ITEM 8.B.

MOORPARK CITY COUNCIL
AGENDA REPORT

TO: **The Honorable City Council**

FROM: **Ron Ahlers, Finance Director** RA

DATE: **May 9, 2011 (CC Meeting of June 1, 2011)**

SUBJECT: **Consider Final Review of the Assessment Engineer's Report for the Parks and Recreation Maintenance and Improvement Assessment District for Fiscal Year 2011/2012 and Resolution Confirming the Levy Amount**

EXECUTIVE SUMMARY

The City Council is being asked to open the public hearing on the continuation of the Parks and Recreation Maintenance and Improvement Assessment District for fiscal year 2011/2012, receive testimony, close the public hearing, approve the final Assessment Engineer's Report (Engineer's Report), and adopt the resolution confirming the assessment levy.

BACKGROUND

In July 1999, the City successfully established the Parks and Recreation Maintenance and Improvement District (Improvement District) for the maintenance and improvement of City parks. It was initiated by the Council to provide funding in place of Parks Maintenance Assessment District No. AD 85-1 (AD 85-1), which was disbanded in July 1998 as a result of Proposition 218. The Improvement District is based on a "special" assessment. This means that the City assesses property owners for that portion of park maintenance and improvement activities that generate a "special" benefit. All activities that generate a "general" benefit must be funded from non-assessment revenue, typically the General Fund and Park Improvement Funds.

The Improvement District includes nineteen (19) improved parks including Mammoth Highlands, Poindexter, Serenata Trail, Veteran's Memorial and Glenwood Park. The amount of the assessment levied to property owners may only increase by the Consumer Price Index (CPI) for the Los Angeles Metropolitan area, and not more than 3.00% in any year. In situations when the CPI exceeds 3.00%, the remaining difference can be carried over to a subsequent year.

On February 2, 2011, the City Council adopted Resolution No. 2011-2998 indicating its intent to continue the park assessment for fiscal year 2011/2012 and directing the preparation of the Engineer's Report.

DISCUSSION

The City Council is being asked to receive public testimony on the continuation of the assessment and to set the assessment levy amount. On May 4, City Council approved the preliminary Engineer's Report (Attachment C), which established the assessment levy amount, the formula used to spread the assessment and the City's contribution from the General Fund and the Park Improvement Funds. This report sets forth certain information including the following:

- Boundary Map(s);
- Assessment justification;
- Duration of the assessments;
- Description of improvements to be maintained;
- Assessment methodology;
- Cost of Living factor; and
- Annual assessment rate.

The Engineer's Report contains a determination regarding the percentage of benefit deemed "special" and the percentage deemed "general", generated from the maintenance and improvement of City parks and recreation facilities. The City can only assess for the maintenance and improvements that confer a "special" benefit to the properties within the district's boundaries. The Engineer has determined that the level of "general" benefit to the properties within the district's boundaries is 25.00% of the total activities and associated costs, with the remaining 75.00% providing "special" benefit. This means that the City can only assess property owners within the district no more than 75.00% of the costs of maintaining, operating and improving the parks and recreation facilities within. When the initial assessment was set at $39.00 for a Single Family Equivalent (SFE) unit, the total assessment generated approximately 52.00% of the revenue required to support the Improvement District operations at that time. This percentage was well below the "special" assessment cap of 75.00%. The City contributed funds to cover the remaining 48.00%, mostly from the General Fund. Over the years, as park acreage and amenities expanded and maintenance and utility costs increased, outpacing the increases in assessment revenues, the percentage of the total activities funded by non-assessment revenues (primarily General Fund and Park Improvement Funds) has increased. The Improvement District assessment revenue for fiscal year 2011/2012 is expected to cover 32.87% of the overall cost to operate and improve the City parks, well below that 75% cap.

Parks and Recreation Maintenance and Improvement Budget

This report is prepared in advance of the Council's discussions of the fiscal year 2011/2012 budget. Therefore, the budget figures identified in the Engineer's Report will not be identical to those in the draft budget, but will be closely comparable. By adopting the Engineer's Report, the Council is not approving any expenditures that will come with the adoption of the City budget. Adopting the Engineer's Report simply establishes the assessment amount for the new fiscal year and ensures that the City meets the threshold caps for assessing "special" benefit costs. Because the City now heavily uses the General Fund for maintenance and improvements of its parks, any variances between the Engineer's Report and the final adopted Budget document will not affect the assessment rate or the validity of the Council's actions.

The preliminary proposed budget for fiscal year 2011/2012 is $2,162,862, of which $284,450 is allocated for capital improvement projects (CIP) including the Arroyo Vista Community Park parking lot A repairs, Campus Park Americans with Disabilities Act (ADA) restroom upgrades and Mountain Meadows handball wall construction. $144,250 of the CIP costs is financed by Park Improvement Funds and $140,200 is paid by Park Maintenance Fund. The proposed budget is $767,629 less than the initial budget used in fiscal year 2010/2011 Engineer's Report. The decrease is primarily attributed to the completion of capital improvement projects, including the Glenwood Park restroom construction, dog park and replacement of tot lot equipment and swing equipment at College View Park. The 2010/2011 initial budget also included the cost for the installation of a centralized irrigation system in various parks. This project was deferred during the actual adoption of 2010/11 budget due to funding issues but was brought to Council for reconsideration on the April 2nd meeting and the first phase of the project was approved.

The Engineer's Report estimates that the proposed assessment will generate approximately $710,834 in revenue, an increase of $12,802 over the amount generated in fiscal year 2010/2011. At the proposed rate, assessment revenue will cover approximately 32.87% of the total budget for operations and improvements (or only 43.82% of the 75.00% cap for the "special" benefit the City is eligible to assess).

Assessment Rate

The Improvement District was adopted with a CPI cap of 3.00%. However, the approved assessment language allowed the City to carry over any difference in the CPI that exceeds 3.00% to the following year, as long as it adheres to the cap in subsequent years. The history of the adjusted assessment levy is as follows:

Fiscal Year	CPI Period	CPI	Levy Adjustment	Carryover Adjustment
2000/2001	Dec 1998/1999	2.30%	2.30%	0.00%
2001/2002	Dec 1999/2000	3.70%	3.00%	0.70%
2002/2003	Dec 2000/2001	2.10%	2.80%	0.00%
2003/2004	Dec 2001/2002	3.70%	3.00%	0.70%
2004/2005	Dec 2002/2003	1.80%	2.50%	0.00%
2005/2006	Dec 2003/2004	4.39%	3.00%	1.39%
2006/2007	Dec 2004/2005	4.04%	3.00%	2.43%
2007/2008	Dec 2005/2006	3.70%	3.00%	3.13%
2008/2009	Dec 2006/2007	4.16%	3.00%	4.29%
2009/2010	Dec 2007/2008	0.11%	3.00%	1.40%
2010/2011	Dec 2008/2009	1.83%	3.00%	0.23%
2011/2012	Dec 2009/2010	1.34%	1.57%	0.00%

The CPI increase pertaining to the fiscal year 2011/2012 assessment (December 2009 – December 2010) is 1.34%. From fiscal years 2005/2006 to 2008/2009, the CPI exceeded the 3.00% cap; the balance over the cap was carried forward to subsequent years. The remaining unused CPI of 0.23% was applied to obtain maximum authorized assessment rate of 1.57%. The proposed SFE assessment rate and levy for fiscal year 2011/2012 is $54.09, an increase of $0.83.

FISCAL IMPACT

The proposed Improvement District levy is expected to generate approximately $710,834 to offset costs associated with the "special" benefit received by properties within the district's boundaries as a result of the City's parks and recreation maintenance, operations and improvement activities. If the City was able to levy an assessment to fully

fund the 75.00% "special" benefit, it would decrease the amount of General Fund needed to support the Improvement District activities by approximately $911,313.

STAFF RECOMMENDATION

1. Open the public hearing, take public testimony, and close the public hearing.
2. Adopt Resolution No. 2011- _____.

Attachments: A - Resolution
B - Parks & Recreation Maintenance & Improvement District Engineer's Report

Attachment A

RESOLUTION NO. 2011-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, APPROVING ENGINEER'S REPORT, CONFIRMING DIAGRAM AND ASSESSMENT AND ORDERING LEVY OF ASSESSMENT FOR FISCAL YEAR 2011/2012 FOR THE PARKS AND RECREATION MAINTENANCE AND IMPROVEMENT DISTRICT OF THE CITY OF MOORPARK

WHEREAS, on July 15, 1999, by its Resolution No. 99-1625, after receiving a weighted majority of ballots in support of the proposed assessment, the Council ordered the formation of and levied the first assessment within the City of Moorpark Parks and Recreation Maintenance and Improvement District (the "Assessment District") pursuant to the provisions of Article XIIID of the California Constitution, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, by Resolution No. 2011-2998, the City Council ordered the preparation of an Engineer's Report for the Parks and Recreation Maintenance and Improvement District (the "District") for fiscal year 2011/2012; and

WHEREAS, pursuant to said Resolution, the Engineer's Report was prepared by SCI Consulting Group, Engineer of Work, in accordance with Section 22565, et. seq., of the Streets and Highways Code (the "Report") and Article XIIID of the California Constitution; and

WHEREAS, by Resolution No. 2011-3023, the City Council preliminarily approved the Engineer's Report for said District and set a date for a Public Hearing; and

WHEREAS, said report was duly made and filed with the City Clerk and duly considered by this Council and found to be sufficient in every particular, whereupon it was determined that the report should stand as the Engineer's Report for all subsequent proceedings under and pursuant to the aforesaid resolution, and that June 1, 2011, at the hour of 7:00 p.m. in the Council Chambers, located at 799 Moorpark Avenue, Moorpark, California 93021, were appointed as the time and place for a hearing by this Council on the question of the levy of the proposed assessment, notice of which hearing was given as required by law; and

WHEREAS, at the appointed time and place the hearing was duly and regularly held, and all persons interested and desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the levy were fully heard and considered by the Council, and all oral statements and all written protests or communications were duly heard, considered and overruled, and this council thereby acquired jurisdiction to order the levy and the confirmation of the diagram and assessment prepared by and made a part of the Engineer's Report to pay the costs and expenses thereof.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The public interest, convenience and necessity require that the levy be made.

SECTION 2. The Assessment District benefited by the improvements and assessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by a map thereof filed in the office of the City Clerk, which map is made a part hereof by reference thereto.

SECTION 3. The Engineer's Report as a whole and each part thereof, to wit:

(a) the Engineer's estimate of the itemized and total costs and expenses of maintaining the improvements and of the incidental expenses in connection therewith;

(b) the diagram showing the assessment district, plans and specifications for the improvements to be maintained and the boundaries and dimensions of the respective lots and parcels of land within the Assessment District; and

(c) the assessment of the total amount of the cost and expenses of the proposed maintenance of the improvements upon the several lots and parcels of land in the Assessment District in proportion to the estimated special benefits to be received by such lots and parcels, respectively, from the maintenance, and of the expenses incidental thereto;

are finally approved and confirmed.

SECTION 4. Final adoption and approval of the Engineer's Report as a whole, and of the plans and specifications, estimate of the costs and expenses, the diagram and the assessment, as contained in the report as hereinabove determined and ordered, is intended to and shall refer and apply to the report, or any portion thereof as amended, modified, or revised or corrected by, or pursuant to and in accordance with, any resolution or order, if any, heretofore duly adopted or made by this Council.

SECTION 5. The assessment to pay the costs and expenses of the maintenance of the improvements for fiscal year 2011/2012 is hereby levied. For further particulars pursuant to the provisions of the Landscaping and Lighting Act of 1972, reference is hereby made to the Resolution Directing Preparation of Engineer's Report.

SECTION 6. Based on the oral and documentary evidence, including the Engineer's Report, offered and received at the hearing, this Council expressly finds and determines (a) that each of the several lots and parcels of land will be specially benefited by the maintenance of the improvements at least in the amount if not more than the amount, of the assessment apportioned against the lots and parcels of land, respectively, and (b) that there is substantial evidence to support, and the weight of the evidence

preponderates in favor of, the aforesaid finding and determination as to special benefits.

SECTION 7. Immediately upon the adoption of this resolution, but in no event later than the third Monday in August following such adoption, the City Clerk shall file a certified copy of the diagram and assessment and a certified copy of this resolution with the Auditor of the County of Ventura. Upon such filing, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount of assessment thereupon as shown in the assessment. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments, After collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the City of Moorpark Parks and Recreation Maintenance and Improvement District.

SECTION 8. Upon receipt of the moneys representing assessments collected by the County, the County shall deposit the moneys in the City Treasury to the credit of the improvement fund previously established under the distinctive designation of the Assessment District. Moneys in the improvement fund shall be expended only for the maintenance, servicing, construction or installation of the improvements.

SECTION 9. The assessments levied are in conformance with Proposition 218.

SECTION 10. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 1st day of June, 2011.

_____
Janice S. Parvin, Mayor

ATTEST:

_____
Maureen Benson, City Clerk

CITY OF MOORPARK
PARKS & RECREATION MAINTENANCE & IMPROVEMENT DISTRICT
ENGINEER'S REPORT

FISCAL YEAR 2011-12

APRIL 2011

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972
AND ARTICLE XIIID OF THE CALIFORNIA CONSTITUTION

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TABLE OF CONTENTS

INTRODUCTION **3**

OVERVIEW 3
PROPOSITION 218 5
SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY 5
DAHMS V. DOWNTOWN POMONA PROPERTY 6
BONANDER V. TOWN OF TIBURON 6
BEUTZ V. COUNTY OF RIVERSIDE 6
COMPLIANCE WITH CURRENT LAW 7

CERTIFICATES **8**

PLANS & SPECIFICATIONS **9**

FISCAL YEAR 2011-12 ESTIMATE OF COST AND BUDGET **11**

INTRODUCTION 11
SUMMARY OF IMPROVEMENT PLANS 11
METHOD OF APPORTIONMENT 14
DISCUSSION OF BENEFIT 14
BENEFIT FACTORS 15
BENEFIT FINDING 17
GENERAL VERSUS SPECIAL BENEFIT 17
CALCULATING GENERAL BENEFIT 19

Benefit to Property Outside the Improvement District *19*
Benefit to Property Inside the District that is Indirect and Derivative *20*
Benefit To The Public At Large *20*
Total General Benefits *20*

METHOD OF ASSESSMENT 21
PROXIMITY BENEFITS 23
RESIDENTIAL PROPERTIES 23
COMMERCIAL/INDUSTRIAL PROPERTIES 24
VACANT RESIDENTIAL LAND 25
OTHER PROPERTIES 26
APPEALS AND INTERPRETATION 27

ASSESSMENT **28**

ASSESSMENT DIAGRAM **30**

APPENDIX A - 2011-12 ASSESSMENT ROLL **32**

INTRODUCTION

OVERVIEW

The City of Moorpark (the "City") currently provides park facilities and recreation programs for its service area of 11,000 parcels. The City currently owns, operates and maintains 15 neighborhood parks and one community park, which are located throughout the developed areas of the City. (For general locations of the City's park facilities, see the Diagram following in this Report.) The City's parks are summarized as follows:

- ***Arroyo Vista Community Park and Recreational Center***, (69 developed acres), located near the intersection of Countrywood Drive and Tierra Rejada Road.
- ***Campus Canyon Neighborhood Park***, (6 acres), located at Collins Dr. and Hearon Drive.
- ***Campus Park Neighborhood Park***, (2.5 acres), located on the corner of Hartford St. and Harvard Street.
- ***Community Center Park***, (.5 acres), 799 Moorpark Avenue.
- ***Country Trail Neighborhood Park***, (8 acres), located off Countrywood Drive and Mountain Trail.
- ***Glenwood Neighborhood Park***, (4.5 acres), located on the corner of Tierra Rejada Rd. and Harvester Street.
- ***College View Park***, (5 acres), located on at the intersection of Campus Park Drive and College View Avenue.
- ***Magnolia Street Park***, (.5 acres, vacant), located on the south west corner of Magnolia Street and Charles Street.
- ***Mammoth Highlands Neighborhood Park***, (6.5 acres), 7000 Elk Run Way
- ***Miller Neighborhood Park***, (6.5 acres), located on Miller Parkway, near Peach Hill Road.
- ***Monte Vista Nature Park***, (5 acres), located on Spring Road.
- ***Mountain Meadows Neighborhood Park***, (8 acres), located off Mountain Meadow Street, near Tierra Rejada Road.
- ***Peach Hill Neighborhood Park***, (10 acres), located on Peach Hill Rd. and Christian Barrett Drive.
- ***Poindexter Neighborhood Park***, (9.5 acres), located on Poindexter Ave., west of Chaparral Middle School.
- ***Serenata Trail***, (1.5 acres), trail entrance located at Miller Parkway and Southfork Road. The trail is a linear 1.5-mile hiking trail

- ***Tierra Rejada Neighborhood Park***, (8 acres), located at the intersection of Tierra Rejada Road and Mountain Trail.
- ***Veterans Memorial***, (.5 acres), located at the Southeast corner of Flinn Avenue and Spring Road.
- ***Virginia Colony Park***, (1 acre), located at the intersection of Los Angeles Place and Condor Drive.
- ***Villa Campesina Park***, (1.5 acres), located at Liberty Bell Road.

Prior to 1997, the City funded the majority of the costs for maintenance and improvement of park facilities with an assessment supported by property owners. With the passage of Proposition 218 on November 6, 1996, such an assessment could not be continued unless the continuation of the assessment was approved by a weighted majority of ballots submitted in an assessment ballot proceeding. As a result, the City did not levy the park maintenance assessment for two years and funded a reduced level of park maintenance with reserve funds. Therefore, in absence of a new local revenue source, the baseline level of park and recreation facilities in the City (the "Baseline Service") would be a deteriorating level of maintenance and upkeep of the park and recreation facilities.

To address the City's shortfall in park maintenance and improvement funding, in 1999 the City proposed to reinstate an assessment for improved park maintenance services. In May and June of 1999, the City conducted an assessment ballot proceeding pursuant to the requirements of Article XIIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Landscaping the Lighting Act of 1972. During this ballot proceeding, property owners in the City were provided with a notice and ballot for the proposed parks assessment ("the Parks Maintenance and Recreation Improvement District" or the "Improvement District"). A 45-day period was provided for balloting and a public hearing was conducted on June 16, 1999. At the public hearing, all ballots returned within the 45-day balloting period were tabulated.

It was determined at the public hearing that the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted). In fact, the final balloting result was 71.5% support for the City of Moorpark Parks Maintenance and Recreation Improvement District assessment.

As a result, the Council gained the authority to reinstate the levy of the assessments for fiscal year 1999-00 and future years. The authority granted by the ballot proceeding includes an annual adjustment in the assessment levies equal to the annual change in the Consumer Price Index for the Los Angeles Area, not to exceed 3%.

In each subsequent year for which the assessments will be levied, the Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the

upcoming fiscal year. After the Engineer's Report is completed, the Council may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council adopted on February 2, 2011.

This Engineer's Report ("Report") was prepared to establish the budget for the improvements and services that would be funded by the proposed 2011-12 assessments, determine the benefits received by property from the improvements and services within the Improvement District and the method of assessment apportionment to lots and parcels within the Improvement District. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the *California Streets and Highways Code* (the "Act") and Article XIIID of the California Constitution (the "Article").

If the Council approves this Engineer's Report and the proposed assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 1, 2011. At this hearing, the Council would consider approval of a resolution confirming the assessments for fiscal year 2011-12. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2011-12.

PROPOSITION 218

This assessment is levied consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now codified as Articles XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which specially benefits the assessed property.

Proposition 218 describes a number of important requirements, including property-owner balloting, for the imposition, increase and extension of assessments, and these requirements are satisfied by the process used to establish this assessment.

SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant legal document in further legally clarifying

Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

This Engineer's Report is consistent with the SVTA vs. SCCOSA decision and with the requirements of Article XIIIC and XIIID of the California Constitution because the improvements to be funded are clearly defined; the benefiting property in the Improvement District enjoys close and unique proximity, access and views to the Improvements; the Improvements serve as an extension of usable land area for benefiting properties in the Improvement District and such special benefits provide a direct advantage to property in the Improvement District that is not enjoyed by the public at large or other property.

DAHMS V. DOWNTOWN POMONA PROPERTY

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

BONANDER V. TOWN OF TIBURON

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

COMPLIANCE WITH CURRENT LAW

This Engineer's Report is consistent with the requirements of Article XIIIC and XIIID of the California Constitution and with the *SVTA* decision because the improvements to be funded are clearly defined; the improvements are directly available to and will directly benefit property in the Improvement District; and the improvements provide a direct advantage to property in the Improvement District that would not be received in absence of the assessments.

This Engineer's Report is consistent with *Buetz* and *Dahms* because, similar the improvements will directly benefit property in the Improvement District and the general benefits have been explicitly calculated and quantified and excluded from the assessments. The Engineer's Report is consistent with *Bonander* because the assessments have been apportioned based on the overall cost of the improvements and proportional special benefit to each property.

CERTIFICATES

1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the City Council of the City of Moorpark, adopted on February 2, 2011.

_____
Engineer of Work, License No. C052091

2. I, the Clerk of the City Council, City of Moorpark, County of Ventura, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on_____ _____, 2011.

_____
Clerk of the City Council

3. I, the Clerk of the City Council, City of Moorpark, County of Ventura, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the City Council on _____, 2011, by Resolution No. _____.

_____
Clerk of the City Council

4. I, the Clerk of the City Council of the City of Moorpark, County of Ventura, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of Ventura, California, on _____ _____, 2011.

_____
Clerk of the City Council

5. I, the County Auditor of the County of Ventura, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2011-12 was filed with me on _____, 2011.

_____
County Auditor, County of Ventura

PLANS & SPECIFICATIONS

The City of Moorpark maintains park facilities throughout the City.

The work and improvements (the "Improvements") proposed to be undertaken by the City of Moorpark Parks & Recreation Maintenance and Improvement District (the "District") and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. Consistent with the Landscaping and Lighting Act of 1972, (the "Act") the work and improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, including but not limited to landscaping, sprinkler systems, park grounds, park facilities, landscape corridors, ground cover, shrubs and trees, street frontages, playground equipment and hardcourt areas, water, drainage systems, lighting, fencing, entry monuments, basketball courts, tennis courts, running tracks, swimming pools, restroom facilities including sewage systems, other recreational facilities, security patrols to protect the Improvements, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned and maintained by the City of Moorpark. Plans and specifications for these improvements have been filed with the Director of Community Services of the City of Moorpark and are incorporated herein by reference.

As applied herein, "Installation" means the construction of recreational improvements, including, but not limited to, land preparation (such as grading, leveling, cutting and filling), sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, recreational facilities and public restrooms.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of

any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Improvement District plus Incidental expenses. Reference is made to the Summary of Improvement Plans section in the following section of this Report and the more detailed budgets and improvement plans of the Improvement District, which are on file with the Director of Community Services of the City of Moorpark.

FISCAL YEAR 2011-12 ESTIMATE OF COST AND BUDGET

INTRODUCTION

Following are the proposed Improvements, and resulting level of improved parks and recreation facilities, for the City. As previously noted, the baseline level of service included a declining level of parks and recreation facilities due to shortages of funds for the City. Improvements funded by the assessments are over and above the previously declining baseline level of service. The formula below describes the relationship between the final level of improvements, the existing baseline level of service, and the enhanced level of improvements to be funded by the proposed assessment.

Final Level of Improvements	=	Baseline level of Improvements + Enhanced Level of Improvements

SUMMARY OF IMPROVEMENT PLANS

Projects have been chosen throughout the Improvement District in order to ensure that all properties in the narrowly drawn City boundaries will receive improved access to better maintained and improved parks in their area. A detailed project improvement plan has been developed and is available for review at the office of the Director of Community Services of the City of Moorpark.

CITY OF MOORPARK
Parks and Recreation Maintenance and Improvement District
Estimate of Cost
Fiscal Year 2011-12

	Total Budget
Installation, Maintenance & Servicing Costs	
Capital Outlay	$30,000
Capital Improvements	$284,450
Property Maintenance	$201,595
Tree Trimming	$23,000
Landscaping Services	$363,214
Water	$281,335
Utilities	$63,850
Supplies and Materials	$9,000
Equipment and Vehicle Operation and Maintenance	$22,500
Graffiti Abatement	$45,000
Maintenance and Operation of Grounds and Recreational Facilities	$670,780
Equipment and Repair	$3,000
Equipment Rental	$3,750
Subtotal - Installation, Maintenance and Servicing	$2,001,474
Administrative Costs and Incidentals	$161,388
Totals for Installation, Maintenance, Servicing and Administration	$2,162,862
Less: City Contribution for General and Special Benefits[1]	($1,452,028)
Net Cost of Installation, Maintenance, Servicing and Administration (Total Amount to be Assessed)	$710,834
Contributions (to)/from Reserve Fund	$0
Net Amount to Assessment[2]	$710,834

Budget Allocation to Property	
Total Assessment Budget*	$710,834
Single Family Equivalent Benefit Units	13,141.69
Assessment per Single Family Equivalent Unit	$54.09

* All assessments are rounded to lower even penny. Therefore, the budget amount slightly differs from the assessment rate

Notes to Estimate of Cost:

1. As determined in the following section, at least 25% of the cost of Improvements must be funded from sources other than the assessments to cover any general benefits from the Improvements. Therefore, out of the total cost of Improvements of $2,162,862, the City must contribute at least $540,715 from sources other than the assessments. The City will contribute much more than this amount, which more than covers any general benefits from the Improvements.

2. The Act requires that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Improvement District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, July 1, must be carried over to the next fiscal year. The City may also establish a reserve fund for contingencies and special projects as well as a capital improvement fund for accumulating funds for larger capital improvement projects or capital renovation needs. Any remaining balance would either be placed in the reserve fund, the capital improvement fund, or would be used to reduce future years' assessments.

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the benefits to be derived from the Improvements to park facilities throughout the City, and the methodology used to apportion the total assessment to properties within the Parks Maintenance and Recreational Improvement District.

The Parks & Recreation Maintenance and Improvement District consists of all Assessor Parcels within the boundaries of the City of Moorpark. The parcels include all privately or publicly owned parcels within said boundaries. The method used for apportioning the assessment is based upon the proportional special benefits conferred to properties over and above the general benefits conferred to real property in the Improvement District or to the public at large. Special benefit is calculated for each parcel in the Improvement District using the following process:

1.) Identification of all benefit factors derived from the Improvements
2.) Calculation of the proportion of these benefits that are general
3.) Determination of the relative special benefit within different areas within the Improvement District
4.) Determination of the relative special benefit per property type
5.) Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type, property characteristics, improvements on property and other supporting attributes

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. Any and all general benefit must be funded from another source. This special benefit is received by property over and above any general benefits from the Improvements. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

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

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property and that the value of the special benefits must reasonably exceed the cost of the assessment:

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

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

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

> *the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Finally, Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Art. XIIID, sections 2(i) & 4(f).) The SVTA v. SCCOSA decision further clarifies that special benefits must provide a direct advantage to benefiting property and that proximity to a park is an example of a special benefit.

BENEFIT FACTORS

The special benefits from the Improvements are listed below:

- **Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements**

In large part because it is cost prohibitive to provide large open land areas on property in the Improvement District, the residential, commercial and other benefiting properties in the Improvement District do not have large outdoor areas and green spaces. The parks and recreation areas in the Improvement District provide these larger outdoor areas that serve as an effective extension of the land area for proximate properties because the Improvements are uniquely proximate and accessible to property in close proximity to the Improvements. The Improvements, therefore, provide an important, valuable and desirable

extension of usable land area for the direct advantage and special benefit of properties with good and close proximity to the Improvements.

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), neighborhood parks in urban areas have a service area radius of generally one-half mile and community parks have a service area radius of approximately two miles. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within this service radii close proximity and easy walking access to such public land areas. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within the service area radii clearly receive a direct advantage and special benefit from the Improvements - and this advantage is not received by other properties or the public at large.

Moreover, most neighborhood parks in the Improvement District do not provide a parking lot. Such public amenities were specifically excluded from neighborhood parks because neighborhood parks are designed to be an extension of usable land area specifically for properties in close proximity, and not the public at large or other non proximate property. The occupants of proximate property do not need to drive to their local park because they can easily reach their local neighborhood park. This is further tangible evidence of the effective extension of land area provided by the Improvements to proximate parcels in the Assessment District and the unique direct advantage the proximate parcels receive from the Improvements.

An analysis of the service radii for the Improvements finds that all properties in the Improvement District enjoy the distinct and direct advantage of being close and proximate to one or often multiple parks within the Improvement District. The benefiting properties in the Improvement District therefore uniquely and specially benefit from the Improvements.

- **Proximity to improved parks and recreational facilities**

Only the specific properties within close proximity to the Improvements are included in the Improvement District. Therefore, property in the Improvement District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Improvement District do not share.

In absence of the assessments, the Improvements would not be provided and the parks and recreation areas in the Improvement District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the Improvement District, they provide a direct advantage and special benefit to property in the Improvement District.

- **Access to improved parks, open space and recreational areas**

Since the parcels in the Improvement District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved parks, open space and recreation areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Improvement District.

- **Improved Views**

The City, by maintaining the landscaping at its park, recreation and open space facilities provides improved views to properties with direct line-of-sight as well as other local properties which benefit from improved views when property is accessed. Therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Improvement District.

BENEFIT FINDING

In summary, real property located within the boundaries of the Improvement District distinctly and directly benefits from closer proximity, access and views of improved parks, recreation facilities, landscaped corridors, greenbelts, trail systems and other public resources funded by the Assessments. The Improvements are specifically designed to serve local properties in the Improvement District, not other properties or the public at large. The public at large and other properties outside the Improvement District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Improvement District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

GENERAL VERSUS SPECIAL BENEFIT

Article XIIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

Total Benefit = Total General Benefit + Total Special Benefit

There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided within the assessment district. It is also important to note that the improvements and services funded by the assessments in Pomona are similar to the improvements and services funded by the Assessments described in this Engineer's Report and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this Report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the Assessment.

The starting point for evaluating general and special benefits is the current, baseline level of service. The assessment will fund Improvements "over and above" this general, baseline level and the general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

General Benefit =
- Benefit to Real Property Outside the Improvement District +
- Benefit to Real Property Inside the Improvement District that is Indirect and Derivative +
- Benefit to the Public at Large

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it "receives a direct advantage from the improvement (e.g., proximity to a park)." In this assessment, as noted, properties in the Improvement District have close and unique proximity, views and access to the Improvements and uniquely improved desirability from the Improvements and other properties and the public at large do not receive significant benefits because they do not have proximity, access or views of the Improvements. Therefore, the overwhelming proportion of the benefits conferred to property is special, and is only minimally received by property outside the Improvement District or the public at large.

CALCULATING GENERAL BENEFIT

In this section, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

BENEFIT TO PROPERTY OUTSIDE THE IMPROVEMENT DISTRICT

Properties within the Improvement District receive almost all of the special benefits from the Improvements because properties in the Improvement District enjoy unique close proximity and access to the Improvements that is not enjoyed by other properties or the public at large. However, certain properties within the proximity/access radius of the Improvements, but outside of the boundaries of the Improvement District, may receive some benefit from the Improvements. Since this benefit is conferred to properties outside the Improvement District boundaries, it contributes to the overall general benefit calculation and will not be funded by the Assessments.

The properties outside the Improvement District and within the proximity radii for neighborhood parks in the Improvement District receive benefits from the Improvements. Since these properties are not assessed for their benefits because they are outside of the area that can be assessed by the City, this is form of general benefit to the public at large and other property. A 50% reduction factor is applied to these properties because they are all geographically on only one side of the Improvements and have over twice the average proximity to the Improvements as properties in the Improvement District. The general benefit to property outside of the Improvement District is calculated as follows with the parcel and data analysis performed by SCI Consulting Group.

ASSUMPTIONS:

1,272 PARCELS OUTSIDE THE CITY BUT WITHIN EITHER 0.5 MILES OF A NEIGHBORHOOD PARK OR 2.0 MILES OF A COMMUNITY PARK WITHIN THE IMPROVEMENT DISTRICT

10,966 PARCELS IN THE IMPROVEMENT DISTRICT

50% RELATIVE BENEFIT COMPARED TO PROPERTY WITHIN THE IMPROVEMENT DISTRICT

CALCULATION

GENERAL BENEFIT TO PROPERTY OUTSIDE THE IMPROVEMENT DISTRICT = 1,272 / (10,966+1,272)*.5 = **5.2%**

Although it can reasonably be argued that Improvements inside, but near the Park District boundaries are offset by similar park and recreational improvements provided outside, but near the Park District's boundaries, we use the more conservative approach of finding that 5.2% of the Improvements may be of general benefit to property outside the Improvement District.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT AND DERIVATIVE*

The "indirect and derivative" benefit to property within the Improvement District is particularly difficult to calculate. A solid argument can be presented that all benefit within the Improvement District is special, because the Improvements are clearly "over and above" and "particular and distinct" when compared with the baseline level of service and the unique proximity, access and views of the Improvements enjoyed by benefiting properties in the Improvement District.

Nevertheless, the SVTA vs. SCCOSA decision indicates there may be general benefit "conferred on real property located in the district" A measure of the general benefits to property within the Assessment area is the percentage of land area within the Improvement District that is publicly owned and used for regional purposes such as major roads, rail lines and other regional facilities because such properties used for regional purposes could provide indirect benefits to the public at large. Approximately 1.0% of the land area in the Improvement District is used for such regional purposes, so this is a measure of the general benefits to property within the Improvement District.

BENEFIT TO THE PUBLIC AT LARGE

The general benefit to the public at large can be estimated by the proportionate amount of time that the City's parks and recreational facilities are used and enjoyed by individuals who are not residents, employees, customers or property owners in the City[1]. A survey of park and recreation facility usage conducted by SCI Consulting Group found that less than 5% of the City's facility usage is by those who do not live or work within City boundaries. When people outside the Improvement District use parks, they diminish the availability of parks for people within the Improvement District. Therefore, another 5% of general benefits are allocated for people within the Improvement District. Combining these two measures of general benefits, we find that 10% of the benefits from the Improvements are general benefits to the public at large.

TOTAL GENERAL BENEFITS

Using a sum of these three measures of general benefit, we find that approximately 16.8% of the benefits conferred by the Improvements may be general in nature and should be funded by sources other than the assessment.

GENERAL BENEFIT =

5.2% (OUTSIDE THE DISTRICT)

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

+ 1.0% (INSIDE THE DISTRICT - INDIRECT AND DERIVATIVE)
+ 10.0% (PUBLIC AT LARGE)

= **16.2%** (TOTAL GENERAL BENEFIT)

Although this analysis finds that 16.2% of the assessment may provide general benefits, the Assessment Engineer establishes a requirement for a minimum contribution from sources other than the assessments of 25%. This minimum contribution above the measure of general benefits will serve to provide additional coverage for any other general benefits.

The City's total budget for maintenance and improvement of its parks and recreational facilities is $2,162,862. Of this total budget amount, the City will contribute $1,452,028 from sources other than the assessments for park maintenance and operation. This contribution by the City equates to approximately 67% of the total budget for maintenance and improvements and constitutes far more than the amount attributable to the general benefits from the Improvements.

METHOD OF ASSESSMENT

As previously discussed, the assessments provide specific Improvements that confer direct and tangible special benefits to properties in the Improvement District. These benefits can partially be measured by the occupants on property in the Improvement District because such parcel population density is a measure of the relative benefit a parcel receives from the Improvements. Therefore, the apportionment of benefit is partially based the population density of parcels.

It should be noted that many other types of "traditional" assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed. Moreover, assessments have a long history of use in California and are in large part based on the principle that benefits from a service or improvement funded by assessments that is enjoyed by tenants and other non-property owners ultimately is conferred directly to the underlying property.[4]

[4] For example, in *Federal Construction Co. v. Ensign (1922) 59 Cal.App. 200 at 211*, the appellate court determined that a sewer system specially benefited property even though the direct benefit was to the people who used the sewers: "Practically every inhabitant of a city either is the owner of the land on which he resides or on which he pursues his vocation, or he is the tenant of the owner, or is the agent or servant of such owner or of such tenant. And since it is the inhabitants who make by far the greater use of a city's sewer system, it is to them, as lot owners or as tenants, or as the servants or agents of such lot owners or tenants, that the advantages of actual use will redound. But this advantage of use means that, in the final analysis, it is the lot owners themselves who will be especially benefited in a financial sense."

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

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

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

Finally, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner's use of the improvements, or a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who value the special benefits described above and use and enjoy the City's park and recreational facilities. In other words, the benefits derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is one indicator of the relative level of benefit received by a property.

In conclusion, the Assessment Engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, the relative size of the property, its relative population and usage potential and its proximity to parks and recreational facilities. This method is further described below.

PROXIMITY BENEFITS

The City's park facilities are easily accessible by anyone within a neighborhood or the City. Therefore, benefits from the proposed improvements do not vary based on proximity of the parcels to the improvements because the increased benefits of greater proximity to the improvements are generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that comes with increased proximity. Consequently, since all parcels in the City have good access and proximity to the City's grounds and recreational facilities and the benefits to relatively closer proximity are offset by other factors, proximity is not considered to be a factor in determining benefit within the Parks Maintenance and Improvement District.

RESIDENTIAL PROPERTIES

Certain residential properties in the Improvement District that contain a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses and townhomes are included in this category of single family residential property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. The population density factors for the City of Moorpark, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain property type within the City of Moorpark from the 1990 Census and dividing it by the total number of such households, finds that approximately 3.54 persons occupy each single family residence, whereas an average of 2.78 persons occupy each multi-family residence. Using the ratio of one SFE for each single-family residence, which equates to one SFE for every 3.54 persons, 0.78 SFE would equate to one multi-family unit or 0.78 SFE for every 2.78 residents. Likewise, using the average population density ratios for other types of residential property, each condominium unit receives 0.80 SFE and each mobile home receives 0.65 SFE.

Table 1
Residential Assessment Factors

	Total Population	*Occupied Households*	*Persons per Household*	*SFE Factor*
Single Family Residential	20,105	5,679	3.54	1.00
Condominium	2,361	835	2.83	0.80
Multi-Family Residential	2,155	776	2.78	0.78
Mobile Homes	672	292	2.30	0.65

Source: 1990 Census, City of Moorpark

COMMERCIAL/INDUSTRIAL PROPERTIES

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

In order to determine employee density factors, the findings from the San Diego Association of Governments Traffic Generators Study (the "SANDAG Study") are used because these findings were approved by the State Legislature for use in justifying commercial and industrial school facilities fees and are considered to be a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 35.

In comparison, the average number of people residing in a single family home in the area is 3.54. Since the average lot size for a single family home in Moorpark is approximately 0.17 acres, the average number of residents per acre of residential property is 21.[5]

The employee density per acre is generally 1.7 times the population density of single family residential property per acre (35 employees per acre / 21 residents per acre). Therefore, the average employee density can be used as the basis for allocating benefit to commercial or industrial property since a property with 1.7 employees receives generally similar special benefit to a residential property with 1 resident. This factor of equivalence of benefit between 1 resident to 1.7 employees is the basis for allocating commercial/industrial benefit. Table 2 shows the average employees per acre of land area

[5]. Average lot size determined by an analysis of real property maps and Ventura County assessor parcel data.

or portion thereof for commercial and industrial properties and lists the relative SFE factors per fifth acre for properties in each land use category.

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

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

Table 2
Commercial/Industrial Assessment Factors

Type of Commercial/Industrial Land Use	*Average Employees Per Acre* [1]	*SFE Units per 1/5 Acre* [2]
Commercial	24	0.7
Office	68	1.9
Shopping Center	24	0.7
Industrial	24	0.7
Self Storage or Parking Lot	1	0.03

1. Source: San Diego Association of Governments Traffic Generators Study.
2. The SFE factors for commercial and industrial parcels are applied by the fifth acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

VACANT RESIDENTIAL LAND

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of improvements on the property. It is reasonable to assume that approximately 25% of the benefits are related to the underlying land and 75% are related to the improvements and the day to day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.25 per parcel.

As properties are approved for development, their value increases. Likewise, the special benefits received by vacant property increases as the property is approved for development, or becomes closer to being improved. When property moves from vacant status to the point at which a development application and engineering plans have been submitted to the City for approval, such property is deemed to receive 35% of the relative

benefits that would be received by the property after it is fully improved or developed. Thus the SFE factor for property with proposed development applications is 35% of the rate that would be applied to the property when it is fully developed.

At the second stage towards development, tentative parcel maps and site development plans are approved for the property. At this point, the property is at the final stage and can shortly undergo construction. Since the property is nearing the point of development, its special benefits increase. The Engineer has determined that the relative level of benefit for approved property is 65% of the rate for similar developed property. Therefore, all approved property is assigned an SFE factor that is equal to 65% of the SFE factor that would be applied to the property after it is fully developed.[6]

OTHER PROPERTIES

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

Church parcels, school parcels and other properties used for educational purposes typically generate a lower number of employees than other non-residential parcels. Moreover, many of these parcels provide some degree of on-site amenities that serve to offset some of the benefits from the Parks Maintenance and Improvement District. Therefore, these parcels receive minimal benefit and are assessed an SFE factor of 1.

Publicly or institutionally owned property that is used for residential, commercial, office or industrial purposes benefits from the assessments at the same level as any other similarly used property that is privately owned. Therefore, such publicly or institutionally owned property is assessed at the same rate as other similarly used property.

Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the Improvements and are assessed an SFE benefit factor or 0.

[6]. For example, if a property is proposed for development of 100 single family homes, the SFE factor would be 100 SFE*35%, which equals 35 SFE. After the property is approved for development, the SFE factor would be 65 (100 SFE upon completion * 65%). The rates for commercial and industrial property are applied similarly.

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Director of Community Services or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Director of Community Services or his or her designee will promptly review the appeal and any information provided by the property owner. If the Director of Community Services or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Director of Community Services or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner who disagrees with the decision of the Director of Community Services or her or his designee, may refer their appeal to the City Council of the City of Moorpark and the decision of the City Council of the City of Moorpark shall be final.

ASSESSMENT

WHEREAS, on February 2, 2011 the City Council of the City of Moorpark, County of Ventura, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIIID of the California Constitution (collectively "the Act"), adopted its Resolution Initiating Proceedings For the Levying of Annual Assessments for "Moorpark Parks & Recreation Maintenance and Improvement District";

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

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the City Council of said City of Moorpark, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the Improvement District.

The amount to be paid for the Improvements and the expense incidental thereto, to be paid by the Parks & Recreation Maintenance and Improvement District for the fiscal year 2011-12 is generally as follows:

SUMMARY COST ESTIMATE

	F.Y. 2011-12 Budget
Parks Maintenance and Improvement	$2,001,474
Incidentals, Allowance and Administration Expenses	$161,388
TOTAL BUDGET	$2,162,862
Less:	
City Contribution for General and Special Benefits	-$1,452,028
NET AMOUNT TO ASSESSMENTS	$710,834

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

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Improvement District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the Consumer Price Index-U for the Los Angeles Area as of December of each succeeding year (the "CPI"), with a maximum annual adjustment not to exceed 3%. Any change in the CPI in excess of 3% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of 1) 3% or 2) the change in the CPI plus any Unused CPI as described above.

The change in the CPI from December 2009 to December 2010 was 1.34% and the Unused CPI carried forward from the previous fiscal year is 0.23%. Therefore, the maximum authorized assessment rate for fiscal year 2011-12 is increased by 1.57% which equates to $54.09 per single family equivalent benefit unit. The estimate of cost and budget in this Engineer's Report proposes assessments for fiscal year 2011-12 at the rate of $54.09.

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

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Ventura for the fiscal year 2011-12. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2011-12 for each parcel or lot of land within the said Parks and Recreation Maintenance and Improvement District.

Dated: April 18, 2011

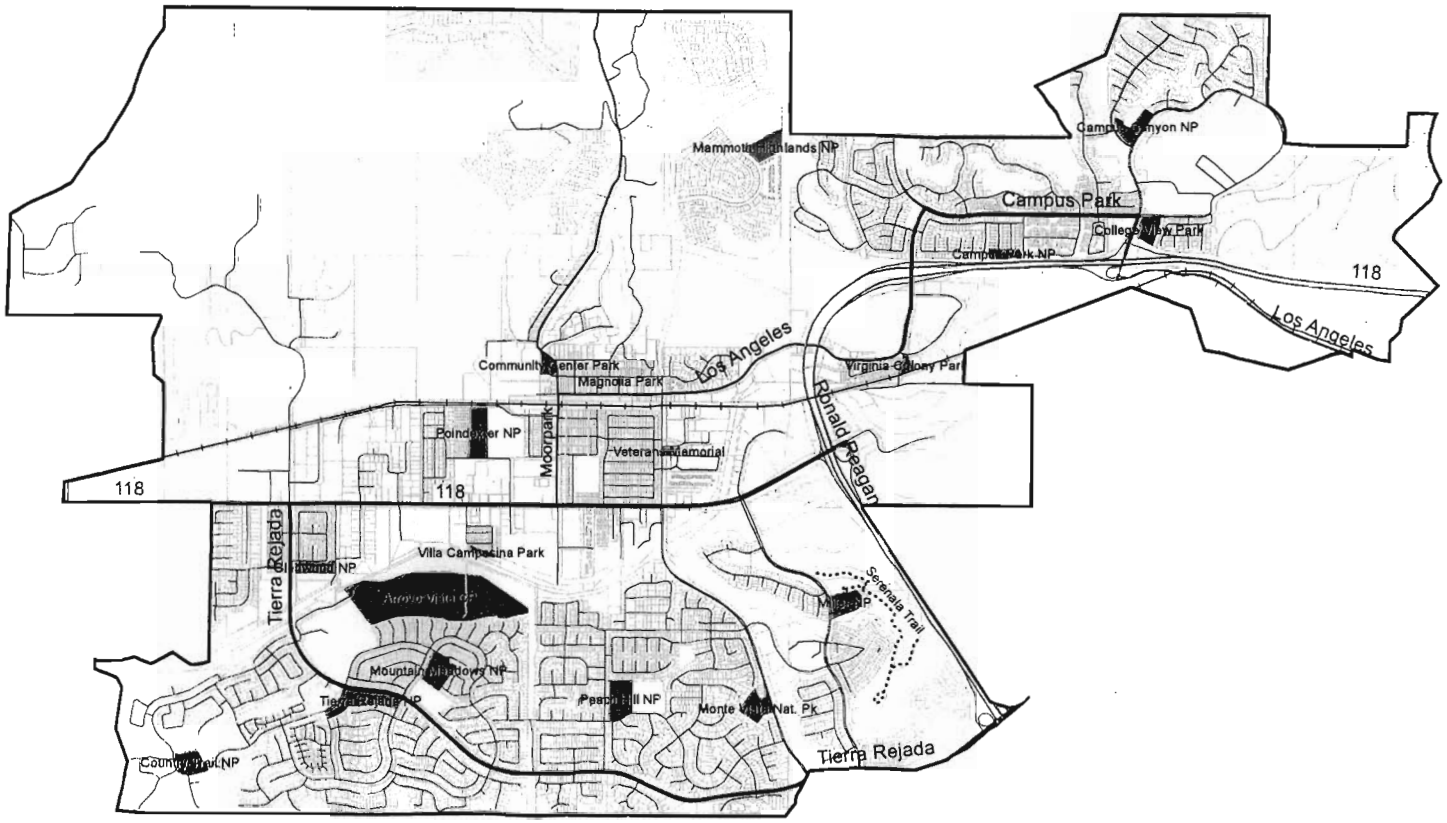
Engineer of Work

By _____
John W. Bliss, License No. C052091

ASSESSMENT DIAGRAM

The Parks and Recreation Maintenance and Improvement District includes all properties within the boundaries of the City of Moorpark. The area within the boundaries of the City encompasses approximately 12.4 square miles, the majority of which is developed for urban use, or planned or approved for development.

The boundaries of the Parks Maintenance and Improvement District are displayed on the following Assessment Diagram.



Assessment Boundary Line
Interstate
Highways
State and County Highways
Local Street
Parks
Railroads
Parcels

N

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MOORPARK, COUNTY OF VENTURA, CALIFORNIA,
THIS _____ DAY OF _____, 2011.

_____
CITY CLERK

RECORDED IN THE OFFICE OF THE DIRECTOR OF COMMUNITY SERVICES OF THE CITY OF MOORPARK, COUNTY OF VENTURA, CALIFORNIA, THIS _____ DAY OF _____, 2011.

_____
DIRECTOR OF COMMUNITY SERVICES

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE CITY COUNCIL OF THE CITY OF MOORPARK ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _____ DAY OF _____, 2011 FOR FISCAL YEAR 2011-12 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF VENTURA ON THE _____ DAY OF _____, 2011. REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

_____
CITY CLERK

FILED THIS _____ DAY OF _____, 2011, AT THE HOUR OF _____O'CLOCK ___. M. IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AT THE REQUEST OF THE CITY OF MOORPARK CITY COUNCIL.

_____
COUNTY AUDITOR, COUNTY OF VENTURA

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

SCI Consulting Group
4745 Mangels Blvd
Fairfield, CA 94534

CITY OF MOORPARK
PARKS & RECREATION MAINTENANCE AND IMPROVEMENT DISTRICT
ASSESSMENT DIAGRAM

APPENDIX A - 2011-12 ASSESSMENT ROLL

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