

BOARD ACTION SUMMARY

DEPT: Public Works

BOARD AGENDA: 5.C.3
AGENDA DATE: June 26, 2018

SUBJECT:

Approval to Initiate the Annexation of the Valley BMW/KIA and Valley Lexus properties to County Service Area No. 20 Summit and Establish Zones of Benefit

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0340

On motion of Supervisor Chiesa Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Monteith, and Vice-Chairman Withrow


Noes: Supervisors: None

Excused or Absent: Supervisors: Chairman DeMartini

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Public Works

BOARD AGENDA:5.C.3
AGENDA DATE: June 26, 2018

CONSENT:

CEO CONCURRENCE:

4/5 Vote Required: No

SUBJECT:

Approval to Initiate the Annexation of the Valley BMW/KIA and Valley Lexus properties to County Service Area No. 20 Summit and Establish Zones of Benefit

STAFF RECOMMENDATION:

1. Find that the area included in the Legal Description of Valley BMW/KIA and Valley Lexus properties (Zone 2) is located in the unincorporated territory of Stanislaus County and that it is not within the boundary of any other County Service Area.
2. Declare that all services being provided by County Service Area No.20 - Summit (CSA No. 20) will be extended fully to the territory included in the Zone 2 annexation, and that said services shall commence after Local Agency Formation Commission (LAFCO) issuance of a Certificate of Completion for the annexation and upon start of the 2018-2019 Fiscal Year.
3. Find that the annexation will not produce a change in the existing assessment methodology for CSA No. 20 Summit Corporate Center industrial park subdivision (Zone 1), and that parcels in the new Zone 2 shall be subject to that pre-existing methodology.
4. Find that the assessment formula for CSA No.20 is sufficient to adequately assess the annexed parcels in Zone 2 for the cost of services received.
5. Approve the resolution of application to the Stanislaus County Local Agency Formation Commission made pursuant to Government Code sections 56654 and 25217.
6. Order that, subject to LAFCO approval of the annexation, Assessor Parcel Numbers (APNs) 046-010-036, 046-010-037, 046-010-038, 046-010-039, 046-010-040, 046-011-073, 046-011-074, and 046-010-075 and any subsequent subdivided parcel numbers shall be added to the Fiscal Year 2019-2020 annual assessments.

DISCUSSION:

The areas proposed for annexation to Community Service Area (CSA) No. 20 include eight commercial lots known as Valley BMW/KIA and Valley Lexus. Valley BMW/KIA and Valley Lexus properties (APN 046-010-036, 046-010-037, 046-010-038, 046-010-039, 046-010-040, 046-011-073, 046-011-074, and 046-010-075) together with a

portion of Galaxy Way and Spyres Way make up a total of 16.41 acres located on the north side of Galaxy Way and West of McHenry Avenue in the north Modesto area. Attachments illustrate the proposed boundary and include its legal description.

The proposal is being made to meet a development standard for Rezone & Parcel Map Application No. 2015-0027 (Valley BMW/KIA) and for Rezone Application No. 2004-11 and Parcel Map Application No. 2004-30 (Valley Lexus). Both projects have been approved by the Stanislaus County Board of Supervisors. The following development standard was included in the Board's action:

“Prior to the issuance of a final occupancy permit for any structure, a County Service Area (CSA) shall be formed to provide funds to ensure future maintenance of the Spyres Way storm drainage system. The developer shall provide all necessary documents and pay all fees associated with the formation of or the annexation into CSA. As part of the formation, a formula or method for the calculation of the annual assessment shall be approved. The formation process takes approximately 6 months and requires LAFCO approval.”

Stanislaus County requires inclusion of the properties in a County Service Area to receive storm water drainage services. Thus, to meet the Stanislaus County requirements, decision was made to annex Valley BMW/KIA and Valley Lexus properties to the existing County Service Area No. 20.

The approved Tentative Map and Development Plan sub-divided Valley BMW/KIA parcel 046-010-020 into five parcels for the development of two auto dealerships and the future development of similar auto related uses. The approved Rezone Map Application and Parcel Map Application sub-divided Valley Lexus parcel 046-011-014 into three parcels of unspecified commercial uses with the auto dealership occupying the largest parcel. The new commercial lots are situated along the Spyres Way. The storm drainage system utilizes rock wells and the French drain system, and will add approximately 3,422 lineal feet of curb along Galaxy Way and Spyres Way for street sweeping maintenance. Twelve catch basins and 6 manholes will be situated on both sides of the south Spyres Way and west and east of Galaxy Way. Installation of this infrastructure will be at the developer's expense and to county standards.

If this annexation is approved, the eight commercial lots will become part of CSA No. 20 and further identified as Zone 2, effective immediately. The existing parcels within CSA 20 will be further identified as Zone 1.

The parcels within Zone 2 (Valley BMW/KIA and Valley Lexus) will be assessed using the existing formulas and methodology approved by the CSA 20's property owners in 2003. However, the parcels within Zone 2 will have a separate budget and assessment rate that will not affect the budget and the assessment for the parcels within the existing CSA 20 (Zone 1). The existing formula proposes a higher assessment level of \$290.90 per acre for undeveloped properties when applied to Zone 2, as compared to developed properties in Zone 1. This greater cost is due to the increase in the cost of maintaining of the storm drain system including increased labor rates and equipment rental rates. This will affect the cost of the assessment of proposed Zone 2 under the existing formula assessments and will commence Budget Year 2019-2020. The existing formulas for CSA No. 20 are as follows:

Total Operation & Maintenance Cost - Use of Fund Balance / Total Acreage = Levy per Acre

Parcel Acreage x Levy per Acre = Parcel Assessment

The services to be extended by CSA No.20 to the Zone 2 annexation will be the same as those extended to all other parcels within the County Service Area and include the following:

- CSA administration
- Storm Drain System Maintenance

A detailed explanation of the assessment formula, methodology and services can be found on the 2019-2020 Engineer's report for CSA No. 20. The formula and methodology will be sufficient to cover ongoing operational and maintenance costs for CSA 20. Stanislaus County Public Works will perform all maintenance activities. Ongoing annual maintenance and operating costs are funded entirely through the County Service Area's proposed assessments.

POLICY ISSUE:

State of California Government Code, section 25212 authorizes the Board of Supervisors to be the governing body for County Service Areas within their county.

FISCAL IMPACT:

These projects include development standards that stipulate the developer/subdivider shall pay all costs associated with the annexation. The development standard was prescribed on April 7, 2016 for Valley BMW/KIA and on April 17, 2007 for Valley Lexus.

Once the properties are annexed, costs for the first year of operations and maintenance are paid by the developer/subdivider. Beginning Fiscal Year 2019-2020, the properties will be assessed, and ongoing operation and maintenance costs associated with County Service Area (CSA) No. 20 will be borne by the CSA. Initial annexation costs are estimated at \$4,834, including the first year's maintenance cost of \$4,334 and State Board of Equalization filing fee of \$500 for Valley BMW/KIA and Valley Lexus properties. These initial costs will be covered by the developer/subdivider. The Public Works Department costs will be reimbursed through the applicant and already covered with a deposit.

BOARD OF SUPERVISORS' PRIORITY:

The recommendations are consistent with the Board's priority of *Delivering Efficient Public Services & Community Infrastructure* by initiating the process to annex Valley BMW/KIA and Valley Lexus into CSA No.20, thereby allowing the developers to comply with County storm drainage system standards and the conditions of approval for their projects.

STAFFING IMPACT:

Existing staff will coordinate the projects with the Local Agency Formation Commission (LAFCO).

CONTACT PERSON:

David Leamon, Interim Public Works Director

Telephone: (209) 525-4151

ATTACHMENT(S):

1. Exhibit A - Legal Description for Valley BMW/KIA and Valley Lexus
2. Exhibit B - Boundary Map for Valley BMW/KIA and Valley Lexus
3. 2019-2020 Engineer`s Report CSA No. 20-Summit Subdivision
4. Exhibit D-Parcel Count of CSA No. 20-Summit Subdivision
5. Consent Form-Valley BMW/KIA and Valley Lexus
6. Resolution CSA 20-Summit Subdivision

EXHIBIT "A"
COUNTY SERVICE AREA (CSA)
LEGAL DESCRIPTION

Being a portion of the Northeast Quarter of Section 5, Township 3 South, Range 9 East, Mount Diablo Meridian, County of Stanislaus, State of California, more particularly described as follows:

COMMENCING at the Northeast corner of said Section 5; thence

- 1) Southerly along the East line of said Section 5, South 01°14'42" East 772.26 feet to the Easterly extension of the North line of that certain Parcel Map recorded on September 1, 2016 for record in Book 57 of Parcels Maps at Page 40, Stanislaus County Records, being also a point on the existing boundary line of the North McHenry Lighting District and the **POINT OF BEGINNING** of this description; thence,
- 2) Continuing along said Section line, South 01°14'42" East 771.87 feet to a point on the Easterly extension of the South line of that certain Parcel Map filed for record on March 17, 2010 in Book 56 of Parcel Maps at Page 40, Stanislaus County Records; thence,
- 3) Westerly along said Easterly extension and the South line of last said Parcel Map, North 88°41'50" West 1076.63 feet to the Southwest corner of last said Parcel Map; thence,
- 4) Northerly along the West line of said Parcel Map filed in Book 56 of Parcel Maps at Page 40 and said Parcel Map filed in Book 57 of Parcel Maps at Page 40, North 01°09'39" West 769.49 feet to the Northwest corner of said Parcel Map filed in Book 57 of Parcel Maps at Page 40; thence,
- 5) Easterly along the North line of last said Parcel Map and its easterly extension, South 88°49'16" East 1075.40 feet to the point of beginning.

Containing 19.02 acres more or less

This legal description as described is delineated on the accompanying "Plat to Accompany Legal Description" and made a part hereof for reference purposes.



Nicole Cannella, P.L.S. 9099

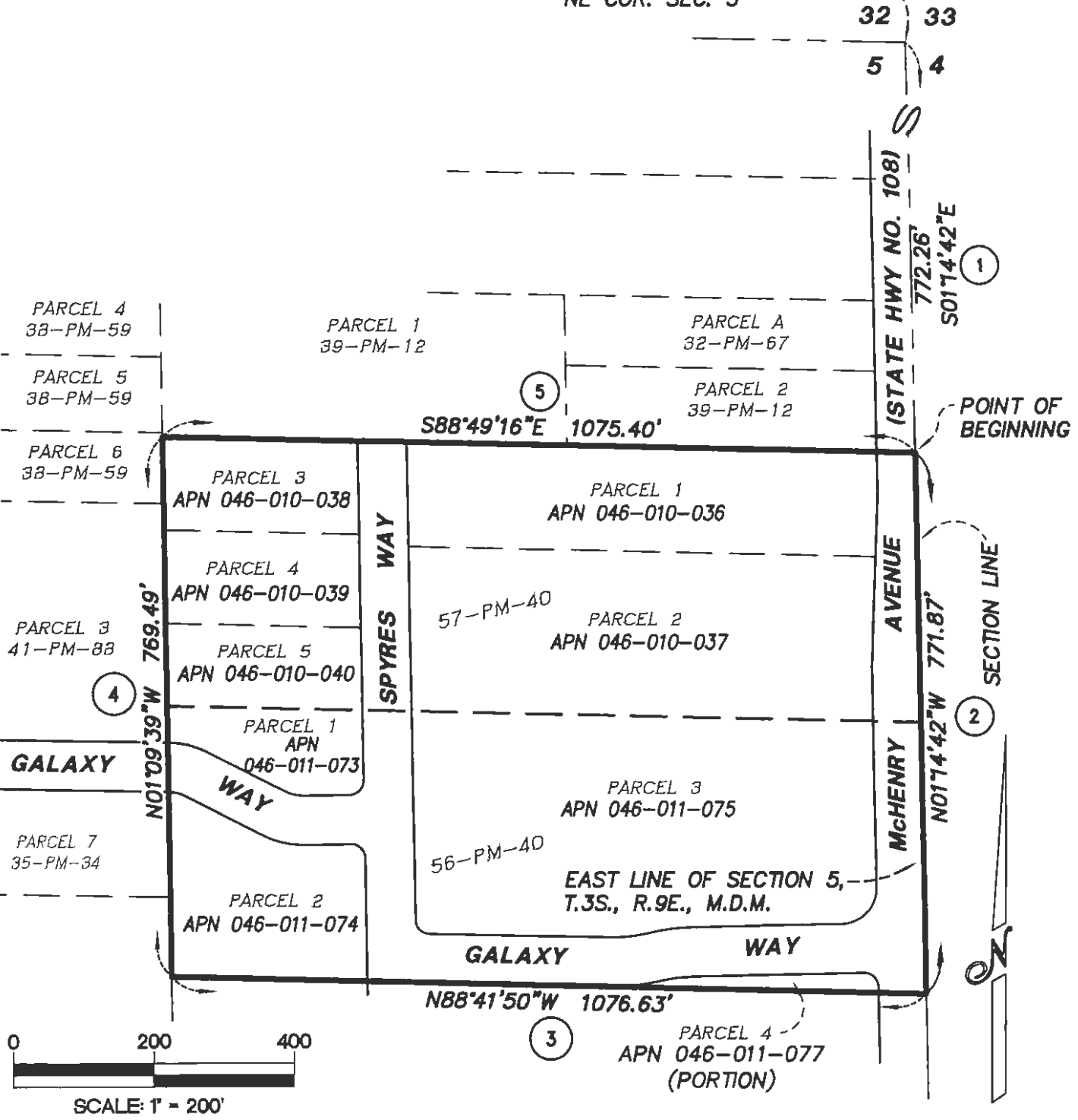



5.25.18

EXHIBIT "B"

COUNTY SERVICE AREA (CSA)

POINT OF COMMENCEMENT
NE COR. SEC. 5



 <p>North Star Engineering Group, Inc.</p> <p>• CIVIL ENGINEERING • SURVEYING • PLANNING • 620 12th Street Modesto, CA 95354 (209) 524-3525 Phone (209) 524-3526 Fax</p>	<p><u>PLAT TO ACCOMPANY</u> <u>LEGAL DESCRIPTION</u></p> <p>OF A PORTION OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO MERIDIAN.</p> <p>STANISLAUS COUNTY, STATE OF CALIFORNIA</p>	<p>JOB NO: J14-1474</p> <p>SCALE: AS SHOWN</p> <p>DR BY: NC</p> <p>FILE: 14-1474 County Service Area Annex</p> <p>DATE: May 25, 2018</p>
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COUNTY SERVICE AREA NO. 20
ANNUAL ENGINEER'S REPORT

SUMMIT SUBDIVISION, MODESTO

FISCAL YEAR 2019-2020

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ENGINEER'S REPORT AFFIDAVIT

County of Stanislaus, State of California

CSA NO. 20 – SUMMIT SUBDIVISION

This report describes the CSA and all relevant zones therein including the budget(s), parcels and assessments to be levied for the Fiscal Year 2019-2020. 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 29TH day of May, 2018



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



**COUNTY SERVICE AREA NO. 20
ANNUAL ENGINEER'S REPORT
FISCAL YEAR 2019-2020**

INTRODUCTION:

County Service Area No. 20 (CSA 20) was established in January 2003, to provide extended maintenance service for the storm drain system within the Summit Corporate Center industrial park subdivision. The County accepted the subdivision improvements for Phase 1 and 2 on July 22, 2003 and March 2, 2004, respectively. As a result of these acceptances, the County has been maintaining all of these subdivision improvements including, but not limited to, the storm drain system since 2004. On June 26, 2018, the annexation of eight commercial parcels known as Valley BMW/KIA and Valley Lexus and establishing zones of benefits was approved by the Board of Supervisors.

Government Code Section 25210.77(A) requires that a written report containing a description of each parcel of real property receiving the particular extended service and the amount of the assessment for each parcel be prepared once a year and filed with the Clerk of the Board of Supervisors.

PART I – PLANS AND SPECIFICATIONS

A. Description of the service area

There are total of 47 parcels within CSA 20 consisting of: Summit subdivision (38 industrial lots and a storm drain basin Lot "A") and Valley BMW/KIA and Valley Lexus subdivision (8 industrial lots); Assessor maps are attached hereto as exhibits "B" and "B1". This industrial development encompasses an area of land totaling approximately 44.50 acres of Summit subdivision (Zone 1) of which 35.96 acres are to be levied and 16.41 acres of Valley BMW/KIA and Valley Lexus subdivision (Zone 2) of which 14.90 acres are to be levied. The boundary of CSA 20 is shown on Exhibits "A" and "A1" that are attached hereto and made a part of this Engineer's Report. The development is generally located:

Summit subdivision

- North of Pelandale Avenue
- South of Bangs Avenue
- West of McHenry Avenue;

BMW/KIA/Lexus subdivision

- South of Spyres Way
- West of Galaxy Way
- East of Galaxy Way

B. Description of Improvements and Services

The purpose of this CSA is to insure the ongoing maintenance, operation, and servicing of the storm drain basin and storm drain system. The special benefit assessments to be levied for this CSA 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 maintenance,

operation, and servicing of the storm drain system are funded entirely or partially through the service area assessments and generally described as:

- Periodic cleaning and maintenance (as needed) on 140 linear feet of 8 inch pipe, 870 linear feet of 18 inch pipe, 937 linear feet of 24 inch pipe, 300 linear feet 30 inch pipe, 315 linear feet of 48 inch pipe;
- Periodic cleaning and maintenance of 19 catch basins, 10 manholes, and 23 rock wells;
- Repair curb and gutter as needed to maintain the storm drain system (8,781 linear feet of curb and gutter);
- Periodic streets sweeping to prevent build-up of silt and other damaging materials to the storm drain system. All debris is contained and hauled offsite with containment bins;
- Annual repairs and general maintenance to the storm drain basin (erosion control, weed spraying, grading/excavation as needed);
- Remove silt build up next to the wall of the separator with the use of the vector.

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 CSA 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.

All the improvements and services associated with the CSA have been identified as necessary, required and/or desired for the orderly development of the properties within the CSA to their full potential and consistent with the proposed development plans. As such, these improvements would be necessary and required of individual property owners for the development of such properties and the ongoing operation, servicing and maintenance of the improvements and facilities would be the financial obligation of those properties. Therefore, the storm drain facilities and the infrastructure, and the annual costs of ensuring the maintenance and operation of these improvements provide special benefits to the properties within the CSA.

Each parcel receives benefit from the extended storm drainage based on the parcel's net acreage. The extended storm drainage only provides a special benefit to the parcels within CSA 20, therefore, no general benefit has been assigned. The annual assessment is levied without regard to property valuation.

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 CSA. 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. Based on the planned property development a single zone of benefits is appropriate for the allocation of the assessments and proportional benefit. 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. 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 CSA.

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 benefit scale. Although multi-family properties typically receive similar benefits to that of a 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 per 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);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts or other publicly owned properties that are part of the CSA improvements or that have little or no improvement value;
- 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 are 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:

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 Residential Land	1.00	Per Acre
Public park	0.40	Per Acre
Public Storm Drain Basin)	0.40	Per Acre
Public School	0.40	Per Acre
Industrial Parcel	3.50	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.

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

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

PART III – BUDGET ANALYSIS

A. Fund Balance

It is estimated that there will be a fund balance on June 30, 2019 of \$23,397 for Summit Subdivision (Zone 1). This amount was generated in order to have funds available for capital improvements in the storm drainage system. Based on operating experience, this fund balance can be reduced while still being adequate for future capital needs.

The first year of operations and maintenance for BMW/KIA/Lexus annexed properties (Zone 2) will be covered entirely by the properties developer/subdivider. Starting Fiscal Year 2019-2020, the properties will be assessed, and ongoing operation and maintenance costs associated with the CSA No. 20 will be borne by the County Service Area. The first year operations and maintenance costs for BMW/KIA/Lexus (Zone 2) are estimated to be \$4,334. The remaining funds will be transferred to the CSA 20 fund in the end of Fiscal Year 2018-2019 and become an available fund balance for the subsequent year.

The threat to stormwater quality comes from the urbanized areas within the County, which the CSA's encompass. The County is mandated by the State Water Resources Control Board, Water Quality Order No. 2013-0001-DWQ to regulate stormwater within these urbanized areas. The CSA's receive additional services above the General Benefit for the following permit areas: Education and Outreach (E.7), Public Involvement and Participation Program (E.8), Illicit Discharge Detection and Elimination Program (E.9), Post-Construction Stormwater Management Program (E.12), Water Quality Monitoring (E.13), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15) and the Annual Reporting Program (E.16).

The fee structure to implement the state requirements has not been determined for Fiscal Year 2019-2020. An estimated annual fee of \$5 per parcel is included in this year's budget. Any surplus or shortfall will be adjusted in future calculations.

The fiscal year is the 12-month period from July 1st through June 30th of the following year. The annual assessment is received with property taxes 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, creating a 6-month lag in receiving the money necessary to maintain the various services provided. Therefore, a reserve of \$4,240, for Summit Subdivision (Zone 1) and \$2,167 for BMW/KIA/Lexus (Zone 2) of available fund balance will be carried forward to cover costs from July 1st to December 31st.

The Public Works maintenance expenses will slightly increase for drain basin maintenance for Fiscal Year 2019-2020, which is due to increase of the labor cost and the cost of rent of the equipment. The assessment for Fiscal Year 2019-2020 is \$234.42 per net acre for Summit Subdivision (Zone 1) and \$290.90 per net acre for BMW/KIA/Lexus (Zone 2). This assessment for Zone 1 is the same as the Fiscal Year 2018-2019 assessment. The proposed budget includes the use of \$49 of existing fund balance for Summit Subdivision (Zone 1) to offset operating costs thereby keeping the annual assessment unchanged.

B. Budget Formula

Proposition 218, a statewide initiative approved by the voters in November 1996, requires property owners approve any change in the method of calculating assessment and any increase in rate through a ballot procedure. An assessment ballot procedure occurred

during the formation of CSA 20. A majority protest was not filed regarding the formula for calculating the annual assessment and the levy of the annual assessment to pay for the services provided by CSA 20. Therefore, the formula for calculating the annual assessment has been approved and is in place. The formula that is being used to calculate the assessments is as follows:

$$\text{Total Operation \& Maintenance Cost - Use of Fund Balance / Total Acreage} \\ = \text{Levy per Acre}$$

$$\text{Parcel Acreage x Levy per Acre} \\ = \text{Parcel Assessment}$$

PART IV - SERVICE AREA BUDGET

EXPENSE DESCRIPTION	SUMMIT (Zone 1)	BMW/KIA/LEXUS (Zone 2)
<u>ADMINISTRATION</u>		
County Administration	\$ 515	\$ 105
Miscellaneous/Other Admin Fees	\$ -	\$ -
Total	\$ 515	\$ 105
<u>PARKS & RECREATION</u>		
Parks Labor	\$ -	\$ -
Parks Utilities	\$ -	\$ -
Parks Other Supplies	\$ -	\$ -
Total	\$ -	\$ -
<u>PUBLIC WORKS</u>		
Pond Excavation	\$ -	\$ -
SWRCB Permit Requirement	\$ 195	\$ 40
Cleaning Drainage System	\$ 1,300	\$ 1,676
Street Sweeping	\$ 6,200	\$ 2,580
Curb & Gutter Repair	\$ -	\$ -
Weed Spraying	\$ 1,223	\$ 330
Erosion Control	\$ -	\$ -
Utilities	\$ -	\$ -
Total	\$ 8,918	\$ 4,626
Capital Improvement Reserve	\$ -	\$ -
General Benefit	\$ (954)	\$ (397)
Total Administration, Parks & Rec, Public Works Budget	\$ 8,479	\$ 4,334
<u>Fund Balance Information</u>		
Beginning Fund Balance (Estimated for 2019-20)	\$ 23,397	\$ -
Capital Improvement Reserve (-)	\$ -	\$ -
Available Fund Balance	\$ 23,397	\$ -
<u>Adjustments to Available Fund Balance</u>		
General Fund (or PW) Loan Repayment/Advance (+)	\$ -	\$ -
Other Revenues/General Fund (Contributions i.e. Grants) (+)	\$ -	\$ -
Capital Improvement Expenditure (pumps etc.) (-)	\$ -	\$ -
6 Months Operating Reserve (-)	\$ (4,240)	\$ (2,167)
Use of Fund Balance for FY 2019/20 (-)	\$ (49)	\$ -
Contingency Reserve (-)	\$ -	\$ -
Total Adjustments	\$ (4,289)	\$ (2,167)
Remaining Available Fund Balance	\$ 19,108	\$ (2,167)
Total Administration, Parks & Rec, Public Works Budget	\$ 8,479	\$ 4,334
Use of Fund Balance (-)	\$ (49)	\$ -
Balance to Levy	\$ 8,430	\$ 4,334
<u>District Statistics</u>		
Total Parcels	39	8
Parcels Levied (acres)	39	8
Total EBU	35.96	14.9
Levy EBU	\$ 234.42	\$ 290.90
Capital Reserve Target	\$ -	\$ -

PART V - ASSESSMENTS

2019-2020 Assessment (Summit Subdivision (Zone 1)) = \$8,429.74 / 35.96 net acres = \$234.42 per net acre;

2019-2020 Assessment (BMW/KIA/Lexus Subdivision (Zone 2)) = \$4,334 / 14.90 net acres = \$290.90 per net acre;

2018-2019 Assessment (Summit Subdivision (Zone 1)) = \$8,427.40 / 35.95 net acres = \$234.42 per net acre.

A method for calculating the annual assessment has been approved per Proposition 218, therefore no ballot procedure is necessary to approve any change in assessment. The Fiscal Year 2019-2020 assessment is in compliance with Proposition 218.

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 "D"
PARCEL COUNT FOR
COUNTY SERVICE AREA NO. 20
SUMMIT SUBDIVISION, MODESTO
FISCAL YEAR 2019-2020

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

A.P.N.	ASSESSMENT	EBU	A.P.N.	ASSESSMENT	EBU
046-004-023 (0.70 acres)	\$164.09	0.70	046-004-058 (0.55 acres)	\$128.93	0.55
			046-004-059 (0.54 acres)	\$126.59	0.54
046-004-028 (0.50 acres)	\$117.21	0.50	046-004-060 (0.55 acres)	\$128.93	0.55
046-004-029 (0.54 acres)	\$126.59	0.54			
046-004-030 (2.78 acres)	\$651.69	2.78	046-004-064 (4.65 acres)	\$1,090.05	4.65
046-004-031 (0.62 acres)	\$145.34	0.62	046-004-065 (1.10 acres)	\$257.86	1.10
046-004-032 (0.53 acres)	\$124.24	0.53	046-004-066 (0.46 acres)	\$107.83	0.46
			046-004-067 (0.47 acres)	\$110.18	0.47
046-004-035 (0.55 acres)	\$128.93	0.55	046-004-068 (0.61 acres)	\$143.00	0.61
046-004-036 (0.51 acres)	\$119.55	0.51	046-004-069 (1.05 acres)	\$246.14	1.05
046-004-037 (1.31 acres)	\$307.09	1.31	046-004-070 (0.48 acres)	\$112.52	0.48
046-004-038 (0.51 acres)	\$119.55	0.51	046-004-071 (0.53 acres)	\$124.24	0.53
046-004-039 (0.55 acres)	\$128.93	0.55	046-004-073 (1.03 acres)	\$241.45	1.03
			046-004-074 (.53 acres)	\$124.24	0.53
046-004-041 (2.19 acres)	\$513.38	2.19	046-004-075 (1.10 acres)	\$257.86	1.10
			046-004-076 (0.65 acres)	\$152.37	0.65
			046-004-077 (2.88 acres)	675.1296	2.88
046-004-044 (1.49 acres)	\$349.29	1.49	SUMMIT	\$4,027.34	17.18
046-004-045 (0.65 acres)	\$152.37	0.65			
046-004-046 (0.65 acres)	\$152.37	0.65	046-010-036 (2.31 acres)	\$671.98	2.31
046-004-047 (0.65 acres)	\$152.37	0.65	046-010-037 (3.57 acres)	\$1,038.51	3.57
046-004-048 (0.72 acres)	\$168.78	0.72	046-010-038 (0.85 acres)	\$247.27	0.85
			046-010-039 (0.85 acres)	\$247.27	0.85
046-004-050 (0.58 acres)	\$135.96	0.58	046-010-040 (0.75 acres)	\$218.18	0.75
046-004-051 (0.55 acres)	\$128.93	0.55	046-011-073 (0.61 acres)	\$177.45	0.61
046-004-052 (0.55 acres)	\$128.93	0.55	046-011-074 (1.36 acres)	\$395.62	1.36
046-004-053 (0.55 acres)	\$128.93	0.55	046-011-075 (4.6 acres)	1338.14	4.60
046-004-054 (0.55 acres)	\$128.93	0.55	BMW/KIA/Lexus	\$4,334.41	14.90
046-004-055 (0.55 acres)	\$128.93	0.55			
	\$4,402.41	18.78			
			Summit	\$8,429.74	35.96
			BMW/KIA/Lex	\$4,334.41	14.90

CONSENT FOR ANNEXATION OF
TERRITORY TO COUNTY SERVICE AREA NO. 20 – SUMMIT SUBDIVISIONS,
MODESTO
(Valley BMW/KIA and Valley Lexus Annexation)

B.E. Fitzpatric Development, Inc, hereinafter referred to as "Owners", owns and has title to all of the properties located in Stanislaus County, California as described on Exhibits "A" and "B" attached hereto and hereinafter referred to as "Properties".

Owner hereby consents to the annexation of the Properties to the County Service Area No. 20 Summit – Subdivisions, Modesto for the purpose of receiving extended county services to or within the Properties and to pay the Fiscal Year 2019/2020 assessment in the amount of \$290.90 per acre and the parcels assessment calculated using the County Service Area Assessment Formulas:

Total Operation & Maintenance Cost - Use of Fund Balance / Total Acreage
= Levy(Assessment) per Acre

Parcel Acreage x Levy(Assessment) per Acre
= Parcel Assessment.

Owner acknowledges that the extended county services are storm drainage control and storm drainage system maintenance, and the annexation will be pursuant to Government Code Section 25210 et seq.

Owner declares under penalty of perjury that the foregoing is true and correct and that the Consent For Annexation Of Territory To County Service Area No. 20 was executed this 31 day of May, 2018.

Owner or Corporate Officer

B.E. FITZPATRICK
Print Name
President
Title

B-E Fitzpatric
Signature

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

2018-0340

Date: June 26, 2018

On motion of Supervisor Chiesa Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Monteith, and Vice-Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: Chairman DeMartini

Abstaining: Supervisor: None

Item # 5.C.3

THE FOLLOWING RESOLUTION WAS ADOPTED:

**RESOLUTION OF APPLICATION FOR THE ANNEXATION OF VALLEY BMW/KIA AND VALLEY
LEXUS TO COUNTY SERVICE AREA NO. 20 – SUMMIT SUBDIVISION**

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

WHEREAS, the proposal for the annexation of properties known as Valley BMW/KIA and Valley Lexus to County Service Area No. 20 – Summit Subdivision (CSA No. 20) is being made pursuant to Government Code sections 56654 and 25217; and

WHEREAS, the County of Stanislaus desires to initiate proceedings pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.) for the annexation of territory to County Service Area No.); and

WHEREAS, the purpose of the proposal is to allow the subject territories to receive the extended county services offered by CSA No. 20, including streetscape maintenance, parks maintenance, and storm drainage services; and

WHEREAS, the proposed annexation consists of 16.41 acres in Modesto, as shown on the attached legal description and map; and

WHEREAS, upon annexation, the territory will be identified as a newly established zone of benefit within CSA No. 20, known as Zone 2; and

WHEREAS, there is a need to provide ongoing funding through the assessments, to support the provision of the special benefit of a storm drain system, streetscape, and parks maintenance in the proposed Zone 2 and doing so will promote health, safety and welfare of the residential area; and welfare of the residential area; and

WHEREAS, the proposed annexation of territory to CSA No. 20 has the consent of a property owner within the annexation as shown in Consent attachment; and

WHEREAS, improvement plans for all facilities to be operated and maintained for the County Service Area are being prepared; and

WHEREAS, the proposed annexation will include a simultaneous expansion of the CSA No. 20 sphere of influence in order to maintain consistency; and

WHEREAS, this proposal includes an Engineer's Report, satisfying the plan for service requirement pursuant to Section 56653; and

WHEREAS, the Board has reviewed the Engineer's Report and approves the method and the amount of the assessment.

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Stanislaus County shall hereby be requested to commence proceedings for the annexation of territory as described in attached legal description and map into County Service Area No. 20 (Summit Subdivision) as authorized in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

ATTEST: ELIZABETH A. KING, Clerk
Stanislaus County Board of Supervisors,
State of California

