

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Public Works *AMM*

BOARD AGENDA # 9:15 a.m.

Urgent Routine

AGENDA DATE March 4, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Public Hearing to Consider the Formation of the Salida Boulevard Landscape and Lighting District (Salida Area), and to Conduct a Ballot Procedure and Levy of the Annual Assessment in Compliance with Proposition 218

STAFF RECOMMENDATIONS:

1. Find that the notice of the public hearing was given pursuant to Government Code Section 53753 (b), Streets and Highways Code Section 22552, and Streets and Highways Code Section 22588.
2. Conduct the public hearing to receive comments regarding:
 - a. The formation of the Salida Boulevard Landscape and Lighting District;
 - b. The proposed method for calculating the amount of the annual assessment, and;
 - c. The levy of the annual assessment to pay for the landscaping maintenance.

Continued on Page 2

FISCAL IMPACT:

The cost of formation of the District will be borne by the Department of Public Works. The on-going administrative costs of managing the District are estimated to be 3% of the total maintenance costs or \$1,800 for the first year of District operation. These costs include, but are not limited to, such expenses as staff time for the day to day operations of overseeing a contract with a landscape maintenance firm, accounting, and the preparation of the annual Engineer's Report and agenda items relating to the Board setting the annual assessments. If a balance of administrative funds exists at the

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BOARD ACTION AS FOLLOWS:

No. 2008-154

On motion of Supervisor Grover, Seconded by Supervisor DeMartini
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini, and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. DLA-04-02

Public Hearing to Consider the Formation of the Salida Boulevard Landscape and Lighting District (Salida Area), and to Conduct a Ballot Procedure and Levy of the Annual Assessment in Compliance with Proposition 218

STAFF RECOMMENDATIONS CONTINUED:

3. Authorize the Clerk of the Board to oversee the tabulation of ballots and submit the results to the Board of Supervisors at the scheduled Board meeting on March 18, 2008.

FISCAL IMPACT CONTINUED:

end of the fiscal year, the balance will be transferred to a fund to establish an operational reserve. The operational reserve would pay for unexpected or emergency expenses incurred by the District that were neither contemplated nor estimated as part of the District operation and maintenance costs.

If administrative costs are more than estimated, additional revenue will be needed the next fiscal year to make up for the deficiency. If the District is formed, the cost of managing and operating it will be the fiscal responsibility of the property owners within the District that are receiving the benefits. Therefore, the District will incur the expense of Public Works staff time involved with the additional workload of administrating this District.

If the Salida Boulevard Landscape and Lighting District is formed, an annual assessment will be levied on each parcel within the District. The annual assessment may increase or decrease depending upon the amount of revenue that is required to be generated. The total revenue needed for the District during Fiscal Year 2008/2009 is estimated at \$61,800. Because assessments are calculated based on parcel size and amount of street frontage, an assessment per parcel can vary from a low of approximately \$247 for a 1,742 square foot (0.04 acres) parcel with no street frontage to a high of \$4,271 for a 5.82 acre parcel with 650 feet of frontage. Of the 52 parcels, 48% have assessments that are below \$1,000, 29% have assessments between \$1,000 and \$1,500, and the remaining 23% have assessments above \$1,500. An annual assessment of \$1,500 is equivalent to \$125 per month for landscaping and irrigation system maintenance including water costs.

The proposed District is being formed to generate revenue to pay for the maintenance of landscaping and the irrigation system that would be installed as part of the \$2,800,000 improvement project for Salida Boulevard scheduled for construction in summer 2008. If a majority of property owners casting ballots protest the formation of the District thereby canceling the formation, the anticipated revenue source for maintenance would be eliminated. No alternative source of money for generating the required revenue has been identified. If the District is not formed, the County may re-evaluate the need and scope of the landscaping as part of the overall improvement project due to the lack of maintenance funds. If the District is formed, and for some

Public Hearing to Consider the Formation of the Salida Boulevard Landscape and Lighting District (Salida Area), and to Conduct a Ballot Procedure and Levy of the Annual Assessment in Compliance with Proposition 218

unforeseen reason the improvement project is delayed for a year or so, no revenue would be required, and therefore, no annual assessments would be levied on parcels during FY 2009/2010 or beyond until the improvement project is constructed. The annual assessments collected for FY 2008/2009 would be utilized to pay for the first year of maintenance if, in the unlikely event, the project were delayed.

DISCUSSION:

For some time there has been an expressed need on the part of several property owners of businesses along Salida Boulevard to have landscaping installed in order to enhance the aesthetics of the area and make it more attractive. The Stanislaus County Redevelopment Agency and the Department of Public Works acknowledged this need and have incorporated this feature into the Salida Boulevard Improvement Project. As part of the installation of the landscaping and irrigation system, discussions occurred as to how to maintain these amenities. It was concluded that a landscape and lighting district needed to be formed in order to accomplish the task of paying for the maintenance of the landscaping and irrigation system. Therefore, to accomplish this objective, the formation of the Salida Boulevard Landscape and Lighting District (hereinafter called "District") is proposed. The formation of the District, pursuant to the Landscaping and Lighting Act of 1972 (Government Code sections 22500 et seq.), will provide a means for the continued maintenance of the landscaping and irrigation system along the boulevard.

Proposition 218, approved by California voters, took effect on July 1, 1997 and requires an assessment ballot procedure before an assessment may be levied on the parcels within the proposed boundary of the District.

On December 18, 2007, the Board of Supervisors adopted a resolution that ordered the County Engineer to prepare and file an Engineer's Report in accordance with Article 4 (commencing with Section 22565) of Chapter 1, Part 2, Division 15 of the Streets and Highways Code. Said Engineer's Report has been filed with the Clerk of the Board and was approved at the January 15, 2008, Board of Supervisors meeting.

There are 52 parcels within the proposed District, however, not all parcels will derive the same benefit from the landscaping. Parcels fronting on or having more frontage than other parcels will receive more benefit from the landscaping. For this reason, it was determined that a method to calculate the annual assessment needed to be based on three criteria: (1) Parcel Share Criteria that any parcel within the District would be assessed; (2) Parcel Size Criteria based on the amount of acreage per the Stanislaus County Assessor's Map; and (3) Parcel Frontage Criteria based on the total amount of linear feet of frontage along Salida Boulevard and Cloutier Drive including the chord distance of an intersecting road. This method to calculate the annual assessments for each parcel involves a 5-step calculation process, which is explained in detail within the

Public Hearing to Consider the Formation of the Salida Boulevard Landscape and Lighting District (Salida Area), and to Conduct a Ballot Procedure and Levy of the Annual Assessment in Compliance with Proposition 218

Engineer's Report. The method proposed is part of the assessment ballot procedure and, if approved, would allow annual assessments to be increased or decreased without another ballot procedure being required. The method to calculate the assessments would be used indefinitely.

The formation of the proposed District is a culmination of a community outreach program for the improvement and beautification of Salida Boulevard. The Stanislaus County Redevelopment Agency and the Department of Public Works participated in community meetings held on October 25 and December 15, 2006 and June 6, 2007 to discuss the improvement project. The Director of Stanislaus County Public Works, Matt Machado, gave a presentation on the project on January 10, 2008 at the Salida Community Development monthly meeting. Additionally, information regarding the improvement project has been shared with residents through the Salida Municipal Advisory Council regular meetings. The proposed District is the funding mechanism for providing the maintenance of the landscaping associated with the Salida Boulevard Improvement Project.

The proposed boundary of the District is described and shown on the attached Exhibits "A" and "B".

POLICY ISSUES:

This project supports the Board of Supervisors priority of a well-planned infrastructure and efficient delivery of services. The project also addresses the priority of effective partnerships in the community.

STAFFING IMPACT:

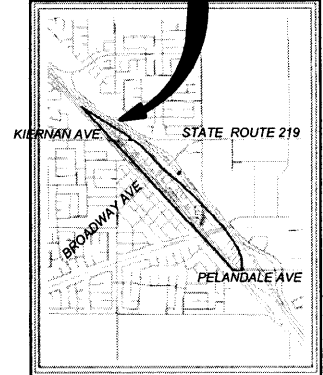
The Department of Public Works is handling the additional workload of forming this District with existing staff.

SALIDA BOULEVARD LANDSCAPE AND LIGHTING DISTRICT

EXHIBIT "A"

SCALE: 1"=800'

PROJECT LOCATION



VICINITY MAP
SCALE: N.T.S.

TOTAL AREA
78.18 AC.
No. parcels=52

CURVE TABLE

CURVE	RADIUS	DELTA	LENGTH
(C1)	1340.00'	28d 38'52"	670.00'

LINE TABLE

LINE	LENGTH	BEARINGS
(1)	6944.38'	N43d07'01" W
(2)	600.18'	S57d36'03" E
(3)	77.48'	S43d07'40" E
(4)	20.00'	N46d52'20" E
(5)	1161.83'	S57d36'03" E
(6)	82.47'	S32d23'57" W
(7)	137.60'	N89d39'43" E
(8)	392.35'	S52d14'06" E
(9)	453.25'	S44d51'55" E
(10)	406.90'	S37d34'14" E
(11)	81.61'	S35d45'50" E
(12)	61.85'	S76d17'00" E
(13)	669.70'	S49d36'34" E
(14)	380.89'	S47d32'06" E
(15)	533.38'	S43d40'28" E
(16)	181.39'	S00d09'56" E
(17)	123.88'	N48d23'09" E
(18)	770.00'	S41d36'51" E
(19)	546.43'	S37d09'59" E
(21)	148.82'	S08d05'30" E
(22)	70.14'	S15d44'33" E
(23)	30.00'	S00d26'57" E
(24)	234.73'	S89d33'03" W

BEING A PORTION OF SECTIONS 3 & 4
TOWNSHIP 3 SOUTH, RANGE 8 EAST &
SECTIONS 33 AND 34 OF TOWNSHIP 2
SOUTH, RANGE 8 EAST M.D.B.M



DRAWN BY:	NCW	DATE:	12/13/07
CHECKED BY:	LF	DRAWING NO.:	SALIDA
JOB NO.:	2615	SHEET	1 OF 1

EXHIBIT "B"

SALIDA BOULEVARD LANDSCAPE AND LIGHTING DISTRICT

All those portions of sections 3 and 4 of Township 3 South, Range 8 East and Sections 33 and 34 of Township 2 South, Range 8 East, Mount Diablo Base and Meridian, more particularly described as follows:

Commencing at the Northwesterly corner of the Beckwith No. 1 Addition to the City of Modesto filed as Instrument # 54524 on June 19, 1973, said point being on the Southwesterly right-of-way of the Union Pacific Railroad. Thence, North $89^{\circ}33'03''$ E 136.00 to a point on the Northeasterly right-of-way of said Union Pacific Rail Road and being the True Point of Beginning of this description. Thence (1) North $43^{\circ}07'01''$ West, 6944.38 feet along said Northeasterly railroad right-of-way to a point on the Westerly right-of-way of California State Route 99.

Thence along said Westerly right-of-way the following 21 courses;

Thence, (2) South $57^{\circ}36'03''$ East, 600.18'
Thence, (3) South $43^{\circ}07'40''$ East, 77.48'
Thence, (4) North $46^{\circ}52'20''$ East, 20.00'
Thence, (5) South $57^{\circ}36'03''$ East, 1161.83'
Thence, (6) South $32^{\circ}23'57''$ West, 82.47'
Thence, (7) North $89^{\circ}39'43''$ East, 137.60'
Thence, (8) South $52^{\circ}14'06''$ East, 392.35'
Thence, (9) South $44^{\circ}51'55''$ East, 453.25'
Thence, (10) South $37^{\circ}34'14''$ East, 406.90'
Thence, (11) South $35^{\circ}45'50''$ East, 81.61'
Thence, (12) South $76^{\circ}17'00''$ East, 61.85'
Thence, (13) South $49^{\circ}36'34''$ East, 669.70'
Thence, (14) South $47^{\circ}32'06''$ East, 380.89'
Thence, (15) South $43^{\circ}40'28''$ East, 533.38'
Thence, (16) South $0^{\circ}09'56''$ East, 181.39'
Thence, (17) North $48^{\circ}23'09''$ East, 123.88'
Thence, (18) South $41^{\circ}36'51''$ East, 770.00'
Thence, (19) South $37^{\circ}09'59''$ East, 546.43'

Thence (20) Though a curve to the left, concaved to the Southwest, with a central angle of $28^{\circ}38'52''$, a radius of 1340.00' feet and a chord distance of 663.04 feet, thence along said curve an arc length of 670.00'

Thence, (21) South $8^{\circ}05'30''$ East, 148.82'
Thence, (22) South $15^{\circ}44'33''$ West 70.14'

Thence (23) leaving said Westerly right-of-way of California State Route 99, South $0^{\circ}26'57''$ East, 30.00' feet to a point on the center line of Pelandale Avenue, also being a point on the said Beckwith No. 1 Addition to the City of Modesto.

Thence (24) South $89^{\circ}33'03''$ West, 234.73' along said centerline and city limit line to the true point of beginning and containing 78.18 acres of land more or less.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the described land.

Exhibit "C" Assessment Calculations

APN	Est Existing Acres	Est. Existing Square Footage	Est. Frontage	Parcel Size 20%	Parcel Share 20%	Frontage 60%	Annual Assessment
135-041-009	0.31	13,503.60	-	\$75.41	\$237.69	0.00	\$313.10
135-041-010	0.31	13,503.60	-	\$75.41	\$237.69	0.00	\$313.10
135-041-011	0.58	25,264.80	-	\$141.09	\$237.69	0.00	\$378.78
135-041-012	0.49	21,344.40	-	\$119.20	\$237.69	0.00	\$356.89
135-041-015	0.12	5,227.20	-	\$29.19	\$237.69	0.00	\$266.88
135-041-016	0.04	1,742.40	-	\$9.73	\$237.69	0.00	\$247.42
135-041-018	0.21	9,147.60	-	\$51.08	\$237.69	0.00	\$288.78
135-041-019	0.22	9,583.20	-	\$53.52	\$237.69	0.00	\$291.21
135-041-029	2.99	130,244.40	-	\$727.35	\$237.69	0.00	\$965.04
135-041-033	3.95	172,062.00	-	\$960.87	\$237.69	0.00	\$1,198.57
135-029-032	5.82	253,519.20	650.33	\$1,415.77	\$237.69	2618.13	\$4,271.59
135-029-036	0.88	38,332.80	158.40	\$214.07	\$237.69	637.69	\$1,089.45
135-029-037	1.06	46,173.60	150.00	\$257.85	\$237.69	603.88	\$1,099.42
135-029-049	1.34	58,370.40	134.60	\$325.97	\$237.69	541.88	\$1,105.54
135-029-050	1.91	83,199.60	180.00	\$464.63	\$237.69	724.65	\$1,426.97
135-029-051	1.16	50,529.60	151.00	\$282.18	\$237.69	607.90	\$1,127.78
135-041-004	1.71	74,487.60	214.86	\$415.97	\$237.69	864.99	\$1,518.66
135-041-005	0.44	19,166.40	80.00	\$107.03	\$237.69	322.07	\$666.79
135-041-013	0.37	16,117.20	208.76	\$90.01	\$237.69	840.44	\$1,168.13
135-041-014	0.62	27,007.20	79.20	\$150.82	\$237.69	318.85	\$707.36
135-041-017	0.26	11,325.60	107.03	\$63.25	\$237.69	430.89	\$731.83
135-041-024	2.32	101,059.20	175.28	\$564.36	\$237.69	705.65	\$1,507.70
135-041-030	2.49	108,464.40	75.59	\$605.72	\$237.69	304.31	\$1,147.72
135-041-031	0.91	39,639.60	125.00	\$221.37	\$237.69	503.23	\$962.29
135-041-032	1.20	52,272.00	235.00	\$291.91	\$237.69	946.07	\$1,475.68
135-041-034	2.29	99,752.40	472.04	\$557.06	\$237.69	1900.36	\$2,695.12
135-045-033	2.53	110,206.80	519.09	\$615.45	\$237.69	2089.78	\$2,942.92
135-045-055	2.04	88862.40	357.01	\$496.25	\$237.69	1437.27	\$2,171.21
135-045-056	1.83	79,714.80	264.04	\$445.16	\$237.69	1062.99	\$1,745.84
135-045-057	1.14	49,658.40	189.52	\$277.32	\$237.69	762.98	\$1,277.99
136-007-016	0.44	19,166.40	660.00	\$107.03	\$237.69	2657.06	\$3,001.79
136-007-017	0.28	12,196.80	114.37	\$68.11	\$237.69	460.44	\$766.24
136-007-018	0.45	19,602.00	137.67	\$109.47	\$237.69	554.24	\$901.40
136-007-019	0.21	9,147.60	150.00	\$51.08	\$237.69	603.88	\$892.65
136-007-020	1.08	47,044.80	660.01	\$262.72	\$237.69	2657.10	\$3,157.51
136-017-005	0.59	25,700.40	97.69	\$143.52	\$237.69	393.29	\$774.50
136-017-016	1.34	58,370.40	191.90	\$325.97	\$237.69	772.56	\$1,336.22

Exhibit "C" Assessment Calculations

APN	Est Existing Acres	Est. Existing Square Footage	Est. Frontage	Parcel Size 20%	Parcel Share 20%	Frontage 60%	Annual Assessment
135-047-023	0.14	6,098.40	102.55	\$34.06	\$237.69	412.85	\$684.60
135-047-033	0.41	17,859.60	197.45	\$99.74	\$237.69	794.90	\$1,132.33
135-048-028	0.73	31,798.80	452.00	\$177.58	\$237.69	1819.68	\$2,234.96
135-045-045	0.45	19,602.00	229.00	\$109.47	\$237.69	921.92	\$1,269.08
135-045-046	0.36	15,681.60	176.00	\$87.57	\$237.69	708.55	\$1,033.82
135-045-047	0.27	11,761.20	278.01	\$65.68	\$237.69	1119.23	\$1,422.60
135-045-048	0.28	12,196.80	150.68	\$68.11	\$237.69	606.61	\$912.42
135-045-049	0.14	6,098.40	75.00	\$34.06	\$237.69	301.94	\$573.69
135-045-050	0.14	6,098.40	75.00	\$34.06	\$237.69	301.94	\$573.69
135-045-051	0.14	6,098.40	75.00	\$34.06	\$237.69	301.94	\$573.69
135-045-052	0.15	6,534.00	75.00	\$36.49	\$237.69	301.94	\$576.12
135-045-053	0.15	6,534.00	75.00	\$36.49	\$237.69	301.94	\$576.12
135-045-054	0.14	6,098.40	72.80	\$34.06	\$237.69	293.08	\$564.83
135-047-001	0.69	30,056.40	334.60	\$167.85	\$237.69	1347.05	\$1,752.59
135-047-032	0.69	30,056.40	304.00	\$167.85	\$237.69	1223.86	\$1,629.40
50.81 2,213,283.60 9210.48 \$ 12,360.00 12,360.00 37080.00 \$ 61,800.00							

**ENGINEER'S REPORT FOR THE SALIDA LANDSCAPE AND LIGHTING DISTRICT
FISCAL YEAR 2008/2009**

Exhibit "D"

The Assessor's Parcels listed below are subject to the Fiscal Year 2008/2009 annual assessment:

<u>Assessor's Parcel No.</u>	<u>Assessment</u>
135-029-032	\$4,271.59
135-029-036	\$1,089.45
135-029-037	\$1,099.42
135-029-049	\$1,105.54
135-029-050	\$1,426.97
135-029-051	\$1,127.78
135-041-004	\$1,518.66
135-041-005	\$ 666.79
135-041-009	\$ 313.10
135-041-010	\$ 313.10
135-041-011	\$ 378.78
135-041-012	\$ 356.89
135-041-013	\$1,168.13
135-041-014	\$ 707.36
135-041-015	\$ 266.88
135-041-016	\$ 247.42
135-041-017	\$ 731.83
135-041-018	\$ 288.78
135-041-019	\$ 291.21
135-041-024	\$1,507.70
135-041-029	\$ 965.04
135-041-030	\$1,147.72
135-041-031	\$ 962.29
135-041-032	\$1,475.68
135-041-033	\$1,198.57
135-041-034	\$2,695.12
135-045-033	\$2,942.92
135-045-045	\$1,269.08
135-045-046	\$1,033.82
135-045-047	\$1,422.60
135-045-048	\$ 912.42
135-045-049	\$ 573.69
135-045-050	\$ 573.69
135-045-051	\$ 573.69
135-045-052	\$ 576.12
135-045-053	\$ 576.12
135-045-054	\$ 564.83
135-045-055	\$2,171.21
135-045-056	\$1,745.84
135-045-057	\$1,277.99

**ENGINEER'S REPORT FOR THE SALIDA LANDSCAPE AND LIGHTING DISTRICT
FISCAL YEAR 2008/2009**

Exhibit "D" (continued)

<u>Assessor's Parcel No.</u>	<u>Assessment</u>
135-047-001	\$1,752.59
135-047-023	\$ 684.60
135-047-032	\$1,629.40
135-047-033	\$1,132.33
135-048-028	\$2,234.96
136-007-016	\$3,001.79
136-007-017	\$ 766.24
136-007-018	\$ 901.40
136-007-019	\$ 892.65
136-007-020	\$3,157.51
136-017-005	\$ 774.50
136-017-016	\$1,336.22



**ENGINEER'S REPORT FOR THE SALIDA BOULEVARD
LANDSCAPE AND LIGHTING DISTRICT
FISCAL YEAR 2008/2009**

There has been an expressed need on the part of several property owners along Salida Boulevard to have landscaping installed along Salida Boulevard in order to enhance the aesthetics of the area and make it more attractive for businesses. In response to this need, the Salida Boulevard Landscape and Lighting District (hereinafter called "District") is being formed pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.). The District will provide for the ongoing maintenance of landscaping. There will be no street lighting associated with the District since the Salida Highway Lighting District already provides this service. The formation of the District will provide for the continued landscape maintenance by an annual assessment levied on all parcels within the District. The boundary of the District is shown on Exhibit "A" and the legal description is on Exhibit "B" which are attached hereto and made a part of this Engineer's Report.

Stanislaus County proposes to install approximately 215,000 square feet of landscaping with an irrigation system within the District. These improvements are being funded as part of the Salida Boulevard Improvement Project. The proposed landscaping would be installed within the median from Pelandale Avenue on the south to Kiernan Avenue on the north. A parkway landscaping strip would also be created along a portion of the northeast side of Salida Boulevard. The exact cost of maintaining the landscaping and irrigation system including water is unknown at this time. However, providing these services are estimated to cost a total of \$60,000 per year. This estimate is based on the Parks and Recreation Department's contractual costs of maintaining similar landscaping features within the Salida Planned Development. If the District is formed, the Department of Public Works intends on competitively bidding the landscaping maintenance work with a two year contract.

There will be 52 Assessor's parcels within the District, however, not all parcels will derive the same benefit from the landscaping. Parcels fronting on or having more frontage than other parcels will receive more benefit from the landscaping. It is the County's position that the landscaping only provides a special benefit to the parcels within the District and, therefore, no general benefit has been assigned.

Because some properties will receive more benefit from the landscaping due to their size and street frontage, it was determined that a method to calculate the annual assessment needed to be based on three criteria: (1) Parcel Share Criteria that any parcel within the District would be assessed; (2) Parcel Size Criteria based on the amount of acreage per the Stanislaus County Assessor's Map; and (3) Parcel Frontage Criteria based on the total amount of linear feet of frontage along Salida Boulevard and Cloutier Drive including the chord distance of an intersecting road. For the purposes of calculating assessments, parcels fronting on Cloutier Drive are considered to be fronting on

Salida Boulevard since the two roads are adjacent to one another. These criteria were then given percentage values of the total amount to be assessed. Specifically, Parcel Share Criteria would have a value of 20%, Parcel Size Criteria would have a value of 20%, and Parcel Frontage Criteria would have a value of 60%. After several discussions, it was decided that this method along with the percentage of value for each criterion was a fair and equitable way to determine the annual assessment to be levied on each parcel.

Therefore, the Assessment Method (hereinafter called Method) to calculate the annual assessment for each parcel includes a 5 step calculation process and is written as follows:

1. **Total Amount of Funds Needed for Fiscal Year = Estimated Operation and Maintenance Costs For Current Year + Administrative Costs + Operational Reserve - Fund Balance from Previous Year - Estimated Property Tax Revenue for Current Year**
2. **Parcel Share Criteria = 20% x Total Amount of Funds Needed for Fiscal Year ÷ Total Number of Parcels in District**
3. **Parcel Size Criteria = 20% x (Acreage of Parcel ÷ Total Acreage of All Parcels) x Total Amount of Funds Needed for Fiscal Year**
4. **Parcel Frontage Criteria = 60% x (Length of Frontage ÷ Total Frontage) x (Total Amount of Funds Needed for Fiscal Year)**
5. **Amount of Annual Assessment Per Parcel = Parcel Share Criteria + Parcel Size Criteria + Parcel Frontage Criteria**

The operation and maintenance costs will include the monthly charges for maintaining the landscaping and the irrigation system, energy charges for operating the pump at the water well, repair and/or replacement of the pump, and replacement of any landscaping. Because all of the improvements within the District will be located within the Salida Boulevard right-of-way, they will be owned by Stanislaus County. The Method includes a charge to cover administration costs and to create and maintain an operational reserve, which would be used to pay for unexpected or emergency expenses incurred by the District during the year that were neither contemplated nor estimated as part of the District operation and maintenance costs of the Method. For budget purposes, administrative costs will be estimated at 3% of the total maintenance costs. If there is a balance of administrative funds at the end of the fiscal year, the balance will be transferred to a fund to establish an operational reserve. If District operation and maintenance costs are less than expected, the District fund balance may be carried forward to reduce the amount needed to be collected in the next year. Although some special districts receive a portion of the property tax collected by the County, the District is not expected to receive any property tax revenue. However,

if the District does receive any property tax revenue in the future, it will reduce or offset the amount of operation and maintenance costs that must be collected by the annual assessment. The annual assessments will vary from year to year if any of the Method components change.

In compliance with voter approved State Proposition 218, a ballot procedure is required in order to levy a new assessment on the parcels within the proposed District. As part of the ballot procedure, the County proposes the above Method be used to calculate the annual assessment to be levied against individual properties within the District. If approved, the use of the Method will continue indefinitely. Use of the Method allows annual assessments to increase or decrease as needed to provide District services, without incurring the expense of conducting an Assessment Ballot procedure. Without an approved Method, the cost of conducting an Assessment Ballot procedure would be charged against the District as an administrative expense. Therefore, use of the Method increases administrative efficiency and reduces the costs of District operation and maintenance.

The annual assessment calculated using the Method is proportional to the special benefit derived by each identified parcel in relationship to the cost of the service being provided by the District. Due to the parcel's size and street frontage, each parcel benefits differently by the services provided. Therefore, the total cost to operate the District is based on the above Method to determine the annual assessment for each parcel within the District. The annual assessment is levied without regard to property valuation.

The fiscal year is the 12-month period commencing on July 1st and ending on the following June 30th. However, the annual assessment is collected in December and April. This means the fiscal year starts on July 1st but the first installment of the annual assessment will not be collected until December. This creates a 6-month lag in receiving the money necessary to maintain the landscaping. Therefore, a sufficient amount of the money collected by the annual assessment will be carried over to the next fiscal year to cover the months July through December. The balance of the District's account may be carried forward as a general reserve.

Administrative costs during the first year of District operation are estimated to be \$1,800.

2008/2009 ANNUAL ASSESSMENT CALCULATION:

There is no fund balance, and the District will not receive any property tax.
Number of parcels within District = 52
Total acreage within District including roads = 78.18 acres
Total acreage of parcels within District = 48.77 acres
Total street frontage = 9,210 feet (rounded down from 9,210.48 feet)
Total estimated maintenance costs = \$60,000.
Administrative costs = \$1,800.
Total funding required to operate District = \$61,800.
See Exhibit "C" for calculation spread sheet.

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The parcels subject to the annual assessment are listed on Exhibit "D" that is attached hereto and made a part of this Engineer's Report.



January 3, 2008

MATT MACHADO, DIRECTOR
Stanislaus County Department of Public Works

