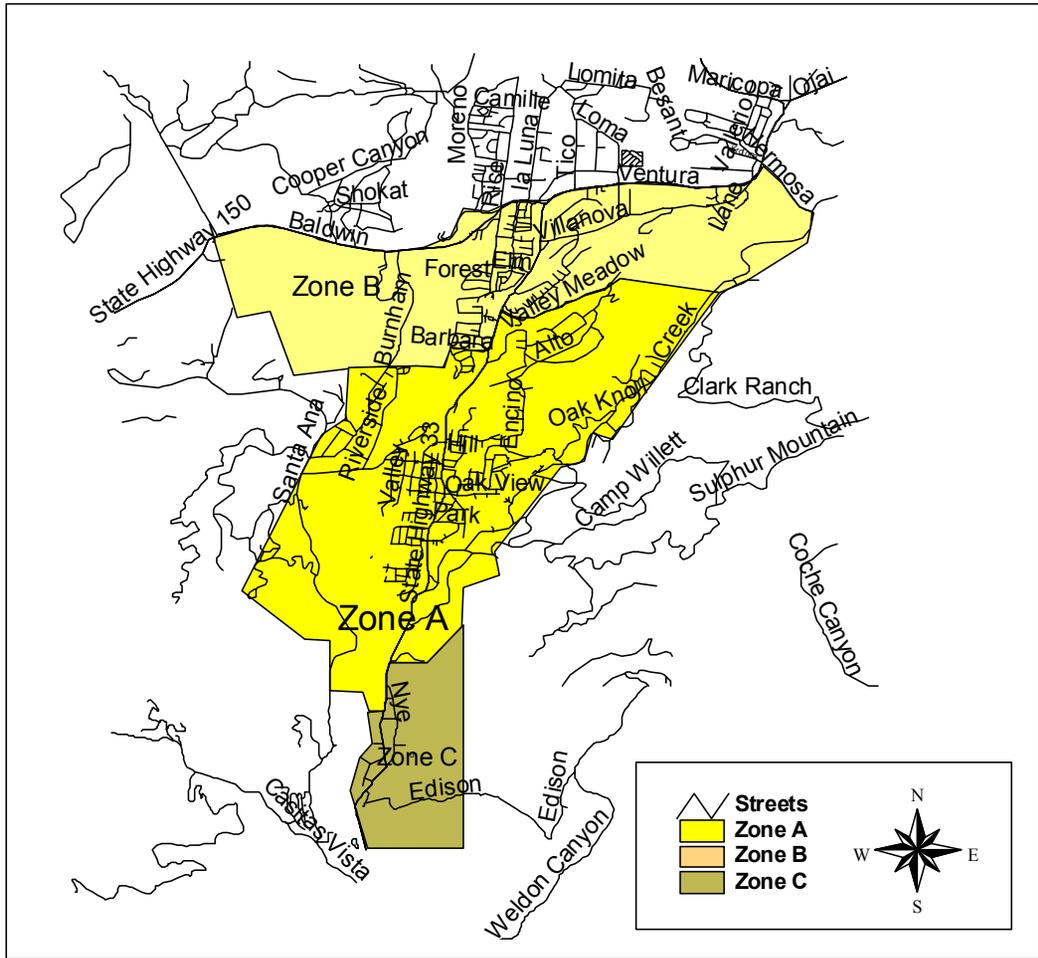


Engineer of Work

By Joseph Shilts
Joseph Shilts, License No. C14084

VII. Assessment Diagram

The District includes all properties within the boundaries of Oak View. The boundaries of the District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the District are those lines and dimensions as shown on the maps of the Assessor of the County of Ventura, for fiscal year 2002-03, and are incorporated herein by reference, and made a part of this Diagram and this Report.



PREPARED BY SHILTS CONSULTANTS, INC.
 2300 BOYNTON AVENUE, SUITE 201
 FAIRFIELD, CA 94533
 707-426-5016

FILED IN THE OFFICE OF THE COUNTY EXECUTIVE OFFICER OF THE COUNTY OF VENTURA, CALIFORNIA, THIS _____ DAY OF _____, 2002.

 COUNTY CLERK, COUNTY OF VENTURA

RECORDED IN THE OFFICE OF THE COUNTY EXECUTIVE OFFICER OF THE COUNTY OF VENTURA, CALIFORNIA, THIS _____ DAY OF _____, 2002.

 COUNTY CLERK, COUNTY OF VENTURA

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF SUPERVISORS, COUNTY OF VENTURA, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE DAY OF _____, 2002 FOR THE FISCAL YEAR 2002-03 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF VENTURA ON THE _____ DAY OF _____, 2002. REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

 COUNTY CLERK, COUNTY OF VENTURA

FILED THIS _____ DAY OF _____, 2002 AT THE HOUR OF _____ O'CLOCK _____ M. IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AT THE REQUEST OF THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA.

 COUNTY AUDITOR, COUNTY OF VENTURA

Note:
 REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF VENTURA FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.

County of Ventura
 Oak View School Preservation and Maintenance District
 Assessment Diagram

VIII. Appendix A --1972 ACT APPLICATION

If approved, the Oak View Preservation and Maintenance District, through the Act, would collect special benefit assessments and provide funding for the installation, maintenance and servicing of park and recreational facilities in Oak View. The assessments are levied on the basis of benefit and are considered an assessment, not a tax. Pertinent excerpts from the Act are included below.

§22500 Short Title

This part shall be known and may be cited as the "Landscaping and Lighting Act of 1972."

§22503 Assessment district; benefited territory

An assessment district shall consist of all territory which, as determined by the legislative body, will be benefited by the improvements and is to be assessed to pay the costs thereof.

§22504 Assessment District; territory within local agency

An assessment district may consist of all or any part of the territory within the local agency and, in the case of a county, may consist of all or any part of the unincorporated territory of the county.

§22505 Assessment district; contiguous or non-contiguous territory

An assessment district may consist of contiguous or non-contiguous areas. The improvement in one area need not be of benefit to other areas.

§22523 Engineer

"Engineer" means the park District engineer, county engineer, engineer of the district, or any person designated by the legislative body as the engineer for the purposes of this part, including officer, board, or employee of the local agency or any private person or firm specially employed by the Local agency as engineer for the purposes of this part. (Revised by Article XIIID of the California Constitution)

§22525 Improvement

"Improvement" means one or any combination of the following:

- (a) The installation of planting or landscaping.

(b) The installation or construction of statuary, fountains, or other ornamental structures and facilities.

(c) The installation or construction of public lighting facilities, including, but not limited to, traffic signals.

(d) The installation or construction of any facilities which are appurtenant to and 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.

(e) The installation of park or recreational improvements, including but not limited to all of the following:

(1) Land preparation, such as grading, leveling, cutting and filling sod landscaping, irrigation systems, sidewalks, and drainage.

(2) Lights, playground equipment, play courts, and public restrooms.

(f) The maintenance or servicing or both, of any of the foregoing.

(g) The acquisition of land for park, recreational or open-space purposes.

(h) The acquisition of any existing improvement otherwise authorized pursuant to this section.

(i) 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.

§22569 Estimates of costs; content

The estimate of the costs of the improvements for the fiscal year shall contain estimates for all of the following:

(a) The total costs for improvements to be made that year, being the total costs of constructing or installing all proposed improvements and of maintaining and servicing all existing and proposed improvements, including all incidental expenses.

(b) The amount of any surplus or deficit in the improvement fund to be carried over from a previous fiscal year.

(c) The amount of any contributions to be made from sources other than assessments levied pursuant to this chapter.

(d) The amount, if any, of the annual installment for the fiscal year where the legislative body has ordered an assessment for the estimated cost of any improvements to be levied and collected in annual installments.

(e) The net amount to be assessed upon assessable lands within the assessment district, being the total improvement costs, as referred to in subdivision (a), increased or decreased, as the case may be, by any of the amounts referred to in subdivision (b), (c), or (d).

§22573 Net amount; apportionment

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.

The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 Division 7 (commencing with Section 5000).

§22574 Classification into zones

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 that will receive substantially the same degree of benefit from the improvements.

§22605 Authority of Legislative Bodies

The Legislative body, either in a single proceeding or by separate proceedings, may order one or any combination of the following changes of organization:

(a) The annexation of territory to an existing assessment district formed under this part.

(b) The detachment of territory from an existing assessment district formed under this part.

(c) The dissolution of an existing assessment district formed under this part.

(d) The consolidation into a single assessment district formed under this part any combination of two or more of any of the following:

(1) An existing assessment district formed pursuant to this part.

(2) An existing lighting, street lighting, maintenance, or tree planting district formed pursuant to Chapter 26 (commencing with Section 5820) of Part 3 of Division 14, or Part 1 (commencing with Section 18000), Part 2

(commencing with Section 18300), Part 3 (commencing with Section 18600), or Part 4 (commencing with Section 19000) of Division 14, or Part 1 (commencing with Section 22000) of this division, or pursuant to any procedural ordinance adopted by a charter Park District.

(e) The legislative body shall not, by annexation, detachment, dissolution, or consolidation, alter the obligation of property owners to pay the principal of, and interest on, bonded debt or notes issued pursuant to Section 22662.5. This section does not prevent the lawful refunding of the bonded debt or notes or the apportionment of assessments upon the division of properties assessed.

**IX. Appendix B – Article XIID of the California Constitution
(Proposition 218)**

Proposition 218 was approved by voters as a Constitutional Amendment on November 6, 1996. It became Article XIIC and Article XIID of the California State Constitution and has imposed additional requirements for assessment districts. Following is a summary of the Article.

**CALIFORNIA CONSTITUTION ARTICLE 13D
(ASSESSMENT AND PROPERTY-RELATED FEE REFORM)**

SECTION 1. Application. Notwithstanding any other provision of law, the provisions of this article shall apply to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority. Nothing in this article or Article XIIC shall be construed to:

- (a) Provide any new authority to any agency to impose a tax, assessment, fee, or charge.
- (b) Affect existing laws relating to the imposition of fees or charges as a condition of property development.
- (c) Affect existing laws relating to the imposition of timber yield taxes.

**CALIFORNIA CONSTITUTION ARTICLE 13D
(ASSESSMENT AND PROPERTY-RELATED FEE REFORM)**

SEC. 2. Definitions.

As used in this article:

- (a) "Agency" means any local government as defined in subdivision (b) of Section 1 of Article XIIC.
- (b) "Assessment" means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax."
- (c) "Capital cost" means the cost of acquisition, installation, construction, reconstruction, or replacement of a permanent public improvement by an agency.
- (d) "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.
- (e) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.
- (f) "Maintenance and operation expenses" means the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care, and supervision necessary to properly operate and maintain a permanent public improvement.

- (g) "Property ownership" shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.
- (h) "Property-related service" means a public service having a direct relationship to property ownership.
- (i) "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."

CALIFORNIA CONSTITUTION ARTICLE 13D
 (ASSESSMENT AND PROPERTY-RELATED FEE REFORM)
 SEC. 3. Property Taxes, Assessments, Fees and Charges Limited.

- (a) No tax, assessment, fee, or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A. (2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A. (3) Assessments as provided by this article. (4) Fees or charges for property related services as provided by this article.
 - (b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.
- CALIFORNIA

CONSTITUTION ARTICLE 13D
 (ASSESSMENT AND PROPERTY-RELATED FEE REFORM)
 SEC. 4. Procedures and Requirements for All Assessments.

- (a) 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. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.
- (b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.
- (c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the

duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

- (d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.
- (e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.
- (f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the benefits conferred on the property or properties in question.
- (g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law requires otherwise, the assessment shall not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e).

CALIFORNIA CONSTITUTION ARTICLE 13D
(ASSESSMENT AND PROPERTY-RELATED FEE REFORM)
SEC. 5. Effective Date.

Pursuant to subdivision (a) of Section 10 of Article II, the provisions of this article shall become effective the day after the election unless otherwise provided. Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

- (a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control,

drainage systems or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

- (b) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- (c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.
- (d) Any assessment which previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4.

X. Appendix C - 2002-03 ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the District and the amount of the assessment) will be filed with the Clerk of the Board and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.