

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

DEPT: Public Works *Ally*

BOARD AGENDA # 9:15 a.m.

Urgent Routine

AGENDA DATE November 24, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

STAFF RECOMMENDATIONS:

1. Find that the notice of the Public Hearing was given pursuant to Government Code Sections 25211.3(b) and 6061.
2. Conduct the Public Hearing to receive comments regarding:
 - A. The proposed method of calculating the amount of the annual assessment.
 - B. The levy of the annual assessment to pay for the county service area.

(Continued on Page 2)

FISCAL IMPACT:

Ongoing operation and maintenance costs of County Service Area 27 - Empire (CSA 27) will be borne by the district once established. The initial formation and start-up costs for the said district are estimated to be \$17,000 and include the State Board of Equalization filing fee of \$1,200, Local Agency Formation Commission fee of \$3,000 and administration costs of \$12,800. Start up costs will be covered through the combined use of Community Development funds, Stanislaus County Redevelopment Agency funds and the Public Works Road Operations budget.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-791

On motion of Supervisor O'Brien, Seconded by Supervisor Grover

and approved by the following vote,

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

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. CSA-27-2

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

FISCAL IMPACT Continued:

The proposed annual budget to operate CSA 27 – Empire contains the following: \$5,530 for street sweeping, \$2,700 for drain cleaning and maintenance, administration cost of \$823, fund balance reserve of \$649, and a general benefit credit of \$1,266, for a total of \$8,436. Using the budget figures listed above, the levied amount for residential and commercial parcels within this district is proposed at \$77.88 and \$272.58 per acre, respectively.

If the formation fails, the Department of Public Works will provide the minimum maintenance required to keep the storm drain system functioning. However, it is anticipated that the system would fail before the maximum service life is realized. The cost of this minimum maintenance is estimated to be approximately \$1,300 per year and would be absorbed into the Public Works Road Operations budget.

STAFF RECOMMENDATIONS Continued:

3. Authorize the Clerk of the Board to oversee the tabulation of the sealed ballots and determine whether a majority protest against the assessment exists and submit the results to the Board of Supervisors at the December 8, 2009 Board meeting.
4. If a majority protest is not filed, order that the following action occur:
 - A. Find that the formation and assessments are necessary to: meet operating and maintenance expenses; meet financial reserve needs; and required to maintain the proposed service levels within the proposed district area;
 - B. Form County Service Area 27-Empire and confirm the boundary of the district as those being described on Exhibits "A" and "B", which are made a part hereof;
 - C. Direct the Department of Public Works to file the formation with the California State Board of Equalization;
 - D. Set the 2011/2012 annual assessments at \$77.88 per Equivalent Benefit Unit (EBU). The parcels subject to the annual assessments are shown on Exhibit "C", which is a part hereof;
 - E. Authorize the Auditor-Controller to add the annual assessment to the 2011-2012 Tax Roll;
 - F. Make the Engineer's Report a part of the record of this proceeding;
 - G. Approve the Resolution of Application per Government Code Section 25113(b); and,
 - H. Direct the Department of Public Works to file an application with the Stanislaus County Local Agency Formation Commission per Government Code Section 56652.

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

DISCUSSION:

The proposed County Service Area (CSA) 27 is located in the unincorporated town of Empire. The purpose of this CSA is to ensure the ongoing maintenance and operation of the storm drain system.

In March 2007, the Board of Supervisors authorized the County to enter into a contract with Stantec Consulting Inc. to provide design, surveying and general engineering services to develop plans and specification for the Empire Infrastructure Improvement Project. The design process was the first step toward the ultimate realization of storm drain infrastructure in Empire and is funded by the Community Development Block Grant (CDBG) Program and the Stanislaus County Redevelopment Agency. On July 21, 2009, the Board adopted the plans and specifications for the Empire Improvement Project Phase 1A and related actions including environmental exemption. The Board of Supervisors awarded the contract to Granite Construction Company on November 3, 2009 for the construction of all the improvements.

The project is to be constructed in three phases. Phase one (1) will provide infrastructure to approximately 44.52 acres that serve 80 parcels, Phase two (2) will include approximately 154 parcels and Phase three (3) will include approximately 179 parcels. The total proposed improvements would serve approximately 152 acres within the unincorporated town of Empire. Phase 1 of this project is due to be completed by June 30, 2010. The estimated completion of phases two (2) and three (3) is Fiscal Year 2012-2013. The overall completion time for all phases may be extended beyond the anticipated completion date dependent on the Redevelopment Agency and Community Development Block Grant programs' ability to provide the funding for the capital improvements. Phases two (2) and three (3) will be conditioned upon the annexation into or formation of a county service area.

The proposed CSA 27 encompasses those parcels that will receive special benefit from Phase 1 improvements. The purpose of this county service area is to provide for the ongoing maintenance and operation of the storm drain system once the improvements and infrastructure have been installed. The special benefit assessments to be levied for this district are intended to provide a revenue source for all the maintenance of the storm drain system including, but not limited to the materials, equipment, labor, and administrative expenses.

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

The boundary of CSA 27 is shown on Exhibit "A" and "B" that is attached hereto. Phase 1 is generally located:

- North of State Route 132
- East of the Santa Fe Railroad
- South of 2nd Street
- South of Center Avenue
- Approximately 1,325 feet west of the center line of Root Road

The services provided to the proposed CSA will only provide a special benefit to the parcels within the district. The Stanislaus County Department of Public Works provides limited street sweeping services (four times annually) as a general benefit to the unincorporated areas of the County to maintain the drainage infrastructure. The special benefit that is provided to county service areas is an additional twenty-two (22) sweeps annually for a total of twenty-six (26). Along with the additional sweeping, extensive preventative maintenance is provided to the infrastructure in order for it to operate and function as designed.

Proposition 218 was a statewide initiative approved by the voters in November, 1996. It required that the property owners of the proposed district or existing district, through a ballot procedure, approve specific benefit assessments and any increase of said assessment. The assessment ballot was mailed out with a notice of the proposed assessment. This notice described the specific benefit of the proposed district, the total amount thereof chargeable to the entire district, the amount chargeable to the owners' particular parcel, the duration of the payments, the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of the Public Hearing.

The above mentioned ballot procedures have been completed and the notices were mailed to the property owners. A Public Hearing is being conducted to consider all objections or protests, if any, to the proposal. Any interested person may present written or oral testimony at the public hearing. At the conclusion of the public hearing, the submitted assessment ballots will be tabulated to determine if a majority protest exists, and the results posted by the Clerk of the Board of Supervisors. Based on the results, the formation of the district and the levy of the annual assessments will or will not occur. All assessment ballots submitted are public information and subject to inspection, by request, under the Public Records Act.

If a simple majority of the assessment ballots received protest the method for calculating the annual assessment and levy of the annual assessment to pay for the service area, a majority protest will have been filed, and Proposition 218 prohibits the County from levying the annual assessment, therefore, the District will not be formed. If a majority protest has not been filed regarding the method for calculating the annual assessment and the levy of the annual assessment to maintain the district, it is recommended that the Board of Supervisors: (a) Find

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

that all of the territory within the district will benefit by the formation of the district; (b) Form the district and confirm the boundary of the district as being those described on Exhibits "A" and "B"; (c) If a majority protest does not exist, Direct the Department of Public Works to file an application with the Stanislaus County Local Agency Formation Commission; (d) Approve the method for calculating the amount of the annual assessment that will be used to pay for storm drain maintenance; and, (e) Set the 2011/2012 annual assessment at \$77.88 per Equivalent Benefit Unit.

Proposition 218 states in Section 4 of Article XIII D *"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"*.

The formula to calculate the annual assessment is written as follows:

AMOUNT OF ANNUAL ASSESSMENT LEVIED: (Estimated Operations and Maintenance) plus (Administration and Operational Reserve costs) minus (Fund Balance from the previous year and the Estimated Assessment Revenue for Current Year).

If the district is formed and the formula approved, the total amount of assessments chargeable to the district for Fiscal Year 2011-2012 will be \$8,436.

If the district operation and maintenance costs are less then expected, the fund balance will be carried forward to reduce the amount to be collected the following year. Although some special districts receive a portion of the property tax collected by the County, the district is not expected to receive a portion of the property tax revenue in the future. 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 formula used to calculate the proportional benefit to each parcel within the proposed County Service Area begins with a basic Equivalent Benefit Unit (EBU). From this base unit, parcels are analyzed according to their actual equivalent use and benefit within the district. Specific land type and uses are outlined in detail within the attached Engineer's Report. The following uses specific to this formation are detailed below. Specifically, as illustrated in the table below, each residential parcel receives 1.0 EBU. All other parcels within the proposed service area receive an EBU value upon its specific parcel use.

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

The following formula is used to calculate each parcel's EBU (proportional benefit):

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of EBU's is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (assessment rate) for the improvements is established by taking the total cost of the improvements and dividing the amount by the total number of EBU's of all benefiting parcels from the improvements. The rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU's} = \text{Levy per EBU}$$

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

PARCEL TYPES INCLUDED WITH THIS FORMATION

PARCEL TYPE	PARCELS	ACRES	E.B.U.	E.B.U TOTAL
Residential*	64		1.000	63.000
Comm./Industrial	8	1.370	3.500	4.795
School/Church	4	17.870	2.200	39.314
Vacant Lot	1	0.930	1.000	0.930
Parks	3	0.710	0.400	0.284
Total	80	20.880	8.100	108.323

* One residential property within the boundary of the district receives no special benefit.

The total acreage of all the parcels within the district is 44.52 acres. As shown in the table above, the total EBUs for this County Service Area is 108.323. Using the formula listed above, the levied amount for this district is \$77.88 per EBU. The total amount of the annual assessment that would be levied against each parcel for the 2011-2012 Tax Year is shown on Exhibit "C" of the Engineer's Report.

The expressed purpose of the annual assessment is to provide a continued source of funding for County Service Area 27 – Empire for the ongoing maintenance and operation of the storm drain system. Future phases of the Empire Improvement Project will require the annexation of those specific improvement areas into County Service Area 27 – Empire prior to construction commencing.

Public Hearing to Consider the Formation of County Service Area 27-Empire and Conduct a Ballot Procedure in Compliance with Proposition 218, and Consent to the Waiver of Conducting Authority Proceedings for Formation Of County Service Area 27-Empire

POLICY ISSUES:

The Board should consider if the recommended actions are consistent with its priorities of providing a safe community, a healthy community, and a well-planned infrastructure system.

STAFFING IMPACT:

Stanislaus County Department of Public Works staff will manage the administration of County Service Area 27-Empire. No additional staffing will be needed at this time.

DF:lc

H:\Denny Ferreira\Proposals\Empire CSA\Board Items\Public Hearing\Board Agenda For Public Hearing On Nov 24 - Page2

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: November 24, 2009

No. 2009-791

On motion of Supervisor O'Brien Seconded by Supervisor Grover

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

Item # 9:15 a.m.

THE FOLLOWING RESOLUTION WAS ADOPTED:


APPROVAL TO ADOPT A RESOLUTION OF APPLICATION FOR THE FORMATION OF COUNTY
SERVICE AREA 27-EMPIRE

BE IT RESOLVED, that the Board of Supervisors, of the County of Stanislaus, State of California, hereby finds and determines as follows:

1. The improvements to be constructed and maintained within County Service Area 27-Empire will consist of 5,630 linear feet of storm drain piping, 22 storm drain manholes, 10,600 linear feet of curb and gutter, and routine street sweeping to prevent build up of silt and other damaging materials to the storm drain system.
2. There is a need to provide on going funding through assessments, to support the provision of the special benefit of a unified storm drain system in the unincorporated community of Empire. In order to promote health, safety and welfare of the residential and commercial area, and to accomplish that objective, the Board proposes the formation of County Service Area 27-Empire and approves the method of assessment.
3. The area being included in the formation of the new county service area shall consist of all that land shown on the attached legal description (Exhibit "A") and map (Exhibit "B"), and shall be called "County Service Area 27-Empire".

NOW, THEREFORE, BE IT FURTHER RESOLVED that the County Engineer is ordered to prepare and file a report in accordance with the California Constitution article XIII D Section 4(b).

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California





DEPARTMENT OF PUBLIC WORKS

Matt Machado, PE
Director

Laurie Barton, PE
Deputy Director, Engineering/Operations

Diane Haugh
Assistant Director, Business/Finance

1010 10th Street, Ste. 3500, Modesto, CA 95354
Phone: 209.525.6550/email:publicworks@stancounty.com

COUNTY SERVICE AREA NO. 27
ANNUAL ENGINEER'S REPORT

EMPIRE

FISCAL YEAR 2011/2012

SET HEARING:
PUBLIC HEARING:

SEPTEMBER 29, 2009
NOVEMBER 24, 2009

TABLE OF CONTENTS

ENGINEER'S REPORT AFFIDAVIT	3
INTRODUCTION	4
PART I – PLANS AND SPECIFICATIONS	4
A. Description of the Service Area	4
B. Description of Improvements and Services	5
PART II – METHOD OF APPORTIONMENT	5
A. Benefit Analysis	5
B. Assessment Methodology	6
PART III – BUDGET ANALYSIS	8
A. Fund Allocation	8
B. Budget Formula	8
PART IV – SERVICE AREA BUDGET	10
PART V – ASSESSMENTS	11
EXHIBIT A – BOUNDARY MAP	
EXHIBIT B – ASSESSOR MAPS	
EXHIBIT C – CSA MAP	
EXHIBIT D – PARCEL LIST	

ENGINEER'S REPORT AFFIDAVIT

County of Stanislaus, State of California

CSA NO. 27 – EMPIRE

This report describes the district and all relevant zones therein including the budget(s), parcels and assessments to be levied for the fiscal year 2011/2012. Reference is hereby made to the Stanislaus County Assessor's maps for a detailed description of the lines and dimensions of parcels within the County Service Area (CSA).

The undersigned respectfully submits the enclosed report as directed by the Board of Supervisors.

Dated this 9TH day of SEPTEMBER, 2009



MATT MACHADO, DIRECTOR, PE
Stanislaus County Department of Public Works



**COUNTY SERVICE AREA NO. 27
ANNUAL ENGINEER'S REPORT
FISCAL YEAR 2011/2012**

INTRODUCTION:

In Fiscal Year 2005/2006 the Community Development Department along with other agencies implemented plans to provide a storm drainage system to the unincorporated area of Empire. Since a specific need for this infrastructure was validated and supported by input from the community, the Redevelopment Agency Implementation Plan and the Community Development Block Grant Annual Action Plan (CDBG) provided funding for the planning and implementation of this project. Approximately \$2,500,000 was allocated for the project through federal and local funding.

Currently the project is to be constructed in three phases. Phase one (1) will provide infrastructure to approximately 80 parcels, Phase two (2) will include approximately 154 parcels, and Phase three (3) will include approximately 179 parcels. The total proposed improvements would serve a total of 152.11 acres within the unincorporated area of Empire. Following the current schedule mandated by the funding mechanisms, Phase 1 of this project is due to be completed by June 30, 2010.

In order for the County to maintain infrastructure such as this, the Public Works Department recommends that a County Service Area be established. The County Service Area will provide funding for the continual upkeep and maintenance of the infrastructure in order for it to function as originally designed. "County Service Area No. 27 (CSA 27)-Empire" will be established to exclusively maintain the extended storm drainage and infrastructure that is provided to the unincorporated area of Empire.

PART I – PLANS AND SPECIFICATIONS

A. Description of the service area

CSA 27-phase 1 consists of 80 out of the anticipated 413 parcels that will receive a special benefit from CSA-27-Empire. This unincorporated area encompasses an area of land totaling approximately 44.52 acres. The boundary of CSA 27 is shown on Exhibit "A" that is attached hereto and made a part of this Engineer's Report. Phase 1 is generally located:

- North of State Route 132
- East of the Santa Fe Railroad
- South of 2nd street
- South of Center Avenue

Streets that are within the proposed boundary are as follows:

- 1st Street west of the Railroad
- 2nd Street west of the Railroad
- E Street (between State Route 132 and 2nd Street)
- Church Street (between State Route 132 and 2nd Street)
- North G Street (Between State Route 132 and 2nd Street)
- H Street (Between State Route 132 and 1st Street)
- I Street (Between State Route 132 and 1st Street)

Attached with this document is a Map titled, exhibit "B" showing the boundary of the proposed CSA.

B. Description of Improvements and Services

The purpose of this district is to ensure the ongoing maintenance and operation of the storm drain system. The special benefit assessments to be levied for this district are intended to provide a revenue source for all the maintenance and servicing of the service area's improvements including, but not limited, to the materials, equipment, labor and administrative expenses. However, the assessments are not intended to fund reconstruction or major renovations of the improvements and facilities. The improvements to be maintained and funded entirely or partially through the service areas assessments are generally described as:

- Periodic cleaning and maintenance (as needed) on the following Storm Drain System:
 - 70 linear feet of 66 inch storm drain;
 - 550 linear feet of 48 inch storm drain;
 - 1,580 linear feet of 30 inch storm drain;
 - 850 linear feet of 24 inch storm drain;
 - 1,710 linear feet of 18 inch storm drain;
 - 510 linear feet of 12 inch storm drain;
 - 360 linear feet of 66 inch horizontal drain
 - 22 storm drain manholes;
 - 2 horizontal drain manholes;
- Periodic cleaning and maintenance of 28 catch basins;
- Maintain 10,600 linear feet of curb and gutter as related to the continued functionality of the storm drain system;);
- Periodic street sweeping to prevent build up of silt and other damaging materials to the storm drain system. All debris is contained and hauled off the site with containment bins;

PART II - METHOD OF APPORTIONMENT

A. Benefit Analysis

The method of apportionment described in this report for allocation of special benefit assessments utilizes commonly accepted engineering practices. The formula used for calculating assessments for the district reflects the composition of the parcels and improvements provided to fairly apportion the costs based on special benefits to each parcel. Furthermore, pursuant to the Constitution Article XIID Section 4, a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel and a parcel may only be assessed for special benefits received.

The storm drain facilities and the infrastructure provide special benefits to the properties within the CSA. Each parcel receives equal benefit from the extended storm drainage. The extended storm drainage only provides a special benefit to the parcels within CSA 27; therefore, no general benefit has been assigned.

There are four (4) parcels (Apn # 133-013-010, 133-013-011, 133-013-018, and 133-014-016) that exclusively front State Route 132/ Yosemite Boulevard that receive no special benefit from the services provided by the county service area due to an existing 36 inch Cal Trans positive storm drain pipe that discharges directly to the Modesto Irrigation District's system.

B. Assessment Methodology

The method of apportionment for the CSA calculates the receipt of special benefits from the respective improvements based on the actual or the proposed land use of the parcels within the district. The special benefit received by each lot or parcel is equated to the overall land use of the parcels within the CSA based on the parcel's actual land use or proposed development.

Upon review of the proposed improvements it has been determined that each of the residential parcels within the CSA receives special benefits from all the improvements to be funded by annual assessments. The parcels within the CSA may be identified by one of the following land use classifications and is assigned a weighting factor known as Equivalent Benefit Unit (EBU). The EBU calculated for a specific parcel defines the parcel's proportional special benefits from the CSA's improvements, facilities and services.

Equivalent Benefit units (EBU):

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of all other property in the CSA. The EBU method of apportioning assessments uses the single-family home site as the basic unit of assessment. A single-family home site equals one EBU. All other land uses are converted to EBU's based on an assessment formula that equates the property's specific development status, type of development (land use) and size of property, as compared to a single-family home site.

The EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology, as the benefits to each parcel from the improvements are apportioned as a function of land use type, size and development. Although the EBU method of apportioning special benefits commonly used and applied to CSA's that have a range of land use classifications (residential and non-residential use), the CSA is comprised of only residential properties and the following apportionment analysis of special of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within the CSA, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the district.

EBU Application by Land Use:

Single Family Residential- This land use is defined as a fully subdivided residential home site with or without structure. This land use is assessed 1.00 EBU per parcel or lot. This is the base value that all other properties are compared and weighted against.

Multi-family Residential- This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property typically includes apartments, duplexes, triplex etc. (It does not typically include condominiums, town-homes, or mobile home parks). Based on average population densities and the size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionally assessed for the parcel's total number of residential units utilizing a sliding

single family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single family residence (sample sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Addition). These various studies indicate the most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases, the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by the CSA, it has been determined that an appropriate allocation of special benefit for multifamily residential properties as compared to a single family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 5 units; 0.50 EBU per unit for units 6 through 50; and 0.25 EBU per unit for all remaining units

Condominium/Town-Home Units- Condominiums and town-homes tend to share attributes of both a single-family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally the County assigns each unit a separate APN or assessment number. However, condominiums and town homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU pr unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to the APN. There is not an adjustment factor for parcels with more than five units.

Planned-Residential Development- This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the CSA. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionally for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out (the EBU assigned to each parcel shall represent the combination of single family, condominium, multifamily units to be developed).

Exempt Parcels- This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County):
- Private properties that cannot be developed independently for an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

Special Cases- in many CSA's where multiple land use classifications are involved, there is usually one or more properties that the standard land use classifications or usual calculation of benefit will not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a vacant residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel. The following table provides a summary of land use types, the EBU factors used to calculate each parcels individual EBU as outlined above.

PART III – BUDGET ANALYSIS

A. Fund Balance

The assessment for Fiscal Year 2011/2012 would be \$75.62 per EBU. The 80 parcels within Phase one would have a total combined E.B.U. of 111.563.

Fund balance is accrued from the difference of the revenue received from the annual assessments and the actual yearly operating cost for each fiscal year. Any additional funds will be maintained within the CSA to provide funding for the first six months of operating costs. 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 various services provided. An amount of \$649 or one sixth (1/6) of the funding needed to cover this dry period will be included in the assessment calculation until 2017/2018 to build a reserve. When sufficient fund balance exists to fund six months of operating costs and any required capitol improvement reserve, the remaining fund balance will be used to offset the following year's expenditures.

B. Budget Formula

Land use and Equivalent benefit units

Property type	EBU	Multiplier
Single Family Residential	1.00	Per unit/lot (parcel)
Multi-Family Residential	0.75	Per unit for the first 5 units
	0.50	Per unit for units 6 thru 50
	0.25	Per units > 50
Condominium/Town- Home Units	0.75	Per Unit
Planned Residential Development	1.00	Per planned Residential lot
	0.75	Per planned Condominium
	0.75	Per unit for the first 5 units
	0.50	Per unit for units 6-50
	0.25	Per unit >50
Vacant/Undeveloped Residential Land	1.00	Per Acre
Public Park	0.40	Per Acre
Public Storm Drain Basin	0.40	Per Acre
Public School/Congregations	2.20	Per Acre
Commercial/Industrial Parcel	3.50	Per Acre
Undeveloped Commercial/Industrial Parcel	1.00	Per Acre
Rural/ Agricultural	1.00	Per Acre
Exempt Parcels	0.00	Per parcel

The following formula is used to calculate each parcel's EBU (proportional benefit):

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of EBU's is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (assessment rate) for the improvements is established by taking the total cost of the improvements and dividing the amount by the total number of EBU's of all benefiting parcels from the improvements. The rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU's} = \text{Levy per EBU}$$

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

PARCEL TYPES INCLUDED WITH THIS FORMATION

PARCEL TYPE	PARCELS	ACRES	E.B.U.	E.B.U TOTAL
Residential	64		1.000	63.000
Comm./Industrial	8	1.370	3.500	4.795
School/Church	4	17.870	2.200	39.314
Vacant Lot	1	0.930	1.000	0.930
Parks	3	0.710	0.400	0.284
Total	80	20.880	8.100	108.323

PART IV - SERVICE AREA BUDGET

EXPENSE DESCRIPTION	TOTAL BUDGET
ADMINISTRATION	
County Administration	\$823
Miscellaneous/Other Admin Fees	\$0
Total	\$823
PUBLIC WORKS	
Pond Excavation	\$0
Pump Replacement	\$0
Cleaning Draining System	\$2,700
Street Sweeping	\$5,530
Curb & Gutter Repair	\$0
Weed Spraying	\$0
Erosion Control	\$0
Separator Cleaning	\$0
Utilities	\$0
Total	\$8,230
Capital Improvement Reserve	\$0
General Benefit	(\$1,266)
Total Administration, Parks & Rec, Public Works Budget	\$7,787
Fund Balance Information	
Beginning Fund Balance (Estimated for 2009/10)	\$0
Capital Improvement Reserve (-)	\$0
Available Fund Balance	\$0
Adjustments to Available Fund Balance	
General Fund (or PW) Loan Repayment/Advance (+)	\$0
Other Revenues/General Fund (Contributions i.e. Grants) (+)	\$0
Capital Improvement Expenditure (pumps etc.) (-)	\$0
6 Months Operating Reserve (-)	(\$3,894)
Use of Fund Balance for FY 2009/10 (-)	\$0
Contingency Reserve (-)	\$0
Total Adjustments	(\$3,894)
Remaining Available Fund Balance	(\$3,894)
Total Administration, Parks & Rec, Public Works Budget	\$7,787
Use of Fund Balance/Add'l reserve (-/+)*	\$649
Balance to Levy	\$8,436
District Statistics	
Total Parcels	80
Parcels Levied	80
Total EBU	108.323
Levy EBU	\$77.88
Capital Reserve Target	\$0

* an amount equaling 1/6 of the 6 month operating reserve will be collected until reserve is attained.

PART V – ASSESSMENTS

2011/2012 Assessment = \$8,436.00 / 108.323 E.B.U. = \$77.88 per E.B.U.

Proposition 218 took effect on July 1, 1997, and requires an assessment ballot procedure in order to establish or increase the assessment.

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

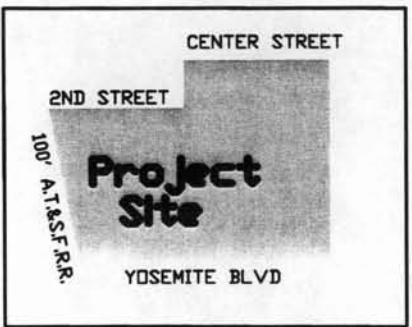
EXHIBIT "A"
CSA 27 FORMATION- EMPIRE

All that portion of real property located in Section 29 and 30, Township 3 South, Range 10 East, Mount Diablo Base and Meridian in the County of Stanislaus State of California Described as follows:

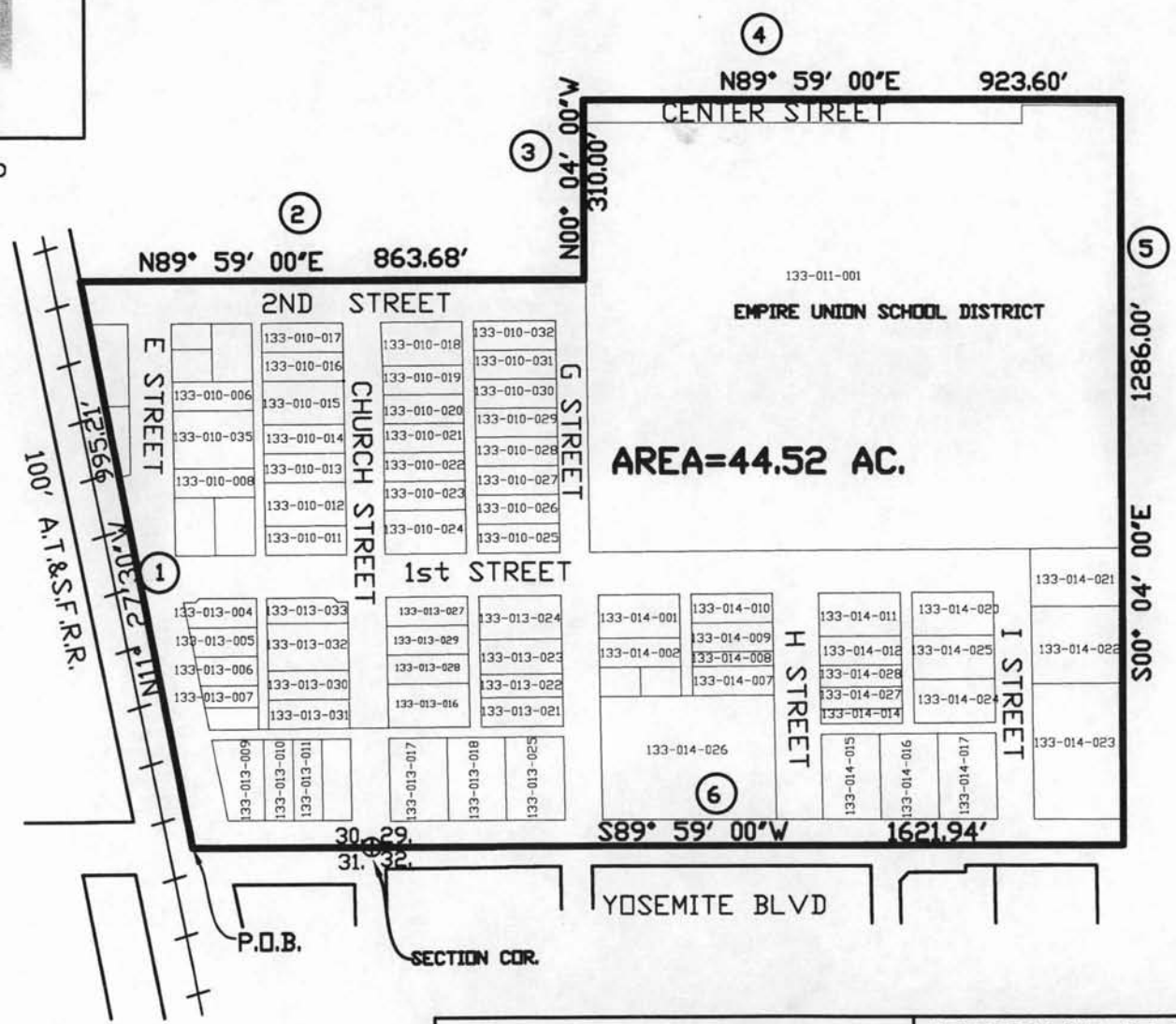
Commencing at the common section corner of Sections 30, 29, 31 and 32 of said Township and Range, thence South $89^{\circ}59'00''$ West a distance of 297.34 feet to the easterly right of way of Atchison Topeka and Santa Fe Railroad and being the **TRUE POINT BEGINNING OF THIS DESCRIPTION**. (1) thence North $11^{\circ}27'30''$ West a distance of 995.21 feet along the easterly line of said A.T.&S.F.R.R. to the northerly line of 2nd street. (2) thence North $89^{\circ}59'00''$ East along the north line of 2nd street a distance of 863.68 feet to the east right of way line of "G" Street (3) thence North $00^{\circ}04'00''$ West a distance of 310.00 feet to the north line of a 10 foot alley (4) thence North $89^{\circ}59'00''$ East a distance of 923.60 feet to the east line of Lot 1 of Block 1 of Map of the Root Addition recorded on Volume 9 of Maps, Page 40 Stanislaus County Records. (5) thence South $00^{\circ}04'00''$ East a distance of 1286.00 feet along the east line of Lots 1-11 of said Block 1 and its southerly extension to the south line of said section 29. (6) thence South $89^{\circ}59'00''$ West a distance of 1621.94 feet along the south line of said section 29 and 30 to the true point beginning of this description.

Containing an Area = 44.52 Acres

EXHIBIT 'B'



Vicinity Map
Not to Scale



CSA 27-EMPIRE FORMATION		DEPARTMENT OF PUBLIC WORKS STANISLAUS COUNTY	
BEING A PORTION OF SECTION 29 AND 30 TOWNSHIP 3 SOUTH, RANGE 10 EAST M.D.B.M.		DATE: 08-17-2009	SCALE: 1"=300'
		DRAWN BY: NCW CHECKED BY: LF	

EXHIBIT "D"
PARCEL COUNT FOR
COUNTY SERVICE AREA NO. 27
EMPIRE
FISCAL YEAR 2011/2012

The Assessor's parcels listed below are subject to the annual assessment:

A.P.N.	ASSESSMENT	EBU	A.P.N.	ASSESSMENT	EBU
SINGLE FAMILY DWELLING			133-010-027	\$77.88	1
			133-010-028	\$77.88	1
			133-010-029	\$77.88	1
			133-010-030	\$77.88	1
			133-010-031	\$77.88	1
133-010-001	\$77.88	1	133-010-032	\$77.88	1
113-010-002	\$77.88	1			
133-010-003	\$77.88	1	133-010-035	\$77.88	1
133-010-004	\$77.88	1	TOTAL		33
133-010-005	\$77.88	1		\$2,492.16	
133-010-006	\$77.88	1	133-013-004	\$77.88	1
			133-013-005	\$77.88	1
133-010-008	\$77.88	1	133-013-006	\$77.88	1
133-010-009	\$77.88	1	133-013-007	\$77.88	1
133-010-010	\$77.88	1	133-013-008	\$77.88	1
133-010-011	\$77.88	1	133-013-009	\$77.88	1
133-010-012	\$77.88	1			
133-010-013	\$77.88	1	133-013-016	\$77.88	1
133-010-014.	\$77.88	1			
133-010-015	\$77.88	1	133-013-021	\$77.88	1
133-010-016	\$77.88	1	133-013-022	\$77.88	1
133-010-017	\$77.88	1	133-013-023	\$77.88	1
133-010-018	\$77.88	1	133-013-024	\$77.88	1
133-010-019	\$77.88	1			
133-010-020	\$77.88	1	133-013-027	\$77.88	1
133-010-021	\$77.88	1	133-013-028	\$77.88	1
133-010-022	\$77.88	1	133-013-029	\$77.88	1
133-010-023	\$77.88	1	133-013-030	\$77.88	1
133-010-024	\$77.88	1	133-013-031	\$77.88	1
133-010-025	\$77.88	1	133-013-032	\$77.88	1
133-010-026	\$77.88	1	133-013-033	\$77.88	1
133-014-001	\$77.88	1	TOTAL		18
				\$1,401.84	

EXHIBIT "D"
PARCEL COUNT FOR
COUNTY SERVICE AREA NO. 27
EMPIRE
FISCAL YEAR 2011/2012

The Assessor's parcels listed below are subject to the annual assessment:

A.P.N.	ASSESSMENT	EBU	A.P.N.	ASSESSMENT	EBU
133-014-002	\$77.88	1	<u>COM/IND</u>	<u>ACRES</u>	
			133-013-009	0.25	\$68.15 0.875
133-014-008	\$77.88	1	133-013-010	0.16	\$0.00 0.000
133-014-009	\$77.88	1	133-013-011	0.16	\$0.00 0.000
133-014-010	\$77.88	1	133-013-012	0.16	\$43.61 0.560
133-014-011	\$77.88	1	133-013-017	0.32	\$87.23 1.120
133-014-012	\$77.88	1	133-013-018	0.32	\$0.00 0.000
			133-013-025	0.32	\$87.23 1.120
133-014-014	\$77.88	1	<u>TOTAL</u>	1.69	\$286.21 3.675
133-014-016	\$0.00	0	133-014-015	0.32	\$87.23 1.120
113-014-020	\$77.88	1	<u>TOTAL</u>	0.32	\$87.23 1.120
133-014-024	\$77.88	1			
133-014-025	\$77.88	1	<u>C/I TOTALS</u>	2.01	\$373.43 4.795
133-014-027	\$77.88	1			
133-014-028	\$77.88	1	<u>SCH/CHUR</u>	<u>ACRES</u>	
<u>TOTAL</u>	\$1,012.44	12	133-011-001	15.71	\$2,691.69 34.562
			<u>TOTAL</u>	15.71	\$2,691.69 34.562
SFD TOTALS	\$4,906.44	63			
			133-014-017	0.32	\$54.83 0.704
			133-014-021	0.41	\$70.25 0.902
			133-014-026	1.43	\$245.01 3.146
			<u>TOTAL</u>	2.16	\$370.09 4.752
			<u>S/C TOTALS</u>	17.87	\$3,061.77 39.314
<u>PARKS</u>	<u>ACRES</u>				
133-014-003	0.08	\$2.49 0.032			
133-014-004	0.08	\$2.49 0.032			
133-014-022	0.55	\$17.13 0.220			
<u>TOTAL</u>	0.71	\$22.12 0.284			
			<u>VACANT</u>	<u>ACRES</u>	
			133-014-023	0.93	\$72.43 0.930
			<u>TOTAL</u>	0.93	\$72.43 0.930
			CSA TOTALS		\$8,436.20 108.323