



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, June 12, 2018

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

<u>City Council Closed Session:</u>	5:00 P.M.
<u>City Council Regular Session:</u>	6:00 P.M.

CITY COUNCIL CLOSED SESSION:

- 1. CLOSED SESSION -- PUBLIC COMMENT**
- 2. COUNCIL LEAVES CHAMBERS TO BEGIN CLOSED SESSION**
- 3. CLOSED SESSION -- CALL TO ORDER**
 - a. Conference with Labor Negotiators** (Govt. Code Sec. 54957.6)
Agency designated representatives: Rachelle Rickard, City Manager
Employee Organizations: Atascadero Professional Firefighters, Local 3600; Atascadero Police Association; Service Employees International Union, Local 620; Mid-Management/Professional Employees; Non-Represented Professional and Management Workers and Confidential Employees
- 4. CLOSED SESSION -- ADJOURNMENT**
- 5. COUNCIL RETURNS TO CHAMBERS**
- 6. CLOSED SESSION -- REPORT**

ADJOURNMENT

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Council Member Sturtevant

ROLL CALL: Mayor O'Malley
Mayor Pro Tem Fonzi
Council Member Bourbeau
Council Member Moreno
Council Member Sturtevant

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

PRESENTATION:

1. Commendation to Glenn's Repair & Rental - In Business for 50 years

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Action Minutes – May 22, 2018

- Recommendation: Council approve the City Council Draft Action Minutes of the May 22, 2018, City Council meeting. [City Clerk]

2. 2018-2019 Annual Spending Limit

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution establishing the annual spending limit for Fiscal Year 2018-2019. [Administrative Services]

3. Approval of Minor Staffing Changes at the Charles Paddock Zoo

- Fiscal Impact: The re-organization is expected to have negligible fiscal impact.
- Recommendation: Council concur with minor staffing changes in the Zoo Division, as recommended by the City Manager. [City Manager]

4. Bertha Shultz Trust Fund Infrastructure & Vehicle Improvement Plan Update

- Fiscal Impact: Support of the staff proposed budget for remaining items will result in the expenditure of \$109,120 in donated funds.
- Recommendation: Council receive an update on the Bertha Shultz Trust Fund Infrastructure and Vehicle Improvement Plan that was approved by Council in 2014 and support staff proposed plan for remaining fund balance. [Fire Development]

5. Adopting a List of Projects for Fiscal Year 2018-2019 Funded by SB1 - The Road Repair and Accountability Act of 2017

- Fiscal Impact: No fiscal impact is anticipated from approving the recommendations in the staff report and the Draft Resolution.
- Recommendation: Council adopt Draft Resolution adopting a list of projects to be funded with Road Maintenance and Rehabilitation Account revenues from SB 1 (The Road Repair and Accountability Act of 2017) for Fiscal Year 2018-2019. [Public Works]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

1. Apple Valley Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2018/2019 will total \$28,000 for road/drainage system maintenance and \$73,500 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto for Fiscal Year 2018/2019.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Street and Storm Drain Maintenance District No. 01 (Apple Valley).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto in Fiscal Year 2018/2019.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Landscaping and Lighting District No. 01 (Apple Valley). [Administrative Services]

2. Woodridge (Las Lomas) Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2018/2019 will total \$88,528 for road/drainage system maintenance and \$63,731 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in

Woodridge (Las Lomas). The City General Fund will contribute \$1,250 for the fiscal year 2018/2019 for 25% of the maintenance costs of the trails and open space.

- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto for Fiscal Year 2018/2019.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto in Fiscal Year 2018/2019.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Landscaping and Lighting District No. 02 – Woodridge (Las Lomas).[Administrative Services]

3. De Anza Estates Assessment Districts

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2018/2019 will total \$30,562 for road/drainage system maintenance and \$15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute \$1,400 for the fiscal year 2018/2019 for half of the maintenance costs of the trails and open space.
- Recommendations: Council:
 1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto for Fiscal Year 2018/2019.
 2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
 3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto in Fiscal Year 2018/2019.
 4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Landscaping and Lighting District No. 03 (De Anza Estates). [Administrative Services]

4. Atascadero Tourism Business Improvement District Confirmation of Annual Assessment (Fiscal Year 2018-2019)

- Ex-Parte Communications:
- Fiscal Impact: Annual assessments for 2018/2019 are expected to be approximately \$266,480 and will be assessed as 2% of the rent charged on the occupied rooms and spaces for transient occupancies.

- Recommendation: Council adopt Draft Resolution confirming the annual assessment for the Atascadero Tourism Business Improvement District (Fiscal Year 2018-2019). [City Manager]

5. Downtown Parking and Business Improvement Area Confirmation of Annual Assessment (FY 2018-2019)

- Ex-Parte Communications:
- Fiscal Impact: Adopting the staff recommendation will result in the collection and expenditure of approximately \$8,000 in BIA funds. The actions will also result in the expenditure of \$8,000 in one-time General Fund Reserves for Fiscal Year 2018-2019.
- Recommendations: Council:
 1. Adopt Draft Resolution confirming the annual assessment for the Downtown Parking and Business Improvement Area (Fiscal Year 2018-2019).
 2. Authorize the Director of Administrative Services to appropriate \$8,000 of General Fund Reserves monies to the Marketing, Outreach, and Promotions budget.
 3. Authorize the Director of Administrative Services to budget \$8,000 in Business Improvement Area revenues and expenses for Fiscal Year 2018-2019.[City Manager]

C. MANAGEMENT REPORTS:

1. General Municipal Election - November 6, 2018

- Fiscal Impact: The City Clerk's estimate for the 2018 election of officials in Atascadero is \$22,000 in budgeted General Funds.
- Recommendations: Council adopt the following Resolutions for the purpose of electing a Mayor, two members to the City Council and a City Treasurer:
 1. Draft Resolution A, calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 6, 2018 for the election of a Mayor, two Council Members and a City Treasurer.
 2. Draft Resolution B, requesting the Board of Supervisors of the County of San Luis Obispo to consolidate a General Municipal Election to be held on November 6, 2018. [City Clerk]

2. Cannabis Tax Ballot Measure

- Fiscal Impact: The City Clerk's estimate for the 2018 election of officials in Atascadero is \$22,000. The City Clerk's estimate for the addition of the ballot measure is approximately \$16,000. Therefore, the total estimate for the 2018 election including ballot measures is \$38,000 in budgeted General Funds.
- Recommendations: Council adopt the following Resolutions to submit to the voters a cannabis business tax ballot measure:
 1. Draft Resolution A, calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 6, 2018, for the submission to the voters of a question relating to a cannabis business tax measure.
 2. Draft Resolution B, requesting the Board of Supervisors of the County of San Luis Obispo to consolidate a General Municipal Election to be held on November 6, 2018.

3. Draft Resolution C, setting priorities for filing written arguments regarding the City measure and directing the City Attorney to prepare an impartial analysis.
4. Draft Resolution D, providing for the filing of rebuttal arguments for City measures submitted at Municipal Elections.
5. Authorize the Director of Administrative Services to appropriate \$8,000 of General Fund Reserves monies to the City Clerk budget. [Administrative Services]

3. Santa Lucia Road and Via Avenue Bridge Replacement Project Updates

- Fiscal Impact: No fiscal impact is related to staff recommendations.
- Recommendations: Council:
 1. Review preliminary design plans for the Santa Lucia Road Bridge over Graves Creek (Project No. C2015B03) and the Via Avenue Bridge over Atascadero Creek (Project No. C2015B02).
 2. Approve bridge railing design options for Santa Lucia Road and Via Avenue Bridge projects. [Public Works]

4. Sustainable Transportation Planning Grant - El Camino Corridor Study - Professional Services Award

- Fiscal Impact: PlaceWorks’s negotiated fee is time and material basis for a contract amount of \$174,905, which is fully covered by the Caltrans planning grant. Staff recommends that Council appropriate up to \$25,000 in General Fund Reserves to fund a Market Assessment which will act as an economic basis for developing the land use and transportation corridor plan.
- Recommendations: Council:
 1. Authorize the City Manager to execute a contract with PlaceWorks, in the amount of \$174,905, to provide professional services for the El Camino Real Corridor Study, funded by the Caltrans planning grant.
 2. Authorize the Director of Administrative Services to appropriate up to \$25,000 from the City’s General Fund Reserves to complete a Market Assessment which will identify economic opportunities and quantify market potential within the City’s commercial sector. [Community Development]

COUNCIL ANNOUNCEMENTS AND REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

D. COMMITTEE REPORTS: (The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor O’Malley

1. City / Schools Committee
2. County Mayors Round Table
3. SLO Council of Governments (SLOCOG)
4. SLO Regional Transit Authority (RTA)
5. Integrated Waste Management Authority (IWMA)
6. Ad Hoc Animal Shelter Committee

Mayor Pro Tem Fonzi

1. Air Pollution Control District
2. Oversight Board for Successor Agency to the Community Redevelopment Agency of Atascadero
3. SLO Local Agency Formation Commission (LAFCo)
4. City of Atascadero Design Review Committee
5. Atascadero Basin Ground Water Sustainability Agency (GSA)
6. Ad Hoc Animal Shelter Committee

Council Member Bourbeau

1. City of Atascadero Design Review Committee
2. Homeless Services Oversight Council
3. City of Atascadero Finance Committee
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Moreno

1. California Joint Powers Insurance Authority (CJPIA) Board
2. City of Atascadero Finance Committee (Chair)
3. Economic Vitality Corporation, Board of Directors (EVC)

Council Member Sturtevant

1. City / Schools Committee
2. League of California Cities – Council Liaison

E. INDIVIDUAL DETERMINATION AND / OR ACTION:

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

F. ADJOURN

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

I, Amanda Muther, Deputy City Clerk of the City of Atascadero, declare under penalty of perjury that the foregoing agenda for the June 12, 2018 Regular Session of the Atascadero City Council was posted on June 6, 2018, at the Atascadero City Hall, 6500 Palma Avenue, Atascadero, CA 93422 and was available for public review at that location.

Signed this 6th day of June 2018, at Atascadero, California.

Amanda Muther, Deputy City Clerk
City of Atascadero

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information (470-3400).

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, **if you need special assistance to participate in a City meeting or other services offered by this City**, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

1. Give your name for the record (not required)
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Mayor and Council.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Mayor
2. Give your name (not required)
3. Make your statement
4. All comments should be made to the Mayor and Council
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, May 22, 2018

City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)

<u>City Council Closed Session:</u>	5:00 P.M.
<u>City Council Regular Session:</u>	6:00 P.M.

CITY COUNCIL CLOSED SESSION:

Mayor Pro Tem Fonzi called Closed Session to order at 5:05 p.m.

1. **CLOSED SESSION -- PUBLIC COMMENT - None**
2. **COUNCIL LEAVES CHAMBERS TO BEGIN CLOSED SESSION**

Mayor O'Malley arrived at 5:15 p.m.

3. **CLOSED SESSION -- CALL TO ORDER**

a. **Conference With Legal Counsel—Anticipated Litigation**

Initiation of litigation pursuant to Govt. Code Section 54956.9(d)(4):
two potential cases

b. **Conference with Labor Negotiators (Govt. Code Sec. 54957.6)**

Agency designated representatives: Rachelle Rickard, City Manager
Employee Organizations: Atascadero Professional Firefighters, Local 3600;
Atascadero Police Association; Service Employees International Union,
Local 620; Mid-Management/Professional Employees; Non-Represented
Professional and Management Workers and Confidential Employees

4. **CLOSED SESSION -- ADJOURNMENT**

5. COUNCIL RETURNS TO CHAMBERS

6. CLOSED SESSION – REPORT

The City Attorney reported that there was no reportable action.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor O'Malley called the meeting to order at 6:03 p.m. and Planning Commissioner Mark Dariz led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Bourbeau, Moreno, Sturtevant, Mayor Pro Tem Fonzi and Mayor O'Malley

Absent: None

Staff Present: City Manager Rachelle Rickard, Public Works Director Nick DeBar, Police Chief Jerel Haley, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, City Attorney Brian Pierik and Deputy City Manager/City Clerk Lara Christensen

APPROVAL OF AGENDA:

- MOTION:** By Mayor O'Malley and seconded by Mayor Pro Tem Fonzi to:
- 1. Approve this agenda as amended moving Item #C-1 to before Public Hearings; and,**
 - 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.**

Motion passed 5:0 by a roll-call vote.

PRESENTATION:

1. Proclamation Recognizing June 1, 2018 as Hunger Awareness Day

The City Council presented a Proclamation to Food Bank Coalition of San Luis Obispo County CEO Kevin Drabinski.

Mr. Drabinski provided information on Hunger Awareness Day and the SLO Food Bank Photo Challenge (Exhibit A).

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – May 8, 2018

- Recommendation: Council approve the City Council Draft Action Minutes of the May 8, 2018, City Council meeting. [City Clerk]

2. April 2018 Accounts Payable and Payroll

- Fiscal Impact: \$ 1,539,675.23
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for April 2018. [Administrative Services]

3. Atascadero Tourism Business Improvement District (ATBID) - Annual Assessment

- Fiscal Impact: None.
- Recommendations: Council:
 1. Approve the ATBID Annual Report.
 2. Adopt Draft Resolution, declaring intent to levy an annual Business Improvement District assessment and set a public hearing for June 12, 2018. [City Manager]

MOTION: By Council Member Moreno and seconded by Council Member Sturtevant to approve the Consent Calendar. (#A-3: Resolution No. 2018-031)

Mayor O'Malley disclosed he is a member of ATBID and the owner of the Portola Inn, which creates a potential conflict of interest and he will abstain from voting on Consent Calendar Item A-3.

Motion passed 5:0 by a roll-call vote. (Item #A-3 vote was 4:0 with O'Malley abstained)

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Dan Feldman

C. MANAGEMENT REPORTS:

1. SLO Regional Code of Civility

- Fiscal Impact: None.
- Recommendation: Council review and adopt the SLO Regional Code of Civility. [City Manager]

Mayor O'Malley gave a brief introduction and Atascadero Chamber of Commerce President and CEO Derek Kirk gave the presentation and answered questions from the Council. A revised draft SLO Regional Code of Civility was provided to the City Council and a copy placed in the public review binder (Exhibit B).

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor O'Malley closed the Public Comment period.

**MOTION: By Council Member Bourbeau and seconded by Council Member Moreno to authorize the City Manager to adopt the SLO Regional Code of Civility.
*Motion passed 5:0 by a roll-call vote.***

B. PUBLIC HEARINGS:

1. Amendments to City Services Fee Schedule

- Ex-Parte Communications:
- Fiscal Impact: There will be an increase in operating revenue resulting from the CPI increase, with an offsetting increase in costs to provide the services.
- Recommendation: Council adopt Draft Resolution establishing a schedule of Fees and Charges for City Services. [Administrative Services]

Ex Parte Communications

None were disclosed.

Administrative Services Director Rangel gave the staff report and answered questions from the Council.

Mayor O'Malley opened the Public Hearing and asked if anyone would like to address the City Council on this matter. Hearing none, Mayor O'Malley closed the Public Hearing.

**MOTION: By Council Member Moreno and seconded by Mayor Pro Tem Fonzi to adopt Resolution No. 2018-032 establishing a schedule of Fees and Charges for City Services.
*Motion passed 5:0 by a roll-call vote.***

2. Amendments to City Facility Rental Fee Schedule

- Ex-Parte Communications:
- Fiscal Impact: There will be an increase in operating revenue resulting from the CPI increase, with an offsetting increase in costs to provide the services.
- Recommendation: Council adopt Draft Resolution amending a Schedule of Fees and Charges for City Facility Rentals. [Administrative Services]

Mayor O'Malley recused himself and stepped down from the dais noting that he is the owner of the Portola Inn, which creates a potential conflict of interest for him.

Ex Parte Communications

None were disclosed.

Administrative Services Director Rangel gave the staff report and answered questions from the Council.

Mayor Pro Tem Fonzi opened the Public Hearing and asked if anyone would like to address the City Council on this matter. Hearing no requests to speak, Mayor Pro Tem Fonzi closed the Public Hearing.

**MOTION: By Council Member Moreno and seconded by Council Member Sturtevant to adopt Resolution No. 2018-033 amending a Schedule of Fees and Charges for City Facility Rentals.
*Motion passed 4:0 by a roll-call vote. O'Malley abstained.***

C. MANAGEMENT REPORTS:

2. Parking & Business Improvement Area (PBIA) Assessment

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution, declaring intent to levy an annual Downtown Parking and Business Improvement Area assessment and set a public hearing for June 12, 2018. [City Manager]

Deputy City Manager Christensen gave the presentation and answered questions from the Council. She noted that emails in favor of the assessment, from downtown business owners, had been received by the Council (Exhibit C).

PUBLIC COMMENT:

The following citizens spoke on this item: Deanna Alexander, Derek Kirk and Susan Funk.

Mayor O'Malley closed the Public Comment period.

**MOTION: By Mayor O'Malley and seconded by Council Member Bourbeau to adopt Resolution No. 2018-034, declaring intent to levy an annual Downtown Parking and Business Improvement Area assessment and set a public hearing for June 12, 2018.
*Motion passed 5:0 by a roll-call vote.***

Following a request by Mayor O'Malley, there was Council consensus to have a staff report brought back to the Council for discussion of a budget appropriation for the economic promotion of the downtown area and to help support the efforts of the Downtown Parking and Business Improvement Area.

COUNCIL ANNOUNCEMENTS AND REPORTS:

The Council made brief announcements and reports.

D. COMMITTEE REPORTS:

The following Council Members gave brief update reports on their committees since their last Council meeting:

Mayor O'Malley

1. Integrated Waste Management Authority (IWMA)

Mayor Pro Tem Fonzi

1. City of Atascadero Design Review Committee
2. Atascadero Basin Ground Water Sustainability Agency (GSA)
3. Ad Hoc Animal Shelter Committee

Council Member Bourbeau

1. Homeless Services Oversight Council

Council Member Moreno

1. Economic Vitality Corporation, Board of Directors (EVC)
2. City Selection Committee

Council Member Sturtevant

1. League of California Cities – Council Liaison

E. INDIVIDUAL DETERMINATION AND / OR ACTION: None

F. ADJOURN

Mayor O'Malley adjourned the meeting at 7:48 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

The following exhibits are available for review in the City Clerk's office:

- Exhibit A – SLO Food Bank flyers provided by Kevin Drabinski.
- Exhibit B – Revised draft SLO Regional Code of Civility.
- Exhibit C – Emails in favor of DPBIA assessment.

APPROVED:



Atascadero City Council

Staff Report – Administrative Services Department

2018-2019 Annual Spending Limit

RECOMMENDATION:

Council adopt Draft Resolution establishing the annual spending limit for Fiscal Year 2018-2019.

DISCUSSION:

The City's annual spending limit (Gann Limit) must be approved by Council at the beginning of each fiscal year. Staff calculates the new limit based on the formula set forth in Proposition 111.

The limit was calculated as follows:

A. Prior Year Spending Limit		\$	33,818,736
B. Population Factor (County)	1.0035		
C. Inflation Factor (Per Capita)	<u>1.0367</u>		
D. Adjustment Factor (B * C)	<u>1.0403</u>		
E. Total Adjustment (A*(D-1))			<u>1,362,895</u>
F. Current Year Limit (A + E)		\$	<u>35,181,631</u>

FISCAL IMPACT:

None.

ATTACHMENT:

Draft Resolution- Adopting the Fiscal Year 2018-2019 Annual Spending Limit

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ADOPTING THE FISCAL YEAR
2018-2019 ANNUAL SPENDING LIMIT**

WHEREAS, Proposition 111 revises the methodology used to calculate the Annual Spending Limit; and

WHEREAS, the City of Atascadero must select the most appropriate criteria to be used in calculating the annual limit.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That the City of Atascadero elects to use the following criteria for Fiscal Year 2018-2019 in establishing its new Annual Spending Limit:

County Population and
Growth in California Per Capita Personal Income

SECTION 2. That the annual spending limit for 2018-2019 is calculated as follows:

Fiscal Year	Percentage Change	New Limit
2018-2019	4.03%	\$35,181,631

SECTION 3. Any judicial action or challenge must be commenced within 45 days of the effective date of this Resolution.

SECTION 4. Documentation used in determining the Annual Spending Limit is available to the public in the Administrative Services Department, 6500 Palma Avenue, Atascadero, California.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER: A-2
DATE: 06/12/18
ATTACHMENT: 1

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report – City Manager’s Office

Approval of Minor Staffing Changes at the Charles Paddock Zoo

RECOMMENDATION:

Council concur with minor staffing changes in the Zoo Division, as recommended by the City Manager.

DISCUSSION:

City staff continues to look for better and more efficient ways to deliver many and varied City services in a cost-effective manner. Organizing personnel for each department is an important component of optimizing City services and functions.

Zoo Staffing Changes:

Earlier this year, a long-term Maintenance Worker II staff member retired. The Maintenance Worker II position was funded by the Zoo (80% or 32 hours per week) and the Pavilion (20% or 8 hours per week).

This retirement provided an opportunity to evaluate staffing levels and the current highest priority needs at the Zoo. It was determined that a slight reorganization could result in better operational efficiencies and improve our ability to meet and exceed operational and AZA accreditation standards.

The proposed reorganization can be easily achieved by utilizing existing funding and positions which are already designated in the City’s Salary Schedule. The re-organization in effect changes the maintenance work from a full-time position to a string of part-time positions; while at the same time, changing the string of part-time Zoo education hours to a full-time position. The proposed change does not change the funding in either department.

The following changes are proposed:

- (1) Eliminate the full-time Maintenance Worker II position (Salary Range 13).
- (2) Hire a full-time Zoo Education Curator position (Salary Range 9)

- (3) Increase part-time Zoo service workers (maintenance) hours.
- (4) Decrease part-time Zoo educator hours.
- (5) Increase part-time Pavilion worker hours.

Filling the Education Curator position is an important part of implementing our strategy and achieving our Zoo education goals.

FISCAL IMPACT:

The re-organization is expected to have negligible fiscal impact.

ATTACHMENTS:

None.



Atascadero City Council

Staff Report – Fire and Emergency Services

Bertha Shultz Trust Fund Infrastructure & Vehicle Improvement Plan Update

RECOMMENDATION:

Council receive an update on the Bertha Shultz Trust Fund Infrastructure and Vehicle Improvement Plan that was approved by Council in 2014 and support staff proposed plan for remaining fund balance.

DISCUSSION:

Approximately 25 years ago, a wonderful lady named Bertha Shultz adopted the Atascadero Fire Department. Every firefighter was touched by Bertha. She was a grandmother, mother, counselor, and confidant to all. She frequently stopped by both fire stations to say hello, check in on the firefighters and most times, deliver ice cream.

Bertha loved the community of Atascadero and wanted to give back to the citizens by providing money for their health & welfare. Prior to Bertha's death she donated more than \$150,000 to the Fire Department. She designated the money be used to train paramedics and emergency medical technicians & purchase lifesaving equipment. She supplied the funds to replace and upgrade all of the Department's cardiac heart monitors, medical bags, pulse oximeter monitors, purchase the Fire Department ambulance and numerous other "tools of the trade," as she liked to refer to her purchases.

In December of 2013, unbeknownst to fire staff, she created a trust naming the Atascadero Fire Department as one of three primary beneficiaries. Bertha designated through her trust, that the Atascadero Fire Department was to receive just over \$1,000,000 to be spent on "firefighting vehicles and equipment."

In 2014, using a strategic planning process, staff developed a capital expenditure & infrastructure improvement plan to significantly improve and modernize the Fire

Department. The Department identified fire engine maintenance & replacement issues, the service life of the breathing apparatus fleet, and the short service life left on the radio system as the three main priorities.

In September 2014, City Council approved the total outlay of expenditures of \$1,323,803 with \$179,766 expended from the Vehicle Replacement Fund, \$123,000 expended from the Fire Impact Fees Fund for the expanded capacity of the Type I engine, and \$1,021,037 from Bertha Schultz Trust Funds.

These purchases included:

- Replacement of a Type 3 engine with the purchase of a Type 1 engine
- Refurbishment of two Type 1 engines
- Handheld and engine radios
- Pagers
- Breathing apparatus
- Knox Controlled Substance safes
- Fire hose

In 2014 the Fire Department was made aware that an unknown amount of additional money from the trust would be coming at some point. As the Fire Department was completing this plan, in September 2015, an additional \$250,000 was received from the Bertha Schultz Trust Fund. The purchases made with the additional donation included:

- Replacement of EKG monitors
- Disaster Response Vehicle enclosure
- Radio Simulcast project
- MSA/Thermal Imaging camera repair

Then, in July of 2017, a payment noted as the final installment was received in the amount of \$25,005.41. With the addition of a small beneficiary amount from a Bertha Schultz Life Insurance policy in total, the Fire Department received \$1,334,780.04 from the estate of Bertha Shultz.

Since the infrastructure and vehicle improvement plan began in 2014, all initial projects have been completed. Some projects were completed under budget and some had additional costs. That combined with the unknown amount of the final two payments has left a current positive balance in the fund of about \$109,117.

The Fire Department has identified the purchase of structural firefighting protective equipment as the most important need at this time. Structural protective clothing or “turnouts” include the coat, pants, boots, gloves, hood and helmet that firefighters use to fight building fires. NFPA 1851 and manufacturer guidelines recommend that these turnouts are retired after 10 years. Best practices to eliminate firefighter exposure to carcinogens also require a second clean set of turnouts that can be worn while the primary set is cleaned and decontaminated. Currently, each full time

employee has one set of turnouts that is nearing 5 years of age, and a second set which expired in July of 2017. Approximately \$55,000 is proposed to be spent to replace the expired second set of turnouts for each employee. Additionally, nearly all firefighting turnouts used to outfit the Seasonal Firefighters are over the ten-year life expectancy. The Fire Department would need to purchase 8 sets of turnouts to keep these seasonal employees compliant. This amount will total approximately \$29,000. In addition to the turnouts, other amounts are to be spent on replacing fire shelter, and outfitting fire vehicles. The table below details the amount of Bertha Schultz Trust Funds expended to date and the proposed budget for the remaining amount.

Bertha Schultz Donation
Status 6/12/18

Item	Amount
Spent to Date:	
Type I Engine Refurb	\$ 334,024.22
New Type I Engine	264,202.20
Engine Equipment	92,765.47
Radio-Handhelds	132,243.32
Radio-Pagers	16,869.62
Radio-Mobile	23,485.85
Breathing Apparatus	132,380.00
Knox-Safes	8,444.13
Fire Hose	14,965.83
EKG Monitors	141,052.81
DRT Enclosure	8,640.00
Radio Simulcast Project	39,757.56
MSA/TIC Repair	1,024.70
Handheld Radio Speaker Mics	2,488.80
Handheld Radio batteries	1,585.50
Class A Uniforms	3,945.82
DRT expenses	1,754.44
Additional Fire Equipment	6,032.46
Spent to Date	<u>1,225,662.73</u>

Remaining Budget	
Outfit Command Vehicle	6,000.00
Outfit Staff Vehicle	15,000.00
Turnouts- Seasonals	29,275.00
Turnouts- Full Time Personnel	55,000.00
Fire Shelters	3,310.00
Additional Fire Equipment	535.00
Remaining Budget	<u>109,120.00</u>
Total	<u>\$1,334,782.73</u>

FISCAL IMPACT:

Support of the staff proposed budget for remaining items will result in the expenditure of \$109,120 in donated funds.

ALTERNATIVE:

Council can direct staff to alter the proposed expenditure of Bertha Schultz Trust Funds.

ATTACHMENTS:

None



Atascadero City Council

Staff Report - Public Works Department

Adopting a List of Projects for Fiscal Year 2018-2019 Funded by SB1: The Road Repair and Accountability Act of 2017

RECOMMENDATION:

Council adopt Draft Resolution adopting a list of projects to be funded with Road Maintenance and Rehabilitation Account revenues from SB 1 (The Road Repair and Accountability Act of 2017) for Fiscal Year 2018-2019.

DISCUSSION:

Background:

The Road Repair and Accountability Act of 2017 (SB 1) provides new funding for local and state jurisdictions to address roadway maintenance and rehabilitation needs, as well as other transportation related projects. This act became law in April 2017 and annual reporting guidelines for local agencies (cities and counties) were finalized in August 2017. These guidelines describe annual reporting requirements and processes for local agencies receiving SB 1 revenues, which primarily involves having local agencies identify a list of projects to be funded with SB 1 revenues each fiscal year and reporting expenditures for those projects.



The following table is an estimate of the new funding that SB 1 will bring to San Luis Obispo County region over its first ten years (courtesy California City Finance):

	<u>TenYr Total</u>
SAN LUIS OBISPO COUNTY	
ARROYO GRANDE	5,065,000
ATASCADERO	8,821,000
EL PASO DE ROBLES	8,969,000
GROVER BEACH	3,827,000
MORRO BAY	3,063,000
PISMO BEACH	2,337,000
SAN LUIS OBISPO	13,174,000
County of San Luis Obispo	109,626,000
Total Cities & County: San Luis Obispo	154,882,000

The State Controller began depositing various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA) on November 1, 2017. A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. RMRA funding will be generated by the following sources:

- An additional 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- An additional 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017.
- An additional vehicle registration tax called the “Transportation Improvement Fee” with rates based on the value of the motor vehicle effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions (ZEV) vehicles of model year 2020 or later effective July 1, 2020.
- Annual rate increases to these taxes beginning on July 1, 2020 (July 1, 2021 for the ZEV fee) and every July 1st thereafter equal to the change in the California Consumer Price Index (CPI).

SHC 2032(h)(2) specifies that 50 percent of the balance of revenues deposited into the RMRA, after certain funding is set aside for various programs, will be continuously appropriated for apportionment to cities and counties by the Controller pursuant to the formula in SHC Section 2103(a)(3)(C)(i) and (ii). The other 50 percent of the balance of revenues will fund State highways and transportation infrastructure.

The League of California Cities prepared a fact sheet that provides an analysis of the SB 1 funding deal including revenue sources and allocations. A copy of the fact sheet is attached to this report (Attachment 2).

Summary:

Atascadero began receiving SB1 funds in January of 2018 and the latest analysis indicates that Atascadero is estimated to receive \$180,450 for Fiscal Year 2017-2018 and \$517,000 for the second fiscal year (FY18/19) for a total estimated amount of \$697,450 in RMRA funds. This is tracking slightly below the \$708,510 estimate used in the FY 2017-2019 adopted budget. The City’s budget allocates the first two years of RMRA funding toward the El Camino Real (North) Pavement Rehabilitation project between San Anselmo Road (East) to San Benito Road.

The City Council adopted Resolution No. 2017-062 at their October 10, 2017 meeting amending the FY 2017-2019 Budget to include specific project information on the El Camino Real North project in order to meet the new SB 1 guidelines. The adopted Resolution included a “list of projects” that designated FY17/18 RMRA funds (first partial year) and FY18/19 RMRA funds (second year) be spent on the El Camino Real North project.

Although the above Resolution directed FY18/19 RMRA funds to the El Camino Real North project, SB 1 guidelines require the City Council to pass a resolution each year identifying project(s) that upcoming RMRA funding will be spent on. Therefore, a new resolution is required to reiterate the City's intent to fund the El Camino Real North project with FY18/19 RMRA funds.

Conclusion:

The attached Draft Resolution (Attachment 1) will provide the necessary documentation required to be included with the submitted project list to the California Transportation Commission (CTC), and is anticipated to cover the current two-year adopted budget cycle.

FISCAL IMPACT:

No fiscal impact is anticipated from approving the recommendations in the staff report and the Draft Resolution. It is possible SB 1 will be repealed in November 2018 by voters, but it is not known at this time when SB 1 revenues would stop being collected if the repeal is successful. Even if SB 1 is repealed, the City will still be allowed to spend whatever balance remains in its designated RMRA account.

ATTACHMENTS:

1. Draft Resolution
2. SB 1 \$5.2 Billion Transportation Funding Deal Analysis

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2018-2019 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City are aware of the projects proposed for funding in the community and which projects have been completed each fiscal year; and

WHEREAS, the City must include a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, in the City budget, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City will receive an estimated \$517,019 of RMRA funding in Fiscal Year 2018-2019 from SB 1; and

WHEREAS, the City has undergone a public process to ensure public input into the community's transportation priorities and capital improvement plans; and

WHEREAS, the City used a Pavement Management System to assist in the development of the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City maintain and rehabilitate 139 centerline miles of roads, 20 bridges, and add active transportation infrastructure throughout the City this year and hundreds of similar projects in the future; and

WHEREAS, the 2014 Pavement Management Program found that the City's streets and roads are in a "poor" condition and the revenue will help increase the overall quality of the road system over the next decade, with the anticipation of bringing the streets and roads into a "fair" condition; and

WHEREAS, without revenue from SB 1, the City's streets and roads may continue to degrade into a condition that would require higher costs and expenses to maintain and repair; and

WHEREAS, if the Legislature and Governor failed to act, city streets and county roads would have continued to deteriorate, resulting in many and varied negative impacts on the community; and

WHEREAS, cities and counties own and operate more than 81 percent of streets and roads in California, and from the moment an individual opens the front door to drive to work, bike to school, or walk to the bus station, they are dependent upon a safe, reliable local transportation network; and

WHEREAS, modernizing the local street and road system provides well-paying construction jobs and boosts local economies; and

WHEREAS, the local street and road system is also critical for farm to market needs, interconnectivity, multimodal needs, and commerce; and

WHEREAS, police, fire, and emergency medical services all need safe reliable roads to react quickly to emergency calls and a few minutes of delay can be a matter of life and death; and

WHEREAS, maintaining and preserving local streets and the road system will reduce drive times and traffic congestion, improve bicycle safety, and make the pedestrian experience safer and more appealing, which leads to reduced vehicle emissions helping the State achieve its air quality and greenhouse gas emissions reductions goals; and

WHEREAS, restoring roads before they fail reduces construction time, which results in less air pollution from heavy equipment and less water pollution from site run-off; and

WHEREAS, the overall investment in the local streets,, roads, and complete streets infrastructure, with a focus on basic maintenance and safety, using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That the recitals set forth hereinabove are true, correct and valid.

SECTION 2. The list of projects planned to be funded with SB 1 RMRA revenues for Fiscal Year 2018-2019 include:

Project: El Camino Real Rehabilitation – North

Description: Major pavement rehabilitation of approximately 0.78 miles of arterial roadway to improve deteriorated pavement conditions and better define roadway configuration for all roadway users, including motorists, bicyclists, and pedestrians. Project will include constructing approximately 250 feet of a “missing link” of sidewalk on the west side to provide pedestrian connectivity.

Location: San Anselmo Road (East) to San Benito Road

Estimated Useful Life: 15 to 25 years

Schedule for Completion: December 2018

SECTION 3. Funding for the project listed above is currently included in the adopted budget for Fiscal Years 2017-2019 and includes a total of \$708,510 in RMRA funding (Gas Tax Fund – Road Repair and Accountability Act of 2017).

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of _____, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing resolution is hereby adopted in its entirety by the following vote:

- AYES:
- NOES:
- ABSENT:
- ADOPTED:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney



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www.cacities.org

SB 1 \$5.2 Billion Transportation Funding Deal Analysis

Background:

On April 28, 2017, the Governor signed SB 1 (Beall), a historic transportation funding plan generating \$52 billion over the next decade. For the last 10 years, the League of California Cities has been ringing the alarms about the poor conditions of our local streets and roads. Beginning with a report in 2008, the League partnered with the California State Association of Counties and regional governments to review local conditions statewide through the biennial needs assessment report. What we found in 2008 remained true in the [2016 report](#), that there is over \$70 billion in unmet funding needs for the local transportation network over the next 10 years and that absent any new funding, that need would have grown by another \$20 billion.

In addition to the shortfall for the local network, the state highway system faced a similar backlog exceeding \$59 billion over the next 10 years, with similar shortfalls for transit as well. In short, each of these shortfalls would have continued to grow and transportation infrastructure would have continued to deteriorate. Therefore, securing funding for transportation, especially for our city streets was the League's top strategic priority for a number of years. In partnership with other local governments, business, and labor, the League formed the Fix Our Roads Coalition and pushed for SB 1 to make it across the finish line.

With 25 years of no new federal transportation funding, increased vehicle fuel efficiency standards, decades of lost purchasing power due to inflation, and severe storms finally taking their toll to wipe out aged infrastructure, 2017 represented the culmination of a perfect storm for the overdue passage of the Road Repair and Accountability Act of 2017.

Summary:

SB 1 represents a comprehensive reform and funding package, providing significant infrastructure investments across all modes of transportation. For local streets and roads, cities and counties will receive an additional \$1.5 billion for road maintenance and rehabilitation, doubling the amount local agencies receive to make overdue safety and road improvements upon full implementation.

Allocations

Revenues will provide the following projected annual allocations:

- \$1.5 billion for State Highway System maintenance and rehabilitation (continuous appropriation).
- \$1.5 billion for Local Streets and Roads maintenance and rehabilitation (continuous appropriation).
- \$1.1 billion restoration of the State Transportation Improvement Program for capital projects and improvement on the state's highway system.
- \$750 million for Public Transportation to improve transit operations and capital improvements.
- \$400 million for Bridges and Culverts.
- \$300 million for freight, trade corridors, and goods movement in the newly created Trade Corridor Enhancement Account.
- \$250 million for Congested Corridors to reduce congestion in major commute corridors.
- \$200 million for the State Local Partnership Program for existing and aspiring self-help jurisdictions.
- \$100 million for the Active Transportation Program
- \$27.5 million for Transit and Intercity Rail for capital projects and operations
- \$25 million for Local Planning Grants.
- \$25 million for Freeway Service Patrol.
- \$7 million for California State University and University of California for transportation research and workforce training.
- \$5 million for Preapprenticeship Programs for five years to assist local agencies implement policies to promote preapprenticeship training programs.
- \$706 million in Loan Repayments which must conclude by June 30, 2020 in the following amounts¹:
 - \$225 million allocated to local streets and roads using existing Section 2103 formulas;
 - \$256 million to the Public Transportation Account, of which up to \$20 million goes to local and regional agencies for climate change adaptation planning; and,
 - \$225 million to the State Highway Operation and Protection Program (SHOPP).

Revenue Generation (Approximate)

- **\$1.8 billion from a 12-cent increase to the gasoline excise tax and annual adjustments to the current base gas tax and increase for inflation (effective November 1, 2017).** The revenue generated from this particular increase would help restore the gas tax' lost purchasing power due to inflation. The funds attributable to the 12-cent increase would be transferred to the newly created Road Maintenance and Rehabilitation Account (RMRA) for distribution. The first adjustment for inflation is scheduled for July 1, 2020.

¹ These are one-time loan repayments and will conclude in 2020.

- **\$1.1 billion from ending the Board of Equalization (BOE) “true up” and resetting the rate to the historical average of 17.3 cents per gallon, adjusted annually for inflation (effective July 1, 2019).** This provision would “reset” the priced based excise tax on gasoline to its original rate of 17.3 cents. The first adjustment for inflation is scheduled for July 1, 2020.
- **\$1.6 billion from a transportation improvement fee, adjusted annual for inflation (effective Spring 2018).** This new fee would be used for the research, planning, construction, improvement, maintenance, and operation of public streets and highways (and related facilities to support nonmotorized traffic). It will be collected with the existing vehicle registration fees. The amount of the fee will be based on the market value of the vehicle:

Car Value	Amount Paid
Under \$5,000	\$25
\$5,000-\$24,999	\$50
\$25,000-\$34,999	\$100
\$35,000-\$59,999	\$150
Over \$60,000	\$175

The fee will be adjusted for inflation beginning July 1, 2020.

- **\$600 million from a 20 cent per gallon increase to the diesel excise tax, adjusted annually for inflation (effective November 1, 2017).** Fifty percent of the funds attributable to the 20 cent increase to the diesel excise tax would be transferred to the Trade Corridors Improvement Fund (TCIF). The remaining 50 percent would go to the newly created RMRA. The first adjustment for inflation is scheduled for July 1, 2020.
- **\$300 million from a 4-percentage point increase to the diesel sales tax (effective November 1, 2017).** The funds generated through the additional 4-percentage point increase to the diesel sales tax. The State Transit Assistance Program would receive revenues from a 3.5 percentage point increase, and the remaining would go to intercity rail and commuter rail purposes.
- **\$20 million from new \$100-dollar Vehicle Registration Fee on zero emission vehicles model year 2020 and later, adjusted annually for inflation (effective July 1, 2020).** This provision will apply to new ZEV’s sold after January 1, 2020 and help make up for the fact that owners of zero emission vehicles do not pay any gas tax to maintain the roads they drive on. Revenues would be deposited into the RMRA for distribution. The first adjustment for inflation is scheduled for January 1, 2021.
- **\$706 million from Loan Repayments.** \$706 million one-time funds for transportation loan repayments which will be repaid proportionately and in equal installments over three years. These funds were originally loaned from the Transportation Congestion Relief Program, which is being closed out (see Other Provisions section below).

Reforms

- **Constitutional Protections for New Sources of Transportation Revenue**
Along with the passage of SB 1, the legislature also qualified by a supermajority vote, a constitutional amendment in ACA 5 (Frazier, 2017) that will appear on the June 2018 ballot. If approved by the voters, this measure would prevent the legislature from diverting or borrowing any of the funds generated by the new Transportation Improvement Fee and new increases to the diesel sales tax and guarantee that these funds can only be used for transportation purposes.
- **Gives the California Transportation Commission (CTC) additional oversight authority over the State Highway Operation and Protection Program (SHOPP).** Requires Caltrans to submit additional information on the proposed capital and support budget for projects included in the SHOPP to the CTC for approval. CTC will be required to allocate capital outlay support resources by project phase. As part of the CTC's review of the proposed program, they must hold at least one hearing in southern California and one hearing in northern California. In addition, CalTrans will be required to receive approval from the CTC for increases in capital or support costs above the initially approved allocation.
- **Requires transparency from local agencies on what projects they fund with new revenues.** Cities and counties are required to submit a list to the CTC, before and after expenditure, of the projects proposed to be funded. The list must be adopted via resolution at a regular meeting and include a description and location of the project, a proposed schedule of completion, and the estimated useful life of the project. Likewise, transit agencies will be required to submit to CalTrans a similar list of projects proposed to be funded and projects completed through the State Transit Assistance Program. Local agencies must submit lists for funding eligibility.
- **Creates Independent Office of Audits and Investigations at CalTrans.** Its role will be to ensure that state and external entities that receive state and federal transportation funds are operating efficiently, effectively, economically, and in compliance with applicable federal and state requirements. External agencies include (but are not limited to) private for profit and nonprofit organizations, local transportation agencies, and other local agencies that receive transportation funds either through a contract with the department or through an agreement or grant administered by the department. The director of the office, who will have the title of Inspector General, will serve a six-year term and be appointed by the Governor with Senate confirmation.
- **Creates an Advanced Mitigation Program for transportation projects.** The bill creates the Advance Mitigation Program to enhance communications between CalTrans and stakeholders to protect natural resources through project mitigation, to meet or exceed applicable environmental requirements, to accelerate project delivery, and to fully mitigate environmental impacts from transportation infrastructure projects. CalTrans is required to consult with the Department of Fish and Wildlife on activities. CalTrans will be required to set aside at least \$30

million annually for four years from the State Transportation Improvement Program (STIP) and SHOPP to fund the program.

- **Requires “complete streets” to be included in the Highway Design Manual.** The bill requires CalTrans to update the Highway Design Manual to include the “complete streets” design concept (emphasizes safety and access for all users, including pedestrians and bicycles) no later than January 1, 2018.
- **Requires CalTrans to double the dollar value of its contracts awarded to small businesses.** CalTrans is required to develop a plan increases by up to 100 percent the dollar value of contracts and procurements awarded to small businesses, disadvantaged business enterprises, and disabled veterans business enterprises. Outreach must also target minority and women business enterprises. The plan must be developed by January 1, 2020.
- **CalTrans Efficiency Measures.** CalTrans is required to implement efficiency measure with the goal to generate at least \$100 million annually in savings, and must report these savings to the CTC.

Additional Details on Local Streets and Roads and SHOPP Allocations

Funds made available from the Road Maintenance and Rehabilitation Account (which includes the Local Streets and Roads allocations) have several requirements cities should be aware of.

- **Eligible Uses.** Funds made available by the program can be used (1) to satisfy match requirements of a state or federal program or (2) for projects that include, but are not limited to, the following:
 - Road maintenance and rehabilitation.
 - Safety projects.
 - Railroad grade separations.
 - Complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project.
 - Traffic control devices.

If a city’s or county’s pavement condition index meets or exceeds 80, they may use the funds for other transportation purposes.

- **Maintenance of Effort.** Cities and counties must maintain their existing commitment to transportation funding. The commitment must not be less than the average expenditures in 2009-10, 2010-11, and 2011-12 fiscal years.
- **Recycling Techniques.** To the extent possible and cost effective, and where feasible, agencies must use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method.

- **Advanced Automotive Technologies.** To the extent possible and cost effective, and where feasible, agencies must use advanced technologies and communications systems in transportation infrastructure that recognize and accommodate advanced automotive technologies that may include, but are not necessarily limited to, charging or fueling opportunities for zero-emission vehicles, and provision of infrastructure-to-vehicle communications for transitional or full autonomous vehicle systems.
- **Climate Change Adaptation.** To the extent deemed cost effective, and where feasible, in the context of both the project scope and the risk level for the asset due to global climate change, agencies must include features in the projects funded by the program to better adapt the asset to withstand the negative effects of climate change and make the asset more resilient to impacts such as fires, floods, and sea level rise.
- **Complete Streets.** To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, agencies must incorporate complete street elements into projects funded by the program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.
- **Preapprenticeship Programs.** The California Workforce Development Board will develop guidelines for agencies receiving funds to participate in, invest in, or partner with new or existing preapprenticeship training programs. All agencies receiving funds must meet the guidelines by July 1, 2023. Grant recipients are required to outreach to various individuals who may be eligible to participate in preapprenticeship training programs.

Other Provisions

- **Closes out the Traffic Congestion Relief Program (TCRP).** All projects without an approved application as of June 30, 2017, for the TCRP will no longer be eligible for funding. Also repeals related provisions in law that authorized the use of tribal gaming compact revenues to partially repay \$1.2 billion in loans from the TCRP to the state's General Fund.
- **Establishes "safe harbor" timelines for allowable use of commercial vehicles.** Establishes timelines for the useful life of commercial vehicle (trucks) until the later of either (1) thirteen years after model year of the original certification of the engine and emission control system or (2) when the vehicle reaches 800,000 vehicle miles or 18 years after the model year of the original certification of the engine and emission control system. However, the new law does not restrict the authority of (CARB) or local air quality districts. CARB is required to evaluate the impact of this provision by January 1, 2025.

- **Diesel-Fueled Vehicle compliance with Air Resources Board regulations.** Requires the Department of Motor Vehicles (DMV) to confirm compliance with Air Resources Board regulations for specified diesel-fueled vehicles.

- **Revises allocations for taxes paid for fuel used in off-highway vehicles.**
 - Revenues from the increased taxes derived from fuel for boats and other watercraft will be deposited in the State Parks and Recreation Fund.
 - Revenues from fuel purchased for agricultural vehicles off-highway use will be deposited into the Department of Food and Agriculture Fund.
 - Revenues from fuel purchased for other off-highway vehicles will be deposited in the State Parks and Recreation Fund to be used for state parks, off-highway vehicle programs, or boating programs.

Updated 03/22/2018



Atascadero City Council

Staff Report – Administrative Services Department

Apple Valley Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto for Fiscal Year 2018/2019.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Street and Storm Drain Maintenance District No. 01 (Apple Valley).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 01 (Apple Valley), and the levy and collection of annual assessments related thereto in Fiscal Year 2018/2019.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Landscaping and Lighting District No. 01 (Apple Valley).

DISCUSSION:

The City Council formed and began assessing Street and Storm Drain Maintenance District No. 01 – Apple Valley in 2005. This district was formed to provide funding for future routine maintenance of the streets, storm drains and sidewalks in the Apple Valley subdivision.

The City Council also formed and began assessing Landscaping and Lighting Maintenance District No. 01 – Apple Valley in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscape and lighting improvements within the Apple Valley subdivision.

NBS, an independent financial consultant, was hired to prepare the Engineer's Reports for the two districts. The Engineer's Reports and the levies must be approved by

Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of continuing the levies. At that time, the Engineer’s Reports were preliminarily approved, proceedings were initiated for the levy, and the date of tonight’s public hearing was established. The resolutions that are before the Council tonight are for the final approval of the Engineer’s Reports and for the approval of the annual levies.

The proposed assessments for Fiscal Year 2018/2019 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the Maximum Assessment Rate may be increased for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased 3.6% this year for both districts. City staff held a neighborhood meeting to receive input from property owners. The property owners in attendance requested an assessment of about 65% of the allowable maximum annual assessments for the Landscaping and Lighting District, and about 54% for the Street and Storm Drain District. These levies have not increased over the prior year, and staff projects there are sufficient resources in each of the funds to meet the needs of the districts.

District	Amount Per EBU Maximum Assessment Fiscal Year 2018-19	Amount Per EBU Proposed Assessment Fiscal Year 2018-19
Atascadero Street and Storm Drain Maintenance District No. 01 Apple Valley	\$ 739.52	\$ 400.00
Atascadero Landscaping and Lighting Maintenance District No. 01 Apple Valley	\$ 1,616.08	\$ 1,050.00

FISCAL IMPACT:

Annual assessments for 2018/2019 will total \$28,000 for road/drainage system maintenance and \$73,500 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Apple Valley.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer’s Annual Levy Report - SSDMD No. 1
4. Draft Resolution C
5. Draft Resolution D
6. Engineer’s Annual Levy Report – LLD No. 1

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01 (APPLE VALLEY), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2017/2018

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for fiscal year 2018/2019, said fiscal year starting July 1, 2018 and ending June 30, 2019; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 01 (Apple Valley), Fiscal Year 2018/2019" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for Fiscal Year 2018/2019.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2018/2019 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 01
(APPLE VALLEY)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 01 (Apple Valley) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2018 and ending June 30, 2019; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer’s Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer’s Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2018 and ending June 30, 2019, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the City Council conducted in May 2005 a property owner protest ballot proceeding for the District assessments proposed to be levied and majority protest of the assessments described in the Engineer’s Report did not exist pursuant to the provisions of the California State Constitution Article XIID.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer’s Report prepared in connection therewith; the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer’s Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The District includes the lands receiving such special benefit.

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street right-of-way improvements and storm drain facilities within the District and the appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Street and Storm Drain Maintenance District No. 01 (Apple Valley), and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer’s Report and the levy of assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 7. The City Clerk or her designee is hereby authorized and directed to file the levy with the County Auditor, per Section 54718 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER:
DATE:
ATTACHMENT:

B-1
06/12/18
2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Street and Storm Drain Maintenance District No. 01 (Apple Valley)

2018/19 Engineer's Report

May 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
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Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

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Prepared by:



CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 01
(Apple Valley)

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Phone – (805) 461-5000
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CITY COUNCIL

Tom O'Malley, Mayor

Roberta Fonzi, Mayor Pro Tem

Charles Bourbeau, Council Member

Heather Moreno, Council Member

Brian Sturtevant, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-042, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIII D (hereafter referred to as the “California Constitution”), established the City of Atascadero Street and Storm Drain Maintenance District No. 01 (Apple Valley) (the “District”); and

WHEREAS, on May 8, 2018, the City Council, under the 1982 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of the improvements for the District for the referenced fiscal year; a diagram for the District, showing the area and properties to be assessed; and an assessment of the estimated costs of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for fiscal year 2018/19:

FY 2018/19 Summary of Assessment

Description	Amount
Estimated Annual Costs	\$20,587
Capital Reserve Collection/(Uses)	24,090
Levy Adjustments	(16,677)
Balance to Levy	\$28,000
Fiscal Year 2018/19 Maximum Rate	\$739.52
Fiscal Year 2018/19 Proposed Applied Rate	\$400.00

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information, and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIII D* (hereafter referred to as the “California Constitution”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), proposed to form and levy special benefit assessments for the district designated as:

Street and Storm Drain Maintenance District No. 01 (Apple Valley)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Apple Valley, Tract 2495 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2018/19.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street and storm drain improvements and facilities associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities. The annual assessments described herein will provide a funding source for the continued operation and maintenance of streets, storm drain system, and appurtenant facilities installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the streets and storm drain system that provides special benefits to properties within the District. The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2495; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District’s formation, the City conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the *California Constitution, Article XIII D Section 4*. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments, and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation.

The tabulation of the ballots indicated that majority protest did not exist for the proposed assessments and the assessment range formula presented and described herein; therefore, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, a Report shall be prepared and presented to the City Council describing any changes to the improvements, proposed services, the annual budget or assessments for that fiscal year and the City Council may hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

Benefiting Properties within the District

The territory within the District consists of the lots, parcels, and subdivisions of land within the proposed residential subdivision known as the Apple Valley, Tract 2495, which encompasses an area of land totaling approximately twenty-eight acres (28.35 acres).

This residential subdivision includes seventy (70) single-family residential homes. The subdivision is situated in the northern portion of the City just southwest of Highway 101 and is generally located:

- South of Del Rio Road;
- North of Conejo Road;
- West of Ramona Road; and,
- East of Graves Creek.

Funding Authorized by The 1982 Act

As generally defined by the 1982 Act and applicable to this District, the City may impose a benefit assessment to finance the maintenance and operation costs of the following services:

- Drainage and Flood Control;
- Streets and Roads.

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction, or replacement of drainage and flood control facilities as well as the street and road improvements (with some limitations). While such activities are permitted under the 1982 Act, the budget and assessments for this District only provide for normal maintenance and operation of the improvements. Since most major rehabilitation/construction projects result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the normal annual assessments would not be reasonable. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support the projects.

Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local streets and the drainage and flood control systems constructed and installed in connection with development of properties within the residential subdivision known as Apple Valley, Tract 2495 pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public streets, drainage and flood control facilities associated with Tract 2495 and the maintenance of these improvements may include but are not limited to the materials, equipment, labor, and incidental expenses deemed necessary to keep these improvements in satisfactory condition.

The maintenance of the improvements and related activities shall be funded entirely or partially through the District assessments. The District improvements and services are generally described as:

- Street maintenance that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, bridges, driveway approaches, sidewalks, barricades, delineation, signage, or other facilities within the public street right-of-ways installed in connection with the development of properties in Tract 2495 and that have been dedicated to the City;
- Storm drain and flood control maintenance that may include but is not limited to inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters, and storm drain pipes installed in connection with the development of properties of Tract 2495 as well as any off-site improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties including waste water treatment;
- The appurtenant, equipment, materials, and service contracts related to the aforementioned improvements and facilities;
- Specifically excluded are those improvements or facilities: located on private property or common areas; that may be provided or maintained by an agency other than the City; that may be provided by another assessment or tax levied by the City; or that may be provided and maintained by a Homeowner's Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Street Maintenance

The street maintenance program may include, but is not limited to: the repair of potholes, cracks, or other failures in the asphalt surface; repair or replacement of curbs, gutters, driveway approaches, and sidewalks as required as part of maintaining the streets; repair or installation of street signs, barricades, fencing, or other delineation; mechanized sweeping and cleaning of the streets and gutters; slurry sealing, overlays, and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits. Specifically the street improvements for this District are identified as:

- Approximately 106,460 square feet of asphalt street surface located on the perimeter of the development (south half of Del Rio Road); and the various interior streets identified as Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, and San Ramon Road.
- Approximately 5,320 linear feet of curb and gutter along Del Rio Road, Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, San Ramon Road, and Conejo Road;
- Approximately 3,545 square feet of decorative street pavers and 1,254 linear feet of curb and gutter in and around the two median islands on San Ramon Road (entryways to the development at Del Rio Road and Conejo Road);
- Approximately 70 driveway approaches, 25,394 square feet of sidewalks and various street signs within the District;
- Specifically not included as part of the street maintenance program are the costs associated with major

- replacements or reconstruction. Although the District assessments will provide funding for regular maintenance and servicing of the improvements that will extend the useful life of the street improvements, the assessments are not intended to fund major replacements or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters, or driveway approaches. The costs of extensive replacement or reconstruction activities such as grinding and resurfacing of the asphalt; and replacement of curbs, gutters, driveway approaches, and sidewalks is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. When such repairs or activities are deemed necessary, the City will consider various financing options including new or increased assessments for property owner approval.

The Public Works Department shall authorize the operational activities and maintenance of the public street and right-of-way improvements, facilities, and services that may include, but are not limited to:

- Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
- Annual inspection of street surface and repair of potholes and surface cracks as needed;
- Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
- Periodic re-striping of traffic lanes, bike lanes, street parking areas, crosswalks, and intersections (typically in conjunction with slurry or overly activities);
- Graffiti abatement of public improvements within the street right-of-ways that are maintained by the District including but not limited to sandblasting, repainting and repair of fences, walls, barricades, sidewalks, and signage as needed;
- Annual inspection and periodic repair or replacement of decorative street- pavers as needed;
- Annual inspection and minor repairs of curbs, gutters, driveway approaches, and sidewalks including partial segment replacements as needed to ensure pedestrian and vehicle safety or the integrity of the street;
- Annual inspection and periodic repair or rehabilitation of street signs and traffic control devices;
- Annual inspection and repair of barricades, street-fencing, delineation or retaining walls within the street right-of-ways as needed.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis, such as slurry sealing or overlaying the asphalt streets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City (approximately every five years). This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

Storm Drain and Flood Control Maintenance

The storm drain and flood control system associated with the District may include but is not limited to: drainage basins and bio-filters; channel ways; storm drain inlets, catch basins, manholes, outlets; drywells, pumps, filters and pipes. The storm drain system to be maintained primarily involves on-site facilities (within

the District boundaries) but may also include off-site improvements such as water treatment equipment, facilities or services mandated or required by Federal, State, or County regulations for water pollution control. The annual assessments for this District are intended to support a storm drain and flood control maintenance program that will adequately regulate and control storm water runoff resulting from the development of properties within the District. This maintenance program may include but is not limited to: inspection and documentation of the system; cleaning, servicing, or repair of the facilities and equipment; and the partial replacement or rehabilitation of equipment and facilities. The storm drain and flood control system includes but is not limited to:

- Approximately 30,050 square feet of drainage basin area;
- Twenty-eight (28) inlets, outlets, and manholes located throughout Tract 2495;
- Approximately 2,100 linear feet of storm drain pipe ranging from 18 inches to 42 inches in diameter.

The Public Works Department shall authorize and schedule the operational activities and maintenance of the storm drain and storm water pollution treatment infrastructure, facilities, and services that may include, but are not limited to:

- Cleaning of storm drain inlets, catch basins, manholes, and pipes as needed;
- Stencil maintenance and documentation of facilities as required by Federal, State, or County regulations;
- Cleaning and landscape maintenance of the drainage basins, bio-filter areas or channel ways as needed;
- Debris removal and pest control in and around the storm drain facilities as needed;
- Minor repairs and maintenance of the storm drain inlets, catch basins, and outlets as needed;
- Street sweeping services necessary to control debris and water flow for the storm drain system; and,
- The operational costs related to NPDES compliance requirements.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis such as minor repairs to the storm drain inlets, catch basins, and outlets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

4. ESTIMATE OF COSTS

BUDGET	FY 2018/19
DIRECT COSTS	
Street, Roads & Storm Drain Improvements	
Street Sweeping Services	\$1,600
Inspection & Operational Services - Roads, Drainage	13,600
Total Annual Direct Costs	\$15,200
ADMINISTRATION EXPENSES	
City Annual Administration	\$2,000
Engineer's Report & Services	3,087
Public Noticing	300
Total Annual Administration Costs	\$5,387
TOTAL DIRECT & ADMINISTRATION COSTS	\$20,587
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	\$21,800
Collection for Street Re-striping	80
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	850
Collection for Debris Removal	380
Collection for Storm Drain Fencing	380
Collection for Storm Drain Infrastructure	600
Total Annual Capital Reserve Collections/(Uses)	\$24,090
LEVY ADJUSTMENTS	
Interest Income - Improvement Fund	(\$4,207)
Interest Income - Operating Reserve Fund	(143)
Improvement Fund Reserve Fund Collection/(Use)	(12,327)
Total Levy Adjustments	(\$16,677)
BALANCE TO LEVY	\$28,000
DISTRICT STATISTICS	
Total Parcels	74
Parcels Levied	70
Total EBU	70
Levy per EBU ⁽¹⁾	400.00
Maximum Levy per EBU	739.52
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	\$13,381
Operational Reserve Interest	143
Use of Operational Reserve Interest	(143)
Operational Reserve Collection/(Use)	0
Estimated Ending Operating Reserve Balance	\$13,381
Beginning Improvement Fund Balance	\$381,114
Improvement Fund Interest	4,207
Use of Improvement Fund Interest	(4,207)
Improvement Fund Collection/(Use)	11,763
Estimated Ending Improvement Fund Balance	\$392,877

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation, and servicing of drainage and flood control improvements as well as streets, roads, and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service”.

Furthermore:

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized ... is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments.... The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

Benefit Analysis

Each of the proposed improvements and services, and the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1982 Act and the California Constitution. The street and storm drain improvements associated with this District were necessary and essential requirements for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City’s General Plan. As such the ongoing operation, servicing, and maintenance of those improvements would otherwise be the direct financial obligation of each individual property owner. Since each parcel to be assessed within the District could not have been developed in the absence of these improvements and facilities, each parcel has a direct investment in the proper maintenance of the improvements that is over and above any general benefits that may be conferred by such improvements and services.

The ongoing maintenance and servicing of the District improvements is an integral part of the appearance, use and preservation of the properties within the District and such services to be funded by annual assessments confer a particular and distinct special benefit to those parcels. The proper maintenance of streets and appurtenant facilities allows individual parcels to be used to their fullest extent by ensuring the safe and efficient movement of people and goods to and from the benefiting properties. Likewise, the maintenance and servicing of the storm drain system ensures proper water flow and control of excess water during periods of rain, which is essential to preservation and protection of private property. Together the maintenance and servicing of the streets and storm drain system contributes to a specific enhancement of each of the parcels

within the District and the absence of adequate maintenance and servicing of the District improvements could eventually have a negative impact on properties within the District.

Although the improvements may include public streets and storm drain facilities that connect to similar facilities outside the District boundaries, it is clear that the construction and installation of these improvements were only necessary for the development of properties within the District. As such, these improvements were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the ongoing maintenance, servicing and operation of the District improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. Any improvement or portion thereof (particularly off-site storm drain facilities) that may be considered general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within this District. However, the costs associated with installation or improvement of any off-site facilities that benefit the parcels within this District as well as other properties (shared benefit) may be allocated to the parcels within the District based on their proportional special benefit from such improvements.

Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed land use of that parcel as compared to other properties within the District based on similarities and differences in parcel land use.

Equivalent Benefit Units:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1982 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

EBU Application by Land Use:

- (1) Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.0 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against (i.e. Equivalent Benefit Unit “EBU”).
- (2) 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. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile-home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately 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 Edition). These various studies indicate that 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 this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential property is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for the remaining units.
- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both 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 an APN. (There is no adjustment for parcels with more than five units).
- (4) 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 District. 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 proportionately 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, multi-family units to be developed).

(5) Vacant Residential — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.0 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.0 EBU (parcels in excess of 25 acres are assigned 25.0 EBU). Parcels less than one acre, shall be assigned a minimum of 1.0 EBU (similar to a vacant lot within a residential tract).

(6) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.0 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, parkways, parks, or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District.;
- Private properties that cannot be developed independently from 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, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do 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 classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

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

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

The total number of Equivalent Benefit Units (EBU's) is the sum of the 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 that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

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

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

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a

summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to the future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area from February to February. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Beginning with fiscal year 2006/2007 and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

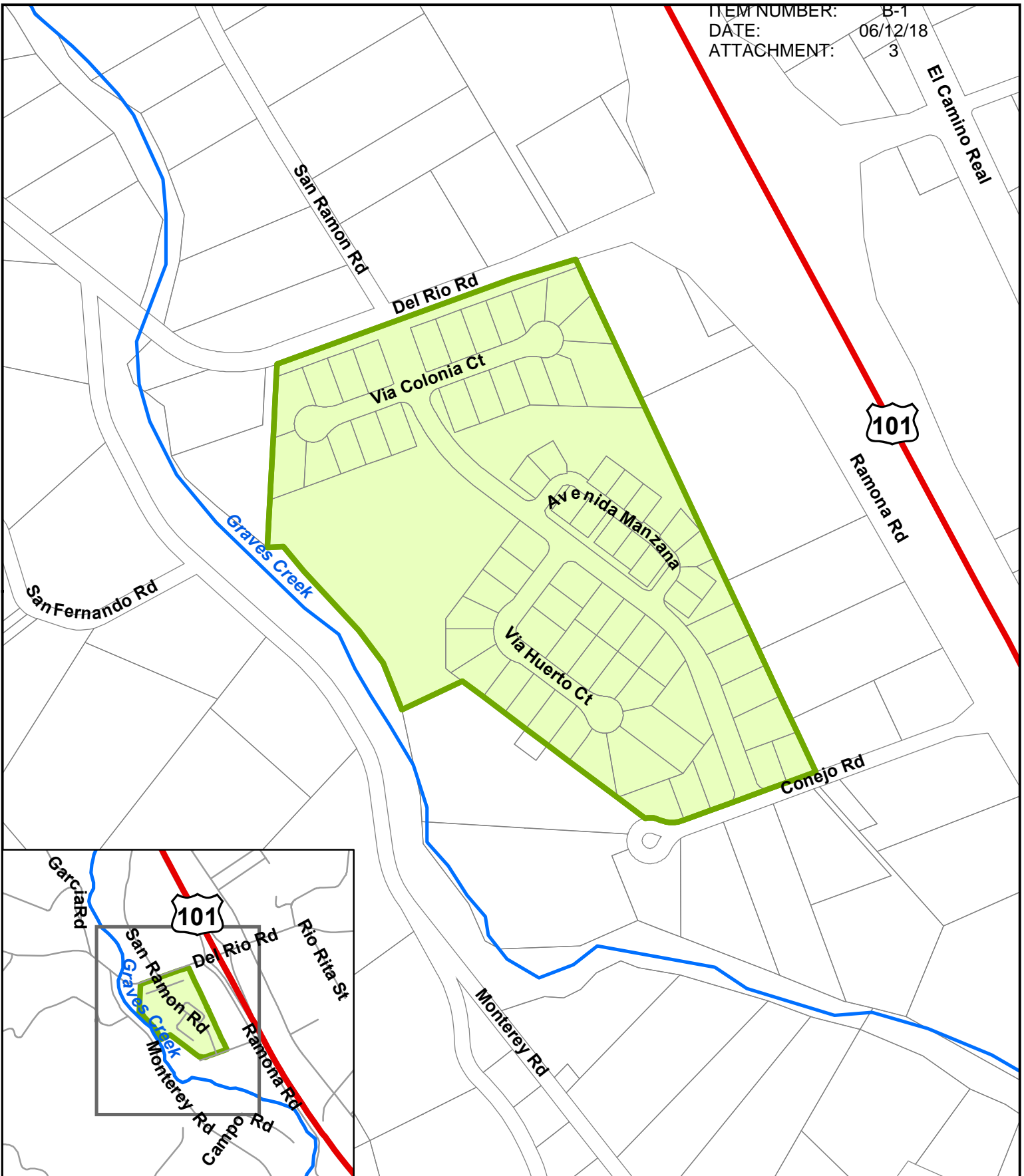
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classification is permitted. Changes in land use or size of an individual property resulting in an assessment increase, are not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 01 (Apple Valley) consist of the lots, parcels, and subdivisions of land located in the residential development known as Apple Valley, Tract 2495. The District covers approximately twenty-eight acres (28.35 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 01
(Apple Valley)

Fiscal Year 2018/2019 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-191-039	0	\$ -	\$ -
049-191-040	0	-	-
049-191-041	0	-	-
049-192-001	1	739.52	400.00
049-192-002	1	739.52	400.00
049-192-003	1	739.52	400.00
049-192-004	1	739.52	400.00
049-192-005	1	739.52	400.00
049-192-006	1	739.52	400.00
049-192-007	1	739.52	400.00
049-192-008	1	739.52	400.00
049-192-009	1	739.52	400.00
049-192-010	1	739.52	400.00
049-192-011	1	739.52	400.00
049-192-012	1	739.52	400.00
049-192-013	1	739.52	400.00
049-192-014	1	739.52	400.00
049-192-015	1	739.52	400.00
049-192-016	1	739.52	400.00
049-192-017	1	739.52	400.00
049-192-018	1	739.52	400.00
049-192-019	1	739.52	400.00
049-192-020	1	739.52	400.00
049-192-021	1	739.52	400.00
049-192-022	1	739.52	400.00
049-193-001	1	739.52	400.00
049-193-002	1	739.52	400.00
049-193-003	1	739.52	400.00
049-193-004	1	739.52	400.00
049-193-005	1	739.52	400.00
049-193-006	1	739.52	400.00
049-193-007	1	739.52	400.00
049-193-008	1	739.52	400.00
049-193-010	1	739.52	400.00
049-193-011	1	739.52	400.00
049-193-012	1	739.52	400.00
049-193-013	1	739.52	400.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-193-014	1	739.52	400.00
049-193-015	1	739.52	400.00
049-193-016	1	739.52	400.00
049-193-017	1	739.52	400.00
049-193-018	1	739.52	400.00
049-193-019	1	739.52	400.00
049-193-020	1	739.52	400.00
049-193-021	1	739.52	400.00
049-193-022	1	739.52	400.00
049-193-023	1	739.52	400.00
049-193-024	1	739.52	400.00
049-193-025	1	739.52	400.00
049-193-026	1	739.52	400.00
049-193-027	1	739.52	400.00
049-193-028	1	739.52	400.00
049-193-029	1	739.52	400.00
049-193-030	1	739.52	400.00
049-193-031	1	739.52	400.00
049-193-032	1	739.52	400.00
049-193-033	1	739.52	400.00
049-193-034	1	739.52	400.00
049-193-035	1	739.52	400.00
049-193-036	1	739.52	400.00
049-193-037	1	739.52	400.00
049-193-038	1	739.52	400.00
049-193-039	1	739.52	400.00
049-193-040	1	739.52	400.00
049-193-041	1	739.52	400.00
049-193-042	1	739.52	400.00
049-193-043	1	739.52	400.00
049-193-044	1	739.52	400.00
049-193-045	1	739.52	400.00
049-193-046	1	739.52	400.00
049-193-047	1	739.52	400.00
049-193-048	1	739.52	400.00
049-193-049	0	-	-
049-193-051	1	739.52	400.00
Totals	70	\$ 51,766.40	\$ 28,000.00

(1) Slight variance in charge or total budget are due to rounding for placement on the tax rolls.



DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 01 (APPLE VALLEY), AND THE LEVY AND
COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2018/2019**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2018 and ending June 30, 2019; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 01 (Apple Valley), Fiscal Year 2018/2019" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment as well as a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses authorized by the Act to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor's Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for Fiscal Year 2018/2019.

SECTION 3. The Engineer's Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer's Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2018/2019 FOR LANDSCAPING AND LIGHTING DISTRICT NO. 01 (APPLE VALLEY)

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 01 (Apple Valley) (hereafter referred to as the "District") for fiscal year 2018/2019, said fiscal year commencing July 1, 2018 and ending June 30, 2019; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer's Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer's Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2018 and ending June 30, 2019, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

WHEREAS, the City and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Section XIID of the California State Constitution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer's Report prepared in connection with the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer's Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street lights, landscaping, parks and open space areas within the District and appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting District No. 01 (Apple Valley), and such money shall be expended for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Sections 22645-22647 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Landscaping and Lighting District District No. 01 (Apple Valley)

2018/19 Engineer's Report

May 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



CITY OF ATASCADERO
Landscaping & Lighting District No. 01
(Apple Valley)

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-045, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the “1972 Act”) established the City of Atascadero Landscaping and Lighting District No. 01 (Apple Valley) (the “District”); and

WHEREAS, on May 8, 2018, the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of the improvements for the District for the referenced fiscal year; a diagram for the District, showing the area and properties to be assessed; and an assessment of the estimated costs of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2018/19:

FY 2018/19 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$78,215	\$9,645	\$68,570			
Administration	6,250	0	6,250			
Levy Adjustments	(10,965)	(9,645)	(1,320)			
Total	\$73,500	\$0	\$73,500	70	\$1,616.08	\$1,050.00

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information, and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the Landscaping and *Lighting Act of 1972*, being *Part 2 of Division 15* of the *California Streets and Highways Code*, commencing with *Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

Landscaping and Lighting District No. 01 (Apple Valley)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Apple Valley, Tract 2495 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2018/19, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the substantive and procedural provisions of Article XIID.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The annual assessments will provide a funding source for the continued operation and maintenance of public landscaping and lighting improvements installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2495; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on May 24, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

the proposed assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District any changes to the District or improvements and the proposed budget and assessments for that fiscal year and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the Apple Valley, Tract 2495, which encompasses an area of land totaling approximately twenty-eight acres (28.35 acres).

This residential subdivision includes seventy (70) single-family residential homes. The subdivision is situated in the northern portion of the City of Atascadero just southwest of Highway 101 and is generally located:

- South of Del Rio Road;
- North of Conejo Road;
- West of Ramona Road; and,
- East of Graves Creek

Improvements and Services Authorized by The 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- 4) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 5) The installation of park or recreational improvements, including, but not limited to, all of the following:
 - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - b) Lights, playground equipment, play courts, and public restrooms.
- 6) The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.
- 7) The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - a) Repair, removal, or replacement of all or any part of any improvements;
 - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;

- d) The removal of trimmings, rubbish, debris, and other solid waste;
 - e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - c) Compensation payable to the County for collection of assessments;
 - d) Compensation of any engineer or attorney employed to render services;
 - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - f) Costs associated with any elections held for the approval of a new or increased assessment.

Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2495). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

- Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2495 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
- Open space areas and fuel modification areas within or adjacent to the District boundaries;
- Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2495;
- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas;
- Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;

- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Landscape Improvements

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, trees, irrigation and drainage systems, ornamental lighting, masonry walls or other fencing, hardscape improvements, monuments, and associated appurtenant facilities located within the landscape easements or public right-of-ways. Specifically the landscape improvement areas for this District are identified as:

- Approximately 30,580 square feet of streetscape (parkway) landscaping within the public right-of-ways located on the perimeter of the development (south side of Del Rio Road); and along various locations of the interior streets including Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, and San Ramon Road.
- Approximately 108 street trees located along Del Rio Road, Via Colonia Court, San Ramon Road, Via Huerto Court, Avenida Manzana, San Ramon Road and Conejo Road;
- Approximately 12,541 square feet of landscaping and trees within the median islands on San Ramon Road located at the two entryways to the development (Del Rio Road and Conejo Road);
- Approximately 106,460 square feet of non-irrigated open space area within the District;
- Approximately 109,837 square feet of irrigated park and open space areas within the boundaries of the District including 56,647 square feet of turf; 40,335 square feet of irrigated open space; and 12,855 square feet of landscaped slopes within two drainage basins (6,690 and 6,165 square feet respectively); along with various trees and picnic areas;
- Approximately 10,320 square feet of paths and trails, 25,394 square feet sidewalks and 5,145 linear feet of fencing within and adjacent to the various landscape improvement areas.

Public Lighting Improvements

The lighting improvements may include but are not limited to the cost of providing electrical energy and servicing of lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities associated with:

- Lighting facilities located within the landscaped areas including safety lights, security lights or ornamental lights installed as part of the District improvements.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	Fiscal Year 2018/19
DIRECT COSTS			
Annual Maintenance			
Landscape Services	\$31,710	\$5,940	\$25,770
Landscape Supplies	2,500	0	2,500
Landscape Utilities	12,220	3,055	9,165
City Landscape Services	8,000	0	8,000
Total Annual Direct Costs	\$54,430	\$8,995	\$45,435
Capital Projects	\$5,250	\$0	\$5,250
Total Annual Capital Projects	\$5,250	\$0	\$5,250
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,100	0	\$2,100
Engineer's Report & Services	4,000	0	4,000
Public Noticing	150	0	150
Total Annual Administration Costs	\$6,250	0	\$6,250
TOTAL DIRECT & ADMINISTRATION COSTS	\$65,930	\$8,995	\$56,935
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$3,300	\$650	\$2,650
Median Rehabilitation/Replacement	4,605	0	4,605
Open Space Rehabilitation/Replacement	5,083	0	5,083
Tree Rehabilitation/Replacement	6,997	0	6,997
Other Rehabilitation/Replacement	3,800	0	3,800
Use of Reserves	(5,250)	0	(5,250)
Total Annual Capital Reserve Collections/(Uses)	\$18,535	\$650	\$17,885
LEVY ADJUSTMENTS			
Interest Income - Improvement Fund	(\$901)	0	(\$901)
Interest Income - Operating Reserve Fund	(419)	0	(419)
Contributions from Other Sources	(9,645)	(9,645)	0
Total Levy Adjustments	(\$10,965)	(9,645)	(\$1,320)
BALANCE TO LEVY	\$73,500	\$0	\$73,500
DISTRICT STATISTICS			
Total Parcels			74
Parcels Levied			70
Total EBU			70
Levy per EBU ⁽¹⁾			\$1,050.00
Maximum Levy per EBU			\$1,616.08
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$39,442
Operational Reserve Interest			419
Use of Operational Reserve Interest			(419)
Estimated Ending Operating Reserve Balance			\$39,442
Beginning Improvement Fund Balance			\$69,931
Improvement Fund Interest			901
Use of Improvement Fund Interest			(901)
Improvement Fund Collection (Use)			18,535
Estimated Ending Improvement Fund Balance			\$88,466

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article XIIIID. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1972 Act and Article XIIIID. The improvements provided by this District and for which properties will be assessed have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. 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 these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are a distinct and special benefit to the properties within the District. Any improvement or portion thereof that is considered to be of general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within the District.

Special Benefit

The method of apportionment (method of assessment) established herein is based on the premise that each assessed parcel within the District receives special benefits from the improvements and the desirability and security of those properties is enhanced by the presence of public lighting and well-maintained landscaping in close proximity to those properties

The special benefits associated with landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area and properties.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
- Enhanced quality of life through well-maintained green space and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting and other public lighting facilities are the convenience, safety, and security of property, improvements, and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads, streets and public areas.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.

The preceding special benefits contribute to the esthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement of the properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the District improvements would have a negative impact on the properties within the District.

General Benefit

In reviewing each of the District improvements, the proximity of those improvements to both properties within the District and those outside the District as well as the reasons for installing and constructing such improvements, it is evident that the improvements are solely the result of developing properties within the District and the ongoing maintenance and operation of these improvements will directly effect the properties within the District. Although the improvements include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the construction and installation of these improvements were only necessary for the development of properties within the District and were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District.

Assessment Methodology

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

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

To identify and determine the special benefit to be received by each parcel and their proportionate share of the improvement costs it is necessary to consider the entire scope of the planned improvements as well as individual property development within the District. Upon review of the proposed improvements it has been determined that each of the residential parcels within the District receives special benefits from the improvements to be funded by annual assessments and based on the planned property development a single zone of benefit is appropriate for the allocation of the assessments and proportional benefit.

Equivalent Benefit Units:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1972 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

EBU Application by Land Use:

- (1) **Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit (i.e. Equivalent Benefit Unit "EBU").
- (2) **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. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately 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 Edition). These various studies indicate that 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 this District, an appropriate allocation of special benefit for multi-family 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 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both 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 an APN. (There is no adjustment for parcels with more than five units).
- (4) 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 District. 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 proportionately 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, multi-family units to be developed).
- (5) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

(6) 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, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
- Private properties that cannot be developed independently from 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, but shall be reviewed annually by the assessment engineer to confirm the parcels’ current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do 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 classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

The following formula is used to calculate each parcel’s EBU (proportional benefit).

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

The total number of Equivalent Benefit Units (EBU's) is the sum of the 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 that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

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

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

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.56% for fiscal year 2018/19. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Beginning with the second fiscal year (fiscal year 2006/2007) and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate is established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda,

Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

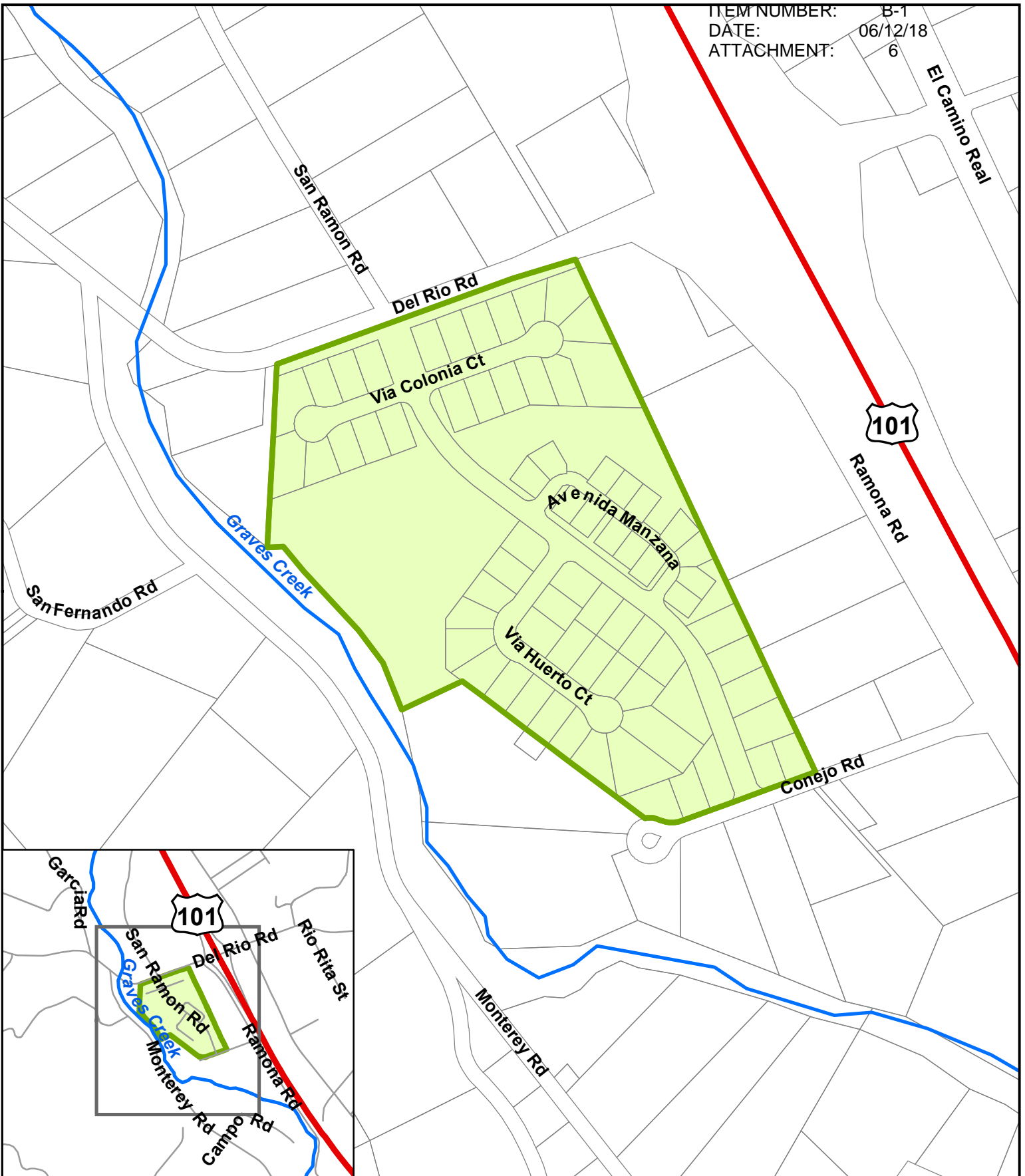
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 01 (Apple Valley) consist of the lots, parcels and subdivisions of land located in the planned residential development known as Apple Valley, Tract 2495. The District covers approximately twenty-eight acres (28.35 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

APPLE VALLEY

Street and Storm Drain Maintenance District No. 1

Landscaping and Lighting District No. 1



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein.

CITY OF ATASCADERO
Landscaping and Lighting District No. 01
(Apple Valley)
 Fiscal Year 2018/2019 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-191-039	0	\$ -	\$ -
049-191-040	0	-	-
049-191-041	0	-	-
049-192-001	1	1,616.08	1,050.00
049-192-002	1	1,616.08	1,050.00
049-192-003	1	1,616.08	1,050.00
049-192-004	1	1,616.08	1,050.00
049-192-005	1	1,616.08	1,050.00
049-192-006	1	1,616.08	1,050.00
049-192-007	1	1,616.08	1,050.00
049-192-008	1	1,616.08	1,050.00
049-192-009	1	1,616.08	1,050.00
049-192-010	1	1,616.08	1,050.00
049-192-011	1	1,616.08	1,050.00
049-192-012	1	1,616.08	1,050.00
049-192-013	1	1,616.08	1,050.00
049-192-014	1	1,616.08	1,050.00
049-192-015	1	1,616.08	1,050.00
049-192-016	1	1,616.08	1,050.00
049-192-017	1	1,616.08	1,050.00
049-192-018	1	1,616.08	1,050.00
049-192-019	1	1,616.08	1,050.00
049-192-020	1	1,616.08	1,050.00
049-192-021	1	1,616.08	1,050.00
049-192-022	1	1,616.08	1,050.00
049-193-001	1	1,616.08	1,050.00
049-193-002	1	1,616.08	1,050.00
049-193-003	1	1,616.08	1,050.00
049-193-004	1	1,616.08	1,050.00
049-193-005	1	1,616.08	1,050.00
049-193-006	1	1,616.08	1,050.00
049-193-007	1	1,616.08	1,050.00
049-193-008	1	1,616.08	1,050.00
049-193-010	1	1,616.08	1,050.00
049-193-011	1	1,616.08	1,050.00
049-193-012	1	1,616.08	1,050.00
049-193-013	1	1,616.08	1,050.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-193-014	1	1,616.08	1,050.00
049-193-015	1	1,616.08	1,050.00
049-193-016	1	1,616.08	1,050.00
049-193-017	1	1,616.08	1,050.00
049-193-018	1	1,616.08	1,050.00
049-193-019	1	1,616.08	1,050.00
049-193-020	1	1,616.08	1,050.00
049-193-021	1	1,616.08	1,050.00
049-193-022	1	1,616.08	1,050.00
049-193-023	1	1,616.08	1,050.00
049-193-024	1	1,616.08	1,050.00
049-193-025	1	1,616.08	1,050.00
049-193-026	1	1,616.08	1,050.00
049-193-027	1	1,616.08	1,050.00
049-193-028	1	1,616.08	1,050.00
049-193-029	1	1,616.08	1,050.00
049-193-030	1	1,616.08	1,050.00
049-193-031	1	1,616.08	1,050.00
049-193-032	1	1,616.08	1,050.00
049-193-033	1	1,616.08	1,050.00
049-193-034	1	1,616.08	1,050.00
049-193-035	1	1,616.08	1,050.00
049-193-036	1	1,616.08	1,050.00
049-193-037	1	1,616.08	1,050.00
049-193-038	1	1,616.08	1,050.00
049-193-039	1	1,616.08	1,050.00
049-193-040	1	1,616.08	1,050.00
049-193-041	1	1,616.08	1,050.00
049-193-042	1	1,616.08	1,050.00
049-193-043	1	1,616.08	1,050.00
049-193-044	1	1,616.08	1,050.00
049-193-045	1	1,616.08	1,050.00
049-193-046	1	1,616.08	1,050.00
049-193-047	1	1,616.08	1,050.00
049-193-048	1	1,616.08	1,050.00
049-193-049	0	-	-
049-193-051	1	1,616.08	1,050.00
Totals	70	\$ 113,125.60	\$ 73,500.00

(1) Slight variance in charge or total budget are due to rounding for placement on the tax rolls.





Atascadero City Council

Staff Report – Administrative Services Department

Woodridge (Las Lomas) Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto for Fiscal Year 2018/2019.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 02 – Woodridge (Las Lomas), and the levy and collection of annual assessments related thereto in Fiscal Year 2018/2019.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Landscaping and Lighting District No. 02 – Woodridge (Las Lomas).

DISCUSSION:

The City Council formed and began assessing Street and Storm Drain Maintenance District No. 02 – Woodridge (Las Lomas) in 2005. This district was formed to provide funding for future routine maintenance of the streets, storm drains and sidewalks in the Woodridge (Las Lomas) subdivision.

The City Council also formed and began assessing Landscaping and Lighting Maintenance District No. 02 – Woodridge (Las Lomas) in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscape and lighting improvements within the Woodridge (Las Lomas) subdivision.

The Woodridge subdivision is now known as Las Lomas. The Assessment Districts were formed and named when the area was known as the Woodridge development. All references to Woodridge are now understood to mean the development known as Las Lomas.

NBS, an independent financial consultant, was hired to prepare the Engineer's Reports for the two districts. The Engineer's Reports and the levies must be approved by Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of continuing the levies. At that time, the Engineer's Reports were preliminarily approved, proceedings were initiated for the levy, and the date of tonight's public hearing was established. The resolutions that are before the Council tonight are for the final approval of the Engineer's Reports and for the approval of the annual levies.

The proposed assessments for Fiscal Year 2018/2019 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the Maximum Assessment Rate may be increased for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.6% this year for both districts. The Landscape and Lighting District has a surplus fund balance, so the City staff held a neighborhood meeting to receive input from property owners as to the preference on how to treat the surplus. The property owners in attendance agreed on an assessment of about 15% of the allowable maximum annual assessments for the Landscaping and Lighting District. The prior year levies were \$275 for the Landscape and Lighting District and \$300 for the Street and Storm Drain District.

The majority of the homeowners that were in attendance at the neighborhood meeting did not want to contribute to or set aside funds for long-term road maintenance projects. The residents present demanded that the levy not include any long-term expenses for the road lifecycle. The proposed Street and Storm Drain District levy of \$382 is sufficient only for the annual operating costs and a periodic surface treatment (slurry seal) of the roads. Residents were informed that in approximately 20 years, the road will require a more in depth road maintenance project that will require significant funding. The residents were also informed that the homeowners will be responsible for those repairs and that with the proposed levy at the \$382 rate (and annually adjusted for inflation), there will not be sufficient funding for road maintenance projects beyond fiscal year 2032-2033. Before fiscal year 2033-2034, the District will need to come together to figure out how to fund future maintenance and the periodic pavement rehabilitation that is needed to occur in fiscal year 2038-2039. The estimated costs of that work is just under \$1,000,000 using current dollars.

While staff strongly recommended to the District that the levy should be set at a rate that would fund road projects for the full road life-cycle, staff is also trying to compromise with the desires of the District to keep near-term costs down, and is thus recommending the levy of \$382 for the upcoming year.

District	Amount Per EBU Maximum Assessment Fiscal Year 2018-19	Amount Per EBU Proposed Assessment Fiscal Year 2018-19
Atascadero Street and Storm Drain Maintenance District No. 02 Las Lomas	\$ 739.84	\$ 382.00
Atascadero Landscaping and Lighting Maintenance District No. 02 Las Lomas	\$ 1,837.24	\$ 275.00

FISCAL IMPACT:

Annual assessments for 2018/2019 will total \$88,528 for road/drainage system maintenance and \$63,731 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in Woodridge (Las Lomas). The City General Fund will contribute \$1,250 for the fiscal year 2018/2019 for 25% of the maintenance costs of the trails and open space.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer’s Annual Levy Report - SSDMD No. 2
4. Draft Resolution C
5. Draft Resolution D
6. Engineer’s Annual Levy Report - LLD No. 2

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02 (WOODRIDGE), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2018/2019

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for Fiscal Year 2018/2019, said fiscal year starting July 1, 2018 and ending June 30, 2019; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 02 (Woodridge), Fiscal Year 2018/2019" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for Fiscal Year 2018/2019.

SECTION 3. The Engineer's Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer's Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2018/2019 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 02
(WOODRIDGE)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 02 (Woodridge) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2018 and ending June 30, 2019; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer’s Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer’s Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2018 and ending June 30, 2019, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the City Council conducted in May 2005 a property owner protest ballot proceeding for the District assessments proposed to be levied and majority protest of the assessments described in the Engineer’s Report did not exist pursuant to the provisions of the California State Constitution Article XIID.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer’s Report prepared in connection therewith; the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer’s Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The District includes the lands receiving such special benefit.

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street right-of-way improvements and storm drain facilities within the District and the appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Street and Storm Drain Maintenance District No. 02 (Woodridge), and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer’s Report and the levy of assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Section 54718 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER:
DATE:
ATTACHMENT:

B-2
06/12/18
2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Street and Storm Drain Maintenance District No. 02 (Las Lomas) 2018/19 Annual Report May 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 02
Las Lomas (Woodridge)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
Fax – (805) 461-7612

CITY COUNCIL

Tom O'Malley, Mayor

Roberta Fonzi, Mayor Pro Tem

Charles Bourbeau, Council Member

Heather Moreno, Council Member

Brian Sturtevant, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-048, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIII D (hereafter referred to as the “California Constitution”), established the City of Atascadero Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge) (the “District”); and

WHEREAS, on May 8, 2018, the City Council, under the 1982 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of the improvements for the District for the referenced fiscal year; a diagram for the District, showing the area and properties to be assessed; and an assessment of the estimated costs of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2018/19:

FY 2018/19 Summary of Assessment

Description	Amount
Estimated Annual Costs	\$20,100
Capital Reserve Collection/(Uses)	114,270
Levy Adjustments	(45,841)
Balance to Levy	\$88,529
Fiscal Year 2018/19 Maximum Rate	\$739.84
Fiscal Year 2018/19 Proposed Applied Rate	\$382.00

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information, and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIII D* (hereafter referred to as the “California Constitution”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), proposed to form and levy special benefit assessments for the district designated as:

Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2018/19.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street and storm drain improvements and facilities associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities. The annual assessments described herein will provide a funding source for the continued operation and maintenance of streets, storm drain system and appurtenant facilities installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the streets and storm drain system that provides special benefits to properties within the District. The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2525-1; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District’s formation, the City conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the *California Constitution, Article XIII D Section 4*. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on

assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. The tabulation of the ballots indicated that majority protest did not exist for the proposed assessments and the assessment range formula presented and described herein; therefore, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, a Report shall be prepared and presented to the City Council describing any changes to the improvements, proposed services, the annual budget or assessments for that fiscal year and the City Council may hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

Benefiting Properties within the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the Las Lomas (Woodridge), Tract 2525-1, which encompasses an area of land totaling approximately one hundred twenty-two acres (121.65 acres).

This residential subdivision is planned to include one hundred forty-three (143) single-family residential units; thirty-five (35) condominium/senior housing units; and a single one hundred (100) unit multi-family residential project at build-out. Due to parcel splits the multi-family residential project is spread over three parcels. The planned subdivision is situated in the southeast portion of the City of Atascadero and is generally located:

- South and east of Halcon Road;
- East of Highway 101 and El Camino Real
- South and west of the Southern Pacific Railroad Tracks; and
- North of Salinas Road and Santa Cruz Road

Funding Authorized by The 1982 Act

As generally defined by the Benefit Assessment Act of 1982 and applicable to this District, the City may impose a benefit assessment to finance the maintenance and operation costs of the following services:

- 1) Drainage and Flood Control;
- 2) Streets and Roads.

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction or replacement of drainage and flood control facilities as well as the street and road improvements (with some limitations). While such activities are permitted under the 1982 Act, the budget and assessments for this District only provide for normal maintenance and operation of the improvements. Since most major rehabilitation/construction projects result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the normal annual assessments would not be reasonable. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support the projects.

Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local streets and the drainage and flood control systems constructed and installed in connection with development of properties within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public streets, drainage and flood control facilities associated with Tract 2525-1 and the maintenance of these improvements may include but are not limited to the materials, equipment, labor, and incidental expenses deemed necessary to keep these improvements in satisfactory condition. The maintenance of the improvements and related

activities shall be funded entirely or partially through the District assessments. Not all improvements have been fully accepted by the City. It is anticipated that will occur within the next fiscal year at which time the costs of maintenance for those improvements will be charged to the district. The District improvements and services are generally described as:

- Street maintenance that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, bridges, driveway approaches, sidewalks, barricades, delineation, signage or other facilities within the public street right-of-ways installed in connection with the development of properties in Tract 2525-1 and that have been dedicated to the City;
- Storm drain and flood control maintenance that may include but is not limited to inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters and storm drain pipes installed in connection with the development of properties of Tract 2525-1 as well as any off-site improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties including waste water treatment;
- The appurtenant, equipment, materials and service contracts related to the aforementioned improvements and facilities;
- Specifically excluded are those improvements or facilities: located on private property or common areas; that may be provided or maintained by an agency other than the City; that may be provided by another assessment or tax levied by the City; or that may be provided and maintained by a Homeowner's Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Street Maintenance

The street maintenance program may include, but is not limited to: the repair of potholes, cracks or other failures in the asphalt surface; repair or replacement of curbs, gutters, driveway approaches and sidewalks as required as part of maintaining the streets; repair or installation of street signs, barricades, fencing or other delineation; mechanized sweeping and cleaning of the streets and gutters; slurry sealing, overlays and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits. Specifically the street improvements for this District are identified as:

- Approximately 290,610 square feet of asphalt street surface located on the various interior streets identified as Calle Milano, Eliano Street, Via Cielo, Avion Road, Alcotan Lane, and Azor Lane;
- Approximately 13,750 linear feet of curb and gutter along Calle Milano, Eliano Street, Via Cielo, Avion Road, Alcotan Lane, and Azor Lane;
- Approximately 1,480 linear feet of curb and gutter in and around the median islands on Calle Milano and at Via Cielo;
- Approximately 145 driveway approaches, 45,264 square feet of sidewalks and various street signs within the District;

- Specifically not included as part of the street maintenance program are the costs associated with major replacements or reconstruction. Although the District assessments will provide funding for regular maintenance and servicing of the improvements that will extend the useful life of the street improvements, the assessments are not intended to fund major replacements or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters or driveway approaches. The costs of extensive replacement or reconstruction activities such as grinding and resurfacing of the asphalt; and replacement of curbs, gutters driveway approaches and sidewalks is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. When such repairs or activities are deemed necessary, the City will consider various financing options including new or increased assessments for property owner approval.

The Public Works Department shall authorize the operational activities and maintenance of the public street and right-of-way improvements, facilities and services that may include, but are not limited to:

- Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
- Annual inspection of street surface and repair of potholes and surface cracks as needed;
- Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
- Periodic re-stripping of traffic lanes, bike lanes, street parking areas, crosswalks and intersections (typically in conjunction with slurry or overly activities);
- Graffiti abatement of public improvements within the street right-of-ways that are maintained by the District including but not limited to sandblasting, repainting and repair of fences, walls, barricades, sidewalks and signage as needed;
- Annual inspection and periodic repair or replacement of decorative street- pavers as needed;
- Annual inspection and minor repairs of curbs, gutters, driveway approaches and sidewalks including partial segment replacements as needed to ensure pedestrian and vehicle safety or the integrity of the street;
- Annual inspection and periodic repair or rehabilitation of street signs and traffic control devices;
- Annual inspection and repair of barricades, street-fencing, delineation or retaining walls within the street right-of-ways as needed.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis, such as slurry sealing or overlaying the asphalt streets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City (approximately every five years). This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

Storm Drain and Flood Control Maintenance

The storm drain and flood control system associated with the District may include but is not limited to: drainage basins and bio-filters; channel ways; storm drain inlets, catch basins, manholes, outlets; drywells, pumps, filters and pipes. The storm drain system to be maintained primarily involves on-site facilities

(within the District boundaries) but may also include off-site improvements such as water treatment equipment, facilities or services mandated or required by Federal, State or County regulations for water pollution control. The annual assessments for this District are intended to support a storm drain and flood control maintenance program that will adequately regulate and control storm water runoff resulting from the development of properties within the District. This maintenance program may include but is not limited to: inspection and documentation of the system; cleaning, servicing or repair of the facilities and equipment; and the partial replacement or rehabilitation of equipment and facilities. The storm drain and flood control system includes but is not limited to:

- Approximately 175,550 square feet of drainage basin area;
- Twenty-four (24) inlets, outlets and manholes located throughout Tract 2525-1;
- Approximately 4,965 linear feet of storm drain pipe ranging from 18 inches to 36 inches in diameter.

The Public Works Department shall authorize and schedule the operational activities and maintenance of the storm drain and storm water pollution treatment infrastructure, facilities and services that may include, but are not limited to:

- Cleaning of storm drain inlets, catch basins, manholes and pipes as needed;
- Stencil maintenance and documentation of facilities as required by Federal, State or County regulations;
- Cleaning and landscape maintenance of the drainage basins, bio-filter areas or channel ways as needed;
- Debris removal and pest control in and around the storm drain facilities as needed;
- Minor repairs and maintenance of the storm drain inlets, catch basins and outlets as needed;
- Street sweeping services necessary to control debris and water flow for the storm drain system; and,
- The operational costs related to NPDES compliance requirements.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis such as minor repairs to the storm drain inlets, catch basins and outlets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

4. ESTIMATE OF COSTS

BUDGET	FY 2018/19
DIRECT COSTS	
Street, Roads & Storm Drain Improvements	
Drainage Maintenance Services	\$7,100
Inspection & Operational Services - Roads, Drainage	7,200
Total Annual Direct Costs	\$14,300
ADMINISTRATION EXPENSES	
City Annual Administration	\$2,000
Engineer's Report & Services	3,000
Public Noticing	800
Total Annual Administration Costs	\$5,800
TOTAL DIRECT & ADMINISTRATION COSTS	\$20,100
CAPITAL RESERVE COLLECTIONS/(USES)	
Collection for Street Surface Activities	\$97,500
Collection for Street Re-striping	0
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	12,500
Collection for Debris Removal	1,250
Collection for Maintenance and Inspections: Bridges	0
Collection for Storm Drain Infrastructure	3,020
Total Annual Capital Reserve Collections/(Uses)	\$114,270
LEVY ADJUSTMENTS	
Interest Income - Improvement Fund	(\$4,066)
Interest Income - Operating Reserve Fund	(134)
Improvement Fund (Use)	(41,641)
Operating Reserve Fund Collection (Use)	0
Total Levy Adjustments	(\$45,841)
BALANCE TO LEVY	\$88,529
DISTRICT STATISTICS	
Total Parcels	190
Parcels Levied	181
Total EBU	231.75
Levy per EBU ⁽¹⁾	\$382.00
Maximum Levy per EBU	\$739.84
FUND BALANCE INFORMATION	
Beginning Operating Reserve Balance	\$13,065
Operational Reserve Interest	134
Use of Operational Reserve Interest	(134)
Operational Reserve Collection (Use)	0
Ending Operating Reserve Balance	\$13,065
Beginning Improvement Fund Balance	\$324,513
Improvement Fund Interest	4,066
Use of Improvement Fund Interest	(4,066)
Improvement Fund Collection (Use)	72,629
Ending Improvement Fund Balance	\$397,142

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation and servicing of drainage and flood control improvements as well as streets, roads and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service”.

Furthermore:

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized ... is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments.... The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

Benefit Analysis

Each of the proposed improvements and services, and the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1982 Act and the California Constitution. The street and storm drain improvements associated with this District were necessary and essential requirements for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such the ongoing operation, servicing and maintenance of those improvements would otherwise be the direct financial obligation of each individual property owner. Since each parcel to be assessed within the District could not have been developed in the absence of these improvements and facilities, each parcel has a direct investment in the proper maintenance of the improvements that is over and above any general benefits that may be conferred by such improvements and services.

The ongoing maintenance and servicing of the District improvements is an integral part of the appearance, use and preservation of the properties within the District and such services to be funded by annual assessments confer a particular and distinct special benefit to those parcels. The proper maintenance of streets and appurtenant facilities allows individual parcels to be used to their fullest extent by ensuring the safe and efficient movement of people and goods to and from the benefiting properties Likewise, the maintenance and servicing of the storm drain system ensures proper water flow and control of excess water during periods of rain, which is essential to preservation and protection of private property. Together the maintenance and servicing of the streets and storm drain system contributes to a specific enhancement of each of the parcels

within the District and the absence of adequate maintenance and servicing of the District improvements could eventually have a negative impact on properties within the District.

Although the improvements may include public streets and storm drain facilities that connect to similar facilities outside the District boundaries, it is clear that the construction and installation of these improvements were only necessary for the development of properties within the District. As such, these improvements were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the ongoing maintenance, servicing and operation of the District improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. Any improvement or portion thereof (particularly off-site storm drain facilities) that may be considered general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within this District. However, the costs associated with installation or improvement of any off-site facilities that benefit the parcels within this District as well as other properties (shared benefit) may be allocated to the parcels within the District based on their proportional special benefit from such improvements.

Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed land use of that parcel as compared to other properties within the District based on similarities and differences in parcel land use.

Equivalent Benefit Units:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1982 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District

EBU Application by Land Use:

- (1) Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.0 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against (i.e. Equivalent Benefit Unit “EBU”).
- (2) 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. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobilehome parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately 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 Edition). These various studies indicate that 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 this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential property is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for the remaining units.
- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both 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 an APN. (There is no adjustment for parcels with more than five units).
- (4) 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 District. 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 proportionately 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, multi-family units to be developed).

(5) Vacant Residential — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.0 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.0 EBU (parcels in excess of 25 acres are assigned 25.0 EBU). Parcels less than one acre, shall be assigned a minimum of 1.0 EBU (similar to a vacant lot within a residential tract).

(6) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.0 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, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District.;
- Private properties that cannot be developed independently from 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, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do 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 classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

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

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

The total number of Equivalent Benefit Units (EBU's) is the sum of the 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 that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\begin{aligned} \text{Total Balance to Levy} / \text{Total EBU} &= \text{Levy per EBU} \\ \text{Levy per EBU} \times \text{Parcel EBU} &= \text{Parcel Levy Amount} \end{aligned}$$

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to the future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of “All Urban Consumers” for the San Francisco-Oakland-San Jose Area from February to February. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Beginning with fiscal year 2006/2007 and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District’s annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

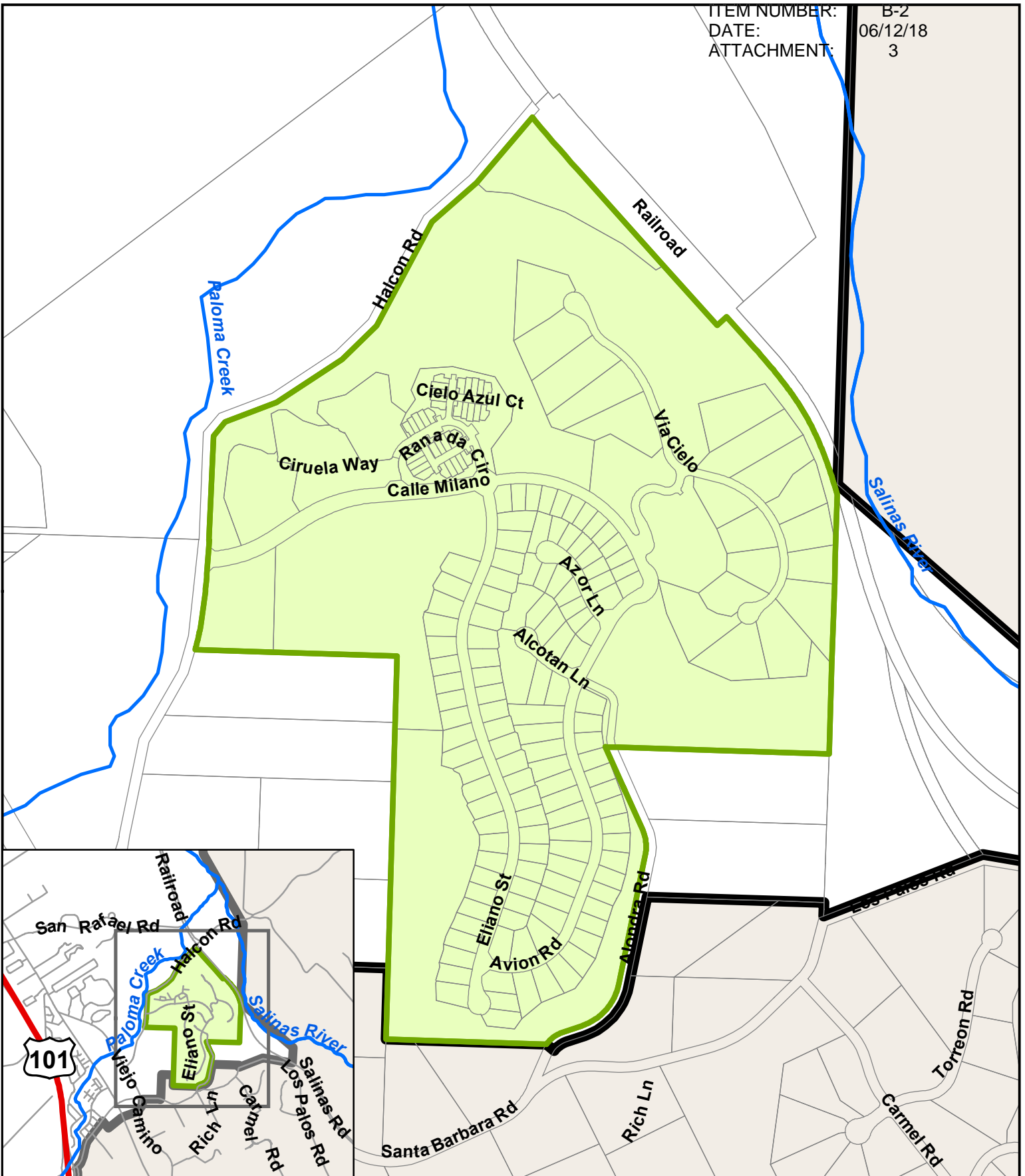
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications is permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 01
(Apple Valley)

Fiscal Year 2018/2019 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-311-006	0	\$ -	\$ -
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	13,146.96	6,788.14
045-311-015	24.83	18,370.23	9,485.06
045-311-016	19.9	14,722.82	7,601.80
045-312-001	1	739.84	382.00
045-312-002	1	739.84	382.00
045-312-003	1	739.84	382.00
045-312-004	1	739.84	382.00
045-312-005	1	739.84	382.00
045-312-006	1	739.84	382.00
045-312-007	1	739.84	382.00
045-312-008	1	739.84	382.00
045-312-009	1	739.84	382.00
045-312-010	1	739.84	382.00
045-312-011	1	739.84	382.00
045-312-012	1	739.84	382.00
045-312-013	1	739.84	382.00
045-312-014	1	739.84	382.00
045-312-015	1	739.84	382.00
045-312-016	1	739.84	382.00
045-312-017	1	739.84	382.00
045-312-018	1	739.84	382.00
045-312-019	1	739.84	382.00
045-312-020	1	739.84	382.00
045-312-021	1	739.84	382.00
045-312-022	1	739.84	382.00
045-312-023	1	739.84	382.00
045-312-024	1	739.84	382.00
045-312-025	1	739.84	382.00
045-312-026	1	739.84	382.00
045-312-027	1	739.84	382.00
045-312-028	1	739.84	382.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-312-029	1	739.84	382.00
045-312-030	1	739.84	382.00
045-312-031	1	739.84	382.00
045-312-032	1	739.84	382.00
045-312-033	1	739.84	382.00
045-312-034	1	739.84	382.00
045-312-035	1	739.84	382.00
045-312-036	1	739.84	382.00
045-312-037	1	739.84	382.00
045-312-038	1	739.84	382.00
045-312-039	1	739.84	382.00
045-312-040	1	739.84	382.00
045-312-041	1	739.84	382.00
045-312-042	1	739.84	382.00
045-312-043	1	739.84	382.00
045-312-044	1	739.84	382.00
045-312-045	1	739.84	382.00
045-312-046	1	739.84	382.00
045-312-047	1	739.84	382.00
045-312-048	1	739.84	382.00
045-312-049	1	739.84	382.00
045-312-050	1	739.84	382.00
045-312-051	1	739.84	382.00
045-312-052	1	739.84	382.00
045-312-053	1	739.84	382.00
045-312-054	1	739.84	382.00
045-312-055	1	739.84	382.00
045-312-056	1	739.84	382.00
045-313-001	1	739.84	382.00
045-313-002	1	739.84	382.00
045-313-003	1	739.84	382.00
045-313-004	1	739.84	382.00
045-313-005	1	739.84	382.00
045-313-006	1	739.84	382.00
045-313-007	1	739.84	382.00
045-313-008	1	739.84	382.00
045-313-009	1	739.84	382.00
045-313-010	1	739.84	382.00
045-313-011	1	739.84	382.00
045-313-012	1	739.84	382.00
045-313-013	1	739.84	382.00
045-313-014	1	739.84	382.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-313-015	1	739.84	382.00
045-313-018	1	739.84	382.00
045-313-019	1	739.84	382.00
045-313-020	1	739.84	382.00
045-313-021	1	739.84	382.00
045-313-026	1	739.84	382.00
045-313-027	1	739.84	382.00
045-314-001	1	739.84	382.00
045-314-002	1	739.84	382.00
045-314-003	1	739.84	382.00
045-314-004	1	739.84	382.00
045-314-005	1	739.84	382.00
045-314-006	1	739.84	382.00
045-314-007	1	739.84	382.00
045-314-008	1	739.84	382.00
045-314-009	1	739.84	382.00
045-314-010	1	739.84	382.00
045-314-011	1	739.84	382.00
045-314-012	1	739.84	382.00
045-314-013	1	739.84	382.00
045-314-014	1	739.84	382.00
045-314-015	1	739.84	382.00
045-314-016	1	739.84	382.00
045-314-017	1	739.84	382.00
045-314-018	1	739.84	382.00
045-314-019	1	739.84	382.00
045-314-020	1	739.84	382.00
045-314-021	1	739.84	382.00
045-314-022	1	739.84	382.00
045-314-023	1	739.84	382.00
045-314-024	1	739.84	382.00
045-314-025	1	739.84	382.00
045-314-026	1	739.84	382.00
045-314-027	1	739.84	382.00
045-314-028	1	739.84	382.00
045-314-029	1	739.84	382.00
045-314-030	1	739.84	382.00
045-314-031	1	739.84	382.00
045-314-032	1	739.84	382.00
045-314-033	1	739.84	382.00
045-315-001	1	739.84	382.00
045-315-002	1	739.84	382.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-315-003	1	739.84	382.00
045-315-004	1	739.84	382.00
045-315-005	1	739.84	382.00
045-315-006	1	739.84	382.00
045-315-007	1	739.84	382.00
045-315-008	1	739.84	382.00
045-315-009	1	739.84	382.00
045-315-010	1	739.84	382.00
045-315-011	1	739.84	382.00
045-315-012	1	739.84	382.00
045-315-013	1	739.84	382.00
045-315-014	1	739.84	382.00
045-315-015	1	739.84	382.00
045-315-016	1	739.84	382.00
045-315-017	1	739.84	382.00
045-315-018	1	739.84	382.00
045-315-019	1	739.84	382.00
045-315-020	1	739.84	382.00
045-315-021	1	739.84	382.00
045-315-022	1	739.84	382.00
045-315-023	1	739.84	382.00
045-315-024	1	739.84	382.00
045-315-025	1	739.84	382.00
045-315-026	1	739.84	382.00
045-315-027	1	739.84	382.00
045-315-028	1	739.84	382.00
045-315-029	1	739.84	382.00
045-315-030	1	739.84	382.00
045-315-031	1	739.84	382.00
045-315-032	1	739.84	382.00
045-315-033	1	739.84	382.00
045-316-040	0	-	-
045-316-041	0.75	554.88	286.50
045-316-042	0.75	554.88	286.50
045-316-043	0.75	554.88	286.50
045-316-044	0.75	554.88	286.50
045-316-045	0.75	554.88	286.50
045-316-046	0.75	554.88	286.50
045-316-047	0.75	554.88	286.50
045-316-048	0.75	554.88	286.50
045-316-049	0.75	554.88	286.50
045-316-050	0.75	554.88	286.50



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-316-051	0.75	554.88	286.50
045-316-052	0.75	554.88	286.50
045-316-053	0.75	554.88	286.50
045-316-054	0.75	554.88	286.50
045-316-055	0.75	554.88	286.50
045-316-056	0.75	554.88	286.50
045-316-057	0.75	554.88	286.50
045-316-058	0.75	554.88	286.50
045-316-059	0.75	554.88	286.50
045-316-060	0.75	554.88	286.50
045-316-061	0.75	554.88	286.50
045-316-062	0.75	554.88	286.50
045-316-063	0.75	554.88	286.50
045-316-064	0.75	554.88	286.50
045-316-065	0.75	554.88	286.50
045-316-066	0.75	554.88	286.50
045-316-067	0.75	554.88	286.50
045-316-068	0.75	554.88	286.50
045-316-069	0.75	554.88	286.50
045-316-070	0.75	554.88	286.50
045-316-071	0.75	554.88	286.50
045-316-072	0.75	554.88	286.50
045-316-073	0.75	554.88	286.50
045-316-074	0.75	554.88	286.50
045-316-075	0.75	554.88	286.50
045-316-076	0	-	-
045-316-077	0	-	-
Totals	231.75	\$ 171,457.92	\$ 88,528.50

(1) Slight variance in charge or total budget are due to rounding for placement on the tax rolls.



DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S
REPORT REGARDING THE LANDSCAPING AND LIGHTING
DISTRICT NO. 02 (WOODRIDGE); AND THE LEVY AND COLLECTION
OF ANNUAL ASSESSMENTS RELATED THERETO IN
FISCAL YEAR 2018/2019**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2018 and ending June 30, 2019; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 02 (Woodridge), Fiscal Year 2018/2019" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment as well as a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses authorized by the Act to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for fiscal year 2018/2019.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2018/2019 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 02 (WOODRIDGE)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 02 (Woodridge) (hereafter referred to as the "District") for Fiscal Year 2018/2019, said fiscal year commencing July 1, 2018 and ending June 30, 2019; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer's Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer's Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2018 and ending June 30, 2019, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

WHEREAS, the City and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Section XIID of the California State Constitution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer's Report prepared in connection with the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer's Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street lights, landscaping, parks and open space areas within the District and appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting District No. 02 (Woodridge), and such money shall be expended for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Sections 22645-22647 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Landscaping and Lighting District District No. 02 (Las Lomas) 2018/19 Engineer's Report May 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



CITY OF ATASCADERO
Landscaping & Lighting District No. 02
Las Lomas (Woodridge)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
Fax – (805) 461-7612

CITY COUNCIL

Tom O'Malley, Mayor

Roberta Fonzi, Mayor Pro Tem

Charles Bourbeau, Council Member

Heather Moreno, Council Member

Brian Sturtevant, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER’S LETTER

WHEREAS, on March 24, 2005 by Resolution No. 2005-051, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the “1972 Act”) established the City of Atascadero Landscaping and Lighting District No. 02 Las Lomas (Woodridge) (the “District”); and

WHEREAS, on May 8, 2018 the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of the improvements for the District for the referenced fiscal year; a diagram for the District, showing the area and properties to be assessed; and an assessment of the estimated costs of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2018/19:

FY 2018/19 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$67,487	\$1,828	\$65,659			
Administration	5,370	0	5,370			
Levy Adjustments	(9,126)	(1,828)	(7,298)			
Total	\$63,731	\$0	\$63,731	231.75	\$1,837.24	\$275.00

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information, and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the Landscaping and *Lighting Act of 1972*, being *Part 2 of Division 15* of the *California Streets and Highways Code*, commencing with *Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

Landscaping and Lighting District No. 02 Las Lomas (Woodridge)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as Las Lomas (Woodridge), Tract 2525-1 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2018/19, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the substantive and procedural provisions of Article XIID.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The annual assessments will provide a funding source for the continued operation and maintenance of public landscaping and lighting improvements installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2525-1; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on May 24, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

the proposed assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District any changes to the District or improvements and the proposed budget and assessments for that fiscal year and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the Las Lomas (Woodridge), Tract 2525-1, which encompasses an area of land totaling approximately one hundred twenty-two acres (121.65 acres).

This residential subdivision is planned to include one hundred forty-four (144) single-family residential units; thirty-five (35) condominium/senior housing units; and a single one hundred (100) unit multi-family residential project at build-out. Due to parcel splits the multi-family residential project is spread over three parcels. The planned subdivision is situated in the southeast portion of the City of Atascadero and is generally located:

- South and east of Halcon Road;
- East of Highway 101 and El Camino Real
- South and west of the Southern Pacific Railroad Tracks; and
- North of Salinas Road and Santa Cruz Road

Improvements and Services Authorized by The 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- 4) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 5) The installation of park or recreational improvements, including, but not limited to, all of the following:
 - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - b) Lights, playground equipment, play courts, and public restrooms.
- 6) The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.
- 7) The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - a) Repair, removal, or replacement of all or any part of any improvements;
 - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls,

- sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
- c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;
 - d) The removal of trimmings, rubbish, debris, and other solid waste;
 - e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - c) Compensation payable to the County for collection of assessments;
 - d) Compensation of any engineer or attorney employed to render services;
 - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - f) Costs associated with any elections held for the approval of a new or increased assessment.

Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2525-1). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

- Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2525-1 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
- Open space areas and fuel modification areas within or adjacent to the District boundaries;
- Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2525-1;
- Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas

- Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
- Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Landscape Improvements

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, trees, irrigation and drainage systems, ornamental lighting, masonry walls or other fencing, hardscape improvements, monuments, and associated appurtenant facilities located within the landscape easements or public right-of-ways. Specifically the landscape improvement areas for this District are identified as:

- Approximately 34,420 square feet of streetscape landscaping and trees within the public right-of-ways along or adjacent to Halcon Road, Calle Milano, Via Cielo and Eliano Street including but not limited to approximately 27,200 square feet of parkway landscaping and 7,220 square feet of median landscaping;
- Approximately 220,850 square feet (5.07 acres) of landscaped slope areas within the District boundaries and adjacent to the residential properties, open space areas, drainage basins and streets of Tract 2525-1;
- Approximately 175,550 square feet (4.03 acres) of landscaped area in and around the two (2) drainage basins within Tract 2525-1;
- Approximately 106,460 square feet of non-irrigated open space area within the District;
- Approximately 1,981,980 square feet of non-irrigated open space area within the boundaries of the District associated with the development of the residential properties within Tract 2525-1;
- Approximately 225 street trees located within the public right-of-ways of the streets within Tract 2525-1 including but not limited to Calle Milano, Via Cielo, Eliano Street, Avion Road, Azor Lane and Alcotan Lane;
- Approximately 1,910 square feet of paths and trails, 45,265 square feet sidewalks and 6,100 linear feet of fencing within and adjacent to the various landscape improvement areas.

Public Lighting Improvements

The lighting improvements may include but are not limited to the cost of providing electrical energy and servicing of lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities associated with:

- There are five (5) public streetlights currently planned for Tract 2525-1. These streetlights are located on Calle Milano between Halcon Road and Eliano Street (The entryway to the residential properties within the District);
- Lighting facilities may also include but are not limited to safety lights, security lights or ornamental

lights located within the various landscape improvement areas installed as part of the District's landscape improvements.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	Fiscal Year 2018/19
DIRECT COSTS			
Annual Maintenance			
Landscape Services	\$29,990	\$1,578	\$28,412
Landscape Supplies	1,040	0	1,040
Landscape Utilities	4,610	0	4,610
City Landscape Services	12,090	0	12,090
Maintenance	5,190	0	5,190
Special Projects	5,000	0	5,000
Total Annual Direct Costs	\$57,920	\$1,578	\$56,342
CAPITAL EXPENDITURES			
Special Projects – Landscape and Planting	\$7,500	\$0	\$7,500
Total Annual Capital Expenditures	\$7,500	\$0	\$7,500
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$1,320	\$0	\$1,320
Engineer's Report & Services	3,920	0	3,920
Public Noticing	130	0	130
Total Annual Administration Costs	\$5,370	\$0	\$5,370
TOTAL DIRECT & ADMINISTRATION COSTS	\$70,790	\$1,578	\$69,212
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$3,128	\$0	\$3,128
Median Rehabilitation/Replacement	138	0	138
Open Space Rehabilitation/Replacement	1,000	250	750
Tree Rehabilitation/Replacement	5,806	0	5,806
Slope Rehabilitation/Replacement	3,754	0	3,754
Other Rehabilitation/Replacement	741	0	741
Use of Reserves	(\$12,500)	0	(\$12,500)
Total Annual Capital Reserve Collections/(Uses)	\$2,067	\$250	\$1,817
LEVY ADJUSTMENTS			
Interest Income - Improvement Fund	(\$1,429)	0	(\$1,429)
Interest Income - Operating Reserve Fund	(425)	0	(425)
Operating Reserve Fund Collection (Use)	(7,272)	(1,828)	(5,444)
Total Levy Adjustments	(\$9,126)	(\$1,828)	(\$7,298)
BALANCE TO LEVY	\$63,731	\$0	\$63,731
DISTRICT STATISTICS			
Total Parcels			190
Parcels Levied			181
Total EBU			231.75
Levy per EBU ⁽¹⁾			\$275.00
Maximum Levy per EBU			\$1,837.24
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$32,445
Operational Reserve Interest			425
Use of Operational Reserve Interest			(425)
Operational Reserve Collection (Use)			5,444
Estimated Ending Operating Reserve Balance			\$37,889
Beginning Improvement Fund Balance			\$125,351
Improvement Fund Interest			1,429
Use of Improvement Fund Interest			(1,429)
Improvement Fund Collection (Use)			2,067
Estimated Ending Improvement Fund Balance			\$127,418

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article XIID. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1972 Act and Article XIID. The improvements provided by this District and for which properties will be assessed have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. 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 these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are a distinct and special benefit to the properties within the District. Any improvement or portion thereof that is considered to be of general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within the District.

Special Benefit

The method of apportionment (method of assessment) established herein is based on the premise that each assessed parcel within the District receives special benefits from the improvements and the desirability and security of those properties is enhanced by the presence of public lighting and well-maintained landscaping in close proximity to those properties.

The special benefits associated with landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area and properties.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping

- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
- Enhanced quality of life through well-maintained green space and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting and other public lighting facilities are the convenience, safety, and security of property, improvements, and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads, streets and public areas.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.

The preceding special benefits contribute to the esthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement of the properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the District improvements would have a negative impact on the properties within the District.

General Benefit

In reviewing each of the District improvements, the proximity of those improvements to both properties within the District and those outside the District as well as the reasons for installing and constructing such improvements, it is evident that the improvements are solely the result of developing properties within the District and the ongoing maintenance and operation of these improvements will directly effect the properties within the District. Although the improvements include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the construction and installation of these improvements (except portions of the open space areas) were only necessary for the development of properties within the District and were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside

the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. With respect to the open space areas, these areas are an integral part of property development within the District and clearly provide a direct and special benefit those properties. However, it is also recognized that the majority of this open space area is located on the perimeter of the District and is directly accessible from surrounding properties and the public at large. Therefore it has been determined that up to twenty-five percent (25%) of the costs to maintain this area shall be allocated as general benefit and not assessed as part of the District's special benefit assessments

Assessment Methodology

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

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

To identify and determine the special benefit to be received by each parcel and their proportionate share of the improvement costs it is necessary to consider the entire scope of the planned improvements as well as individual property development within the District. Upon review of the proposed improvements it has been determined that each of the residential parcels within the District receives special benefits from the improvements to be funded by annual assessments and based on the planned property development a single zone of benefit is appropriate for the allocation of the assessments and proportional benefit.

Equivalent Benefit Units:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1972 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

(1) Single-family Residential — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit (i.e. Equivalent Benefit Unit "EBU").

(2) 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. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately 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 Edition). These various studies indicate that 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 this District, an appropriate allocation of special benefit for multi-family 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 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both 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 an APN. (There is no adjustment for parcels with more than five units).
- (4) 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 District. 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 proportionately 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, multi-family units to be developed).
- (5) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special

benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

(6) 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, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
- Private properties that cannot be developed independently from 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, but shall be reviewed annually by the assessment engineer to confirm the parcels' current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(7) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do 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 classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

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

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

The total number of Equivalent Benefit Units (EBU's) is the sum of the 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 that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

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

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

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures,

which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to future assessments and is generally defined:

- If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of “All Urban Consumers” for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.56% for fiscal year 2018/19. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Beginning with the second fiscal year (fiscal year 2006/2007) and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate is established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District’s annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

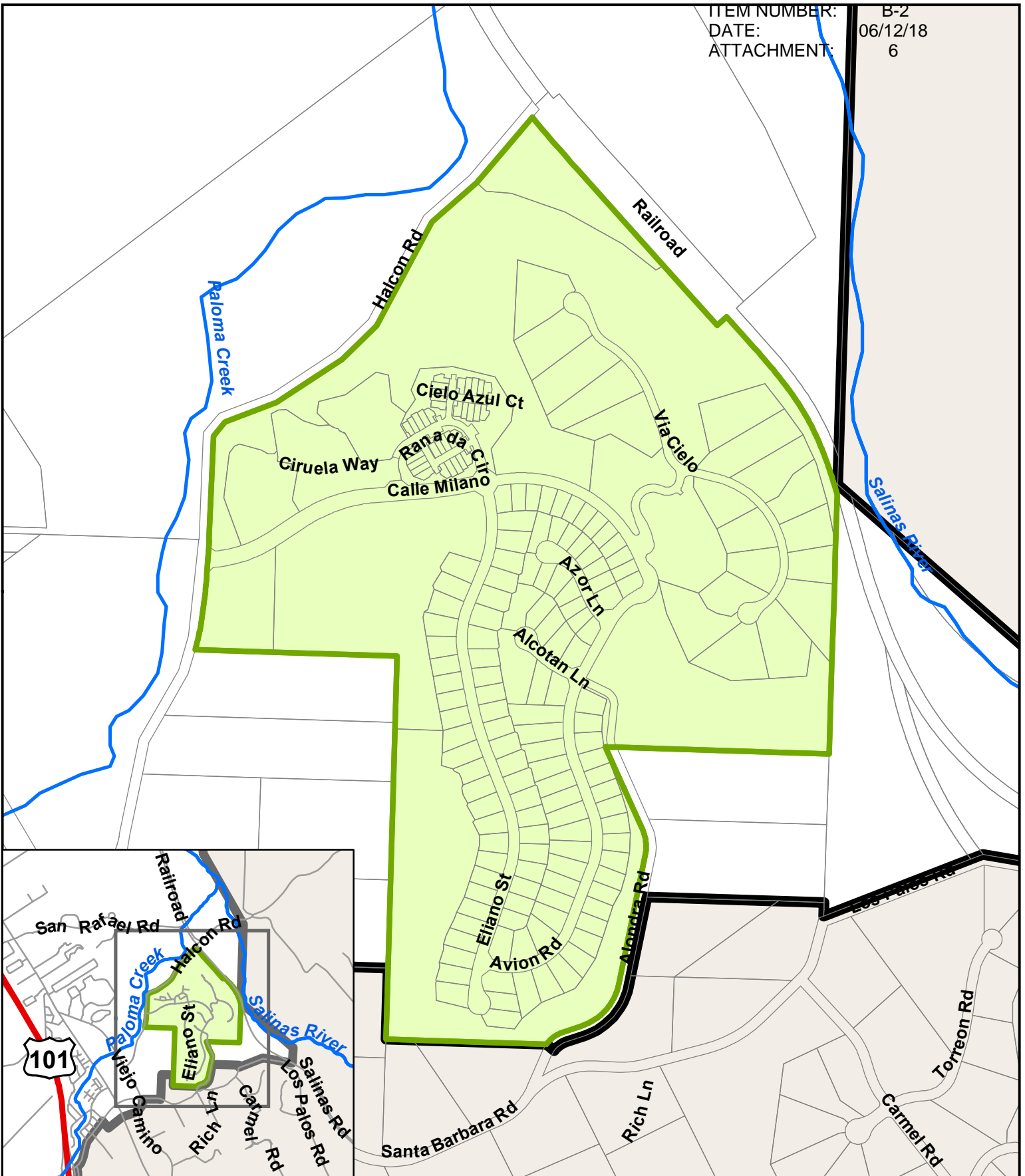
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 02 Las Lomas (Woodridge) consist of the lots, parcels and subdivisions of land located in the planned residential development known as Las Lomas (Woodridge), Tract 2525-1. The District covers approximately one hundred twenty-two acres (121.65 acres) in the southeast portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

LAS LOMAS

Street and Storm Drain Maintenance District No. 2

Landscaping and Lighting District No. 2



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein.

CITY OF ATASCADERO
Landscaping and Lighting District No. 02
Las Lomas (Woodridge)
 Fiscal Year 2018/2019 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-311-006	0	\$ -	\$ -
045-311-007	0	-	-
045-311-008	0	-	-
045-311-009	0	-	-
045-311-010	0	-	-
045-311-013	0	-	-
045-311-014	17.77	32,647.75	4,886.72
045-311-015	24.83	45,618.66	6,828.22
045-311-016	19.9	36,561.07	5,472.48
045-312-001	1	1,837.24	275.00
045-312-002	1	1,837.24	275.00
045-312-003	1	1,837.24	275.00
045-312-004	1	1,837.24	275.00
045-312-005	1	1,837.24	275.00
045-312-006	1	1,837.24	275.00
045-312-007	1	1,837.24	275.00
045-312-008	1	1,837.24	275.00
045-312-009	1	1,837.24	275.00
045-312-010	1	1,837.24	275.00
045-312-011	1	1,837.24	275.00
045-312-012	1	1,837.24	275.00
045-312-013	1	1,837.24	275.00
045-312-014	1	1,837.24	275.00
045-312-015	1	1,837.24	275.00
045-312-016	1	1,837.24	275.00
045-312-017	1	1,837.24	275.00
045-312-018	1	1,837.24	275.00
045-312-019	1	1,837.24	275.00
045-312-020	1	1,837.24	275.00
045-312-021	1	1,837.24	275.00
045-312-022	1	1,837.24	275.00
045-312-023	1	1,837.24	275.00
045-312-024	1	1,837.24	275.00
045-312-025	1	1,837.24	275.00
045-312-026	1	1,837.24	275.00
045-312-027	1	1,837.24	275.00
045-312-028	1	1,837.24	275.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-312-029	1	1,837.24	275.00
045-312-030	1	1,837.24	275.00
045-312-031	1	1,837.24	275.00
045-312-032	1	1,837.24	275.00
045-312-033	1	1,837.24	275.00
045-312-034	1	1,837.24	275.00
045-312-035	1	1,837.24	275.00
045-312-036	1	1,837.24	275.00
045-312-037	1	1,837.24	275.00
045-312-038	1	1,837.24	275.00
045-312-039	1	1,837.24	275.00
045-312-040	1	1,837.24	275.00
045-312-041	1	1,837.24	275.00
045-312-042	1	1,837.24	275.00
045-312-043	1	1,837.24	275.00
045-312-044	1	1,837.24	275.00
045-312-045	1	1,837.24	275.00
045-312-046	1	1,837.24	275.00
045-312-047	1	1,837.24	275.00
045-312-048	1	1,837.24	275.00
045-312-049	1	1,837.24	275.00
045-312-050	1	1,837.24	275.00
045-312-051	1	1,837.24	275.00
045-312-052	1	1,837.24	275.00
045-312-053	1	1,837.24	275.00
045-312-054	1	1,837.24	275.00
045-312-055	1	1,837.24	275.00
045-312-056	1	1,837.24	275.00
045-313-001	1	1,837.24	275.00
045-313-002	1	1,837.24	275.00
045-313-003	1	1,837.24	275.00
045-313-004	1	1,837.24	275.00
045-313-005	1	1,837.24	275.00
045-313-006	1	1,837.24	275.00
045-313-007	1	1,837.24	275.00
045-313-008	1	1,837.24	275.00
045-313-009	1	1,837.24	275.00
045-313-010	1	1,837.24	275.00
045-313-011	1	1,837.24	275.00
045-313-012	1	1,837.24	275.00
045-313-013	1	1,837.24	275.00
045-313-014	1	1,837.24	275.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-313-015	1	1,837.24	275.00
045-313-018	1	1,837.24	275.00
045-313-019	1	1,837.24	275.00
045-313-020	1	1,837.24	275.00
045-313-021	1	1,837.24	275.00
045-313-026	1	1,837.24	275.00
045-313-027	1	1,837.24	275.00
045-314-001	1	1,837.24	275.00
045-314-002	1	1,837.24	275.00
045-314-003	1	1,837.24	275.00
045-314-004	1	1,837.24	275.00
045-314-005	1	1,837.24	275.00
045-314-006	1	1,837.24	275.00
045-314-007	1	1,837.24	275.00
045-314-008	1	1,837.24	275.00
045-314-009	1	1,837.24	275.00
045-314-010	1	1,837.24	275.00
045-314-011	1	1,837.24	275.00
045-314-012	1	1,837.24	275.00
045-314-013	1	1,837.24	275.00
045-314-014	1	1,837.24	275.00
045-314-015	1	1,837.24	275.00
045-314-016	1	1,837.24	275.00
045-314-017	1	1,837.24	275.00
045-314-018	1	1,837.24	275.00
045-314-019	1	1,837.24	275.00
045-314-020	1	1,837.24	275.00
045-314-021	1	1,837.24	275.00
045-314-022	1	1,837.24	275.00
045-314-023	1	1,837.24	275.00
045-314-024	1	1,837.24	275.00
045-314-025	1	1,837.24	275.00
045-314-026	1	1,837.24	275.00
045-314-027	1	1,837.24	275.00
045-314-028	1	1,837.24	275.00
045-314-029	1	1,837.24	275.00
045-314-030	1	1,837.24	275.00
045-314-031	1	1,837.24	275.00
045-314-032	1	1,837.24	275.00
045-314-033	1	1,837.24	275.00
045-315-001	1	1,837.24	275.00
045-315-002	1	1,837.24	275.00



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-315-003	1	1,837.24	275.00
045-315-004	1	1,837.24	275.00
045-315-005	1	1,837.24	275.00
045-315-006	1	1,837.24	275.00
045-315-007	1	1,837.24	275.00
045-315-008	1	1,837.24	275.00
045-315-009	1	1,837.24	275.00
045-315-010	1	1,837.24	275.00
045-315-011	1	1,837.24	275.00
045-315-012	1	1,837.24	275.00
045-315-013	1	1,837.24	275.00
045-315-014	1	1,837.24	275.00
045-315-015	1	1,837.24	275.00
045-315-016	1	1,837.24	275.00
045-315-017	1	1,837.24	275.00
045-315-018	1	1,837.24	275.00
045-315-019	1	1,837.24	275.00
045-315-020	1	1,837.24	275.00
045-315-021	1	1,837.24	275.00
045-315-022	1	1,837.24	275.00
045-315-023	1	1,837.24	275.00
045-315-024	1	1,837.24	275.00
045-315-025	1	1,837.24	275.00
045-315-026	1	1,837.24	275.00
045-315-027	1	1,837.24	275.00
045-315-028	1	1,837.24	275.00
045-315-029	1	1,837.24	275.00
045-315-030	1	1,837.24	275.00
045-315-031	1	1,837.24	275.00
045-315-032	1	1,837.24	275.00
045-315-033	1	1,837.24	275.00
045-316-040	0	-	-
045-316-041	0.75	1,377.93	206.24
045-316-042	0.75	1,377.93	206.24
045-316-043	0.75	1,377.93	206.24
045-316-044	0.75	1,377.93	206.24
045-316-045	0.75	1,377.93	206.24
045-316-046	0.75	1,377.93	206.24
045-316-047	0.75	1,377.93	206.24
045-316-048	0.75	1,377.93	206.24
045-316-049	0.75	1,377.93	206.24
045-316-050	0.75	1,377.93	206.24



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
045-316-051	0.75	1,377.93	206.24
045-316-052	0.75	1,377.93	206.24
045-316-053	0.75	1,377.93	206.24
045-316-054	0.75	1,377.93	206.24
045-316-055	0.75	1,377.93	206.24
045-316-056	0.75	1,377.93	206.24
045-316-057	0.75	1,377.93	206.24
045-316-058	0.75	1,377.93	206.24
045-316-059	0.75	1,377.93	206.24
045-316-060	0.75	1,377.93	206.24
045-316-061	0.75	1,377.93	206.24
045-316-062	0.75	1,377.93	206.24
045-316-063	0.75	1,377.93	206.24
045-316-064	0.75	1,377.93	206.24
045-316-065	0.75	1,377.93	206.24
045-316-066	0.75	1,377.93	206.24
045-316-067	0.75	1,377.93	206.24
045-316-068	0.75	1,377.93	206.24
045-316-069	0.75	1,377.93	206.24
045-316-070	0.75	1,377.93	206.24
045-316-071	0.75	1,377.93	206.24
045-316-072	0.75	1,377.93	206.24
045-316-073	0.75	1,377.93	206.24
045-316-074	0.75	1,377.93	206.24
045-316-075	0.75	1,377.93	206.24
045-316-076	0	-	-
045-316-077	0	-	-
Totals	231.75	\$ 425,780.35	\$ 63,730.82

(1) Slight variance in charge or total budget are due to rounding for placement on the tax rolls.





Atascadero City Council

Staff Report – Administrative Services Department

De Anza Estates Assessment Districts

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution A approving the final Engineer's Report regarding the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto for Fiscal Year 2018/2019.
2. Adopt Draft Resolution B ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Street and Storm Drain Maintenance District No. 03 (De Anza Estates).
3. Adopt Draft Resolution C approving the final Engineer's Report regarding the Landscaping and Lighting District No. 03 (De Anza Estates), and the levy and collection of annual assessments related thereto in Fiscal Year 2018/2019.
4. Adopt Draft Resolution D ordering the levy and collection of assessments for Fiscal Year 2018/2019 for Landscaping and Lighting District No. 03 (De Anza Estates).

DISCUSSION:

The City Council formed and began assessing Street and Storm Drain Maintenance District No.03 – De Anza Estates in 2005. This district was formed to provide funding for future routine maintenance of the streets, storm drains and sidewalks in the De Anza Estates subdivision.

The City Council also formed and began assessing Landscaping and Lighting Maintenance District No.03 – De Anza Estates in 2005. This district was formed to provide for funding and maintenance of street trees, open space, park area, medians, walkways, paths and other landscaping and lighting improvements within the De Anza Estates subdivision.

NBS, an independent financial consultant, was hired to prepare the Engineer's Reports for the two districts. The Engineer's Reports and the levies must be approved by Council annually. This is done in a two-step process. Last month, three resolutions for each district (a total of 6 resolutions in all) were passed to begin the process of

continuing the levies. At that time, the Engineer’s Reports were preliminarily approved, proceedings were initiated for the levy, and the date of tonight’s public hearing was established. The resolutions that are before the Council tonight are for the final approval of the Engineer’s Reports and for the approval of the annual levies.

The proposed assessments for Fiscal Year 2018/2019 are less than the Maximum Assessment Rate. In accordance with the formula voters of the district adopted in 2005, the Maximum Assessment Rate may be increased for inflation by the greater of the Consumer Price Index (CPI) or 3.0%. The Maximum Assessment Rate was increased by 3.6% this year for both districts. The Landscape and Lighting District has a surplus fund balance, so the City staff held a neighborhood meeting to receive input from property owners as to the preference on how to treat the surplus. The property owners in attendance requested an assessment of about 19% of the allowable maximum annual assessments for the Landscaping and Lighting District, about 47% for Zone A in the Street and Storm Drain District, and about 75% for Zone B in the Street and Storm Drain District. . The Landscape and Lighting District levy is not proposed to increase over the prior year levy of \$250. The Street and Storm Drain District levy is proposed to decrease from the prior year levy of \$575 for Senior Housing and \$713 for Single Family Residences. The costs have been able to be kept low and staff projects there are sufficient resources in each of the funds to meet the needs of the districts.

District	Amount Per EBU Maximum Assessment Fiscal Year 2018-19	Amount Per EBU Proposed Assessment Fiscal Year 2018-19
Atascadero Street and Storm Drain Maintenance District No. 03 De Anza Estates - Senior Housing	\$ 734.29	\$ 342.48
Atascadero Street and Storm Drain Maintenance District No. 03 De Anza Estates - Single Family Residential	\$ 907.82	\$ 681.49
Atascadero Landscaping and Lighting Maintenance District No. 03 De Anza Estates	\$ 1,301.70	\$ 250.00

FISCAL IMPACT:

Annual assessments for 2018/2019 will total \$30,562 for road/drainage system maintenance and \$15,875 for landscape and lighting maintenance. These amounts will be assessed to the owners of parcels in De Anza Estates. The City General Fund will contribute \$1,400 for the fiscal year 2018/2019 for half of the maintenance costs of the trails and open space.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Engineer’s Annual Levy Report - SSDMD No. 3
4. Draft Resolution C
5. Draft Resolution D
6. Engineer’s Annual Levy Report - LLD No. 3

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03 (DE ANZA ESTATES), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2018/2019

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as "City Council"), pursuant to the provisions the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the "Act"), did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with the Act in connection with Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the "District") and the proposed levy and collection of assessments related thereto for Fiscal Year 2018/2019, said fiscal year starting July 1, 2018 and ending June 30, 2019; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for Street and Storm Drain Maintenance District No. 03 (De Anza Estates), Fiscal Year 2018/2019" (hereafter referred to as "Engineer's Report") in accordance with the Act; and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.
- e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and the assessment for Fiscal Year 2018/2019.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2018/2019 FOR
STREET AND STORM DRAIN MAINTENANCE DISTRICT NO. 03
(DE ANZA ESTATES)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings to levy special benefit assessments against parcels of land within Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (hereafter referred to as the “District”) for the fiscal year commencing July 1, 2018 and ending June 30, 2019; pursuant to the provisions of the Benefit Assessment Act of 1982, Chapter 6.4 of the California Government Code, beginning with Section 54703 (hereafter referred to as the “Act”) to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer’s Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer’s Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2018 and ending June 30, 2019, to pay the costs and expenses of operation, maintenance, repair and servicing of local street right-of-way improvements and storm drain facilities related thereto; and

WHEREAS, the City Council conducted in May 2005 a property owner protest ballot proceeding for the District assessments proposed to be levied and majority protest of the assessments described in the Engineer’s Report did not exist pursuant to the provisions of the California State Constitution Article XIID.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer’s Report prepared in connection therewith; the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer’s Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

- a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.
- b) The District includes the lands receiving such special benefit.

c) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street right-of-way improvements and storm drain facilities within the District and the appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Street and Storm Drain Maintenance District No. 03 (De Anza Estates), and such money shall be expended only for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the establishment of the maximum assessment rate described in the Engineer's Report and the levy of assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Section 54718 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

ITEM NUMBER: B-3
DATE: 06/12/18
ATTACHMENT: 2

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Street and Storm Drain Maintenance District No. 03 (De Anza Estates) 2018/19 Annual Report May 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 03
(De Anza Estates)

6500 Palma Avenue
Atascadero, CA 93422
Phone – (805) 461-5000
Fax – (805) 461-7612

CITY COUNCIL

Tom O'Malley, Mayor

Roberta Fonzi, Mayor Pro Tem

Charles Bourbeau, Council Member

Heather Moreno, Council Member

Brian Sturtevant, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER’S LETTER

WHEREAS, on August 9, 2005 by Resolution No. 2005-071, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIII D (hereafter referred to as the “California Constitution”), established the City of Atascadero Street and Storm Drain Maintenance District No. 03 (De Anza Estates) (the “District”); and

WHEREAS, on May 8, 2018, the City Council, under the 1982 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of the improvements for the District for the referenced fiscal year; a diagram for the District, showing the area and properties to be assessed; and an assessment of the estimated costs of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2018/19:

FY 2018/19 Summary of Assessment

Description	Zone A - Amount	Zone B - Amount	Total Amount
Estimated Annual Costs	\$6,310	\$15,290	\$21,600
Capital Reserve Collection/(Uses)	8,284	10,658	18,942
Levy Adjustments	(1,751)	(8,229)	(9,980)
Balance to Levy	\$12,843	\$17,719	\$30,562
Fiscal Year 2018/19 Maximum Rate	\$734.29	\$907.82	
Fiscal Year 2018/19 Proposed Applied Rate	\$342.48	\$681.49	

Rates above are per Equivalent Benefit Unit.

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information, and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1982 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the “1982 Act”), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIID* (hereafter referred to as the “California Constitution”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), proposed to form and levy special benefit assessments for the district designated as:

Street and Storm Drain Maintenance District No. 03 (De Anza Estates)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2018/19.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street and storm drain improvements and facilities associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities. The annual assessments described herein will provide a funding source for the continued operation and maintenance of streets, storm drain system and appurtenant facilities installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the streets and storm drain system that provides special benefits to properties within the District. The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2498; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District’s formation, the City conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the *California Constitution, Article XIID Section 4*. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation.

The tabulation of the ballots indicated that majority protest did not exist for the proposed assessments and the assessment range formula presented and described herein; therefore, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, a Report shall be prepared and presented to the City Council describing any changes to the improvements, proposed services, the annual budget or assessments for that fiscal year and the City Council may hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

Benefiting Properties within the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the De Anza Estates, Tract 2498, which encompasses an area of land totaling approximately seventy-six acres (75.76 acres).

This subdivision includes twenty-six (26) Single-Family Residential Units and sixty (60) Modified Housing/Senior Housing Units. The subdivision is situated in the northern portion of the City of Atascadero northeast of Highway 101 and is generally located:

-) At the North end of El Camino Real;
-) North and East of U.S. HWY 101; and,
-) South and West of the Salinas River.

Funding Authorized by The 1982 Act

As generally defined by the Benefit Assessment Act of 1982 and applicable to this District, the City may impose a benefit assessment to finance the maintenance and operation costs of the following services:

- 1) Drainage and Flood Control;
- 2) Streets and Roads.

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction or replacement of drainage and flood control facilities as well as the street and road improvements (with some limitations). While such activities are permitted under the 1982 Act, the budget and assessments for this District only provide for normal maintenance and operation of the improvements. Since most major rehabilitation/construction projects result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the normal annual assessments would not be reasonable. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support the projects.

Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local streets and the drainage and flood control systems constructed and installed in connection with development of properties within the residential subdivision known as (De Anza Estates), Tract 2498 pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public streets, drainage and flood control facilities associated with Tract 2498 and the maintenance of these improvements may include but are not limited to the materials, equipment, labor, and incidental expenses deemed necessary to keep these improvements in satisfactory condition. The maintenance of the improvements and related activities shall be funded entirely or partially through the District assessments. The District improvements and services are generally described as:

-) Street maintenance that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, bridges, driveway approaches, sidewalks, barricades, delineation, signage or other facilities within the public street right-of-ways installed in connection with the development of properties in Tract 2498 and that have been dedicated to the City;
-) Storm drain and flood control maintenance that may include but is not limited to inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters and storm drain pipes installed in connection with the development of properties of Tract 2498 as well as any off-site improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties including waste water treatment;
-) The appurtenant, equipment, materials and service contracts related to the aforementioned improvements and facilities;
-) Specifically excluded are those improvements or facilities: located on private property or common areas; that may be provided or maintained by an agency other than the City; that may be provided by another assessment or tax levied by the City; or that may be provided and maintained by a Homeowner's Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Street Maintenance

The street maintenance program may include, but is not limited to: the repair of potholes, cracks or other failures in the asphalt surface; repair or replacement of curbs, gutters, driveway approaches and sidewalks as required as part of maintaining the streets; repair or installation of street signs, barricades, fencing or other delineation; mechanized sweeping and cleaning of the streets and gutters; slurry sealing, overlays and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits. Specifically the street improvements for this District are identified as:

-) Approximately 66,000 square feet of asphalt street surface located on the interior streets of the development identified as El Camino Real north of the Upper Bridge Crossing; Ferrocarril Road from the Graves Creek Bridge northeast to the end of Tract 2498; and De Anza Court.
-) Approximately 5,700 linear feet of curb and gutter along El Camino Real, Ferrocarril Road, and De Anza Court, 26 driveway approaches and various street signs within the District;
-) Two bridges identified as the Upper Bridge Crossing (located on El Camino Real at the entryway to the tract) and the Graves Creek Bridge (located on Ferrocarril Road located at the entryway to the senior housing development);
-) Specifically not included as part of the street maintenance program are the costs associated with major replacements or reconstruction. Although the District assessments will provide funding for regular maintenance and servicing of the improvements that will extend the useful life of the street improvements, the assessments are not intended to fund major replacements or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters or driveway approaches. The costs of extensive replacement or reconstruction activities such as grinding and resurfacing of the asphalt;

and replacement of curbs, gutters driveway approaches and sidewalks is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. When such repairs or activities are deemed necessary, the City will consider various financing options including new or increased assessments for property owner approval. Also not included as part of the street maintenance program are the street improvements within the senior housing development (street improvements southwest of the Graves Creek Bridge). The street improvements and facilities within the senior housing development shall be maintained and funded through a Homeowner's Association or similar entity.

The Public Works Department shall authorize the operational activities and maintenance of the public street and right-of-way improvements, facilities and services that may include, but are not limited to:

-) Regular street sweeping services necessary to control dirt and debris on street surfaces and gutters;
-) Annual inspection of street surface and repair of potholes and surface cracks as needed;
-) Periodic slurry or overly of street surfaces and driveway approaches (typically one or the other once every five years);
-) Periodic re-stripping of traffic lanes, bike lanes, street parking areas, crosswalks and intersections (typically in conjunction with slurry or overly activities);
-) Graffiti abatement of public improvements within the street right-of-ways that are maintained by the District including but not limited to sandblasting, repainting and repair of fences, walls, barricades, sidewalks and signage as needed;
-) Annual inspection and periodic repair or replacement of decorative street- pavers as needed;
 - Annual inspection and minor repairs of curbs, gutters, driveway approaches and sidewalks including partial segment replacements as needed to ensure pedestrian and vehicle safety or the integrity of the street;
-) Annual inspection and periodic repair or rehabilitation of street signs and traffic control devices;
-) Annual inspection and repair of barricades, street-fencing, delineation or retaining walls within the street right-of-ways as needed.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis, such as slurry sealing or overlaying the asphalt streets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City (approximately every five years). This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

Storm Drain and Flood Control Maintenance

The storm drain and flood control system associated with the District may include but is not limited to: drainage basins and bio-filters; channel ways; storm drain inlets, catch basins, manholes, outlets; drywells, pumps, filters and pipes. The storm drain system to be maintained primarily involves on-site facilities (within the District boundaries) but may also include off-site improvements such as water treatment equipment, facilities or services mandated or required by Federal, State or County regulations for water pollution control. The annual assessments for this District are intended to support a storm drain and flood control

maintenance program that will adequately regulate and control storm water runoff resulting from the development of properties within the District. This maintenance program may include but is not limited to: inspection and documentation of the system; cleaning, servicing or repair of the facilities and equipment; and the partial replacement or rehabilitation of equipment and facilities. The storm drain and flood control system includes but is not limited to:

-) A single drainage basin of approximately 9,000 square feet;
-) A total of approximately three (3) inlets, catch basins, manholes or outlets located within the single-family residential portion of Tract 2498;
-) Approximately 200 linear feet of 24 inch storm drain pipe.

The Public Works Department shall authorize and schedule the operational activities and maintenance of the storm drain and storm water pollution treatment infrastructure, facilities and services that may include, but are not limited to:

-) Cleaning of storm drain inlets, catch basins, manholes and pipes as needed;
-) Stencil maintenance and documentation of facilities as required by Federal, State or County regulations;
-) Cleaning and landscape maintenance of the drainage basins, bio-filter areas or channel ways as needed;
-) Debris removal and pest control in and around the storm drain facilities as needed;
-) Minor repairs and maintenance of the storm drain inlets, catch basins and outlets as needed;
-) Street sweeping services necessary to control debris and water flow for the storm drain system; and,
-) The operational costs related to NPDES compliance requirements.

A portion of the services described above are not performed on an annual basis but rather on a periodic basis such as minor repairs to the storm drain inlets, catch basins and outlets, and the funds necessary for these activities are collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund of the District (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

4. ESTIMATE OF COSTS

BUDGET	FY 2018/19		
	Zone A (Senior Housing)	Zone B (SF-Residential)	Total Assessed
DIRECT COSTS			
Street, Roads & Storm Drain Improvements			
Drainage Maintenance Services	\$0	\$7,100	\$7,100
Street Sweeping Services	640	960	1,600
Inspection & Operational Services- Roads, Drainage	3,120	4,680	7,800
Inspection & Operational Services- Bridges	0	0	0
Total Annual Direct Costs	\$3,760	\$12,740	\$16,500
ADMINISTRATION EXPENSES			
City Annual Administration	\$800	\$800	\$1,600
Engineer's Report & Services	1,600	1,600	3,200
Public Noticing	150	150	300
Total Annual Administration Costs	\$2,550	\$2,550	\$5,100
Capital Improvement Project: Slurry Seal	0	0	0
TOTAL DIRECT & ADMINISTRATION COSTS	\$6,310	\$15,290	\$21,600
CAPITAL RESERVE COLLECTIONS/(USES)			
Collection for Street Surface Activities	\$5,649	\$8,474	\$14,123
Collection for Street Re-striping	35	54	89
Collection for Repair Activities: Curbs, Gutters, Approaches & Sidewalks	120	179	299
Collection for Debris Removal	0	317	317
Collection for Bridges	2,480	1,520	4,000
Collection for Storm Drain Infrastructure	0	114	114
Total Annual Capital Reserve Collections/(Uses)	\$8,284	\$10,658	\$18,942
LEVY ADJUSTMENTS			
Interest Income - Improvement Fund	(\$1,677)	(\$2,135)	(\$3,812)
Interest Income - Operating Reserve Fund	(\$74)	(\$94)	(\$168)
Improvement Fund (Use)	(\$0)	(\$6,000)	(\$6,000)
Operating Reserve Fund Collection (Use)	0	0	0
Total Levy Adjustments	(\$1,751)	(\$8,229)	(\$9,980)
BALANCE TO LEVY	\$12,843	\$17,719	\$30,562
DISTRICT STATISTICS			
Total Parcels	61	28	
Parcels Levied	60	26	
Total EBU	37.5	26	
Levy per EBU ⁽¹⁾	\$342.48	\$681.49	
Maximum Levy per EBU	\$734.29	\$907.82	
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance	\$5,573	\$4,502	\$10,075
Operational Reserve Interest	\$74	\$94	\$168
Use of Operational Reserve Interest	(\$74)	(\$94)	(\$168)
Operational Reserve Collection (Use)	0	0	0
Ending Operating Reserve Balance	\$5,573	\$4,502	\$10,075
Beginning Improvement Fund Balance	\$126,977	\$171,496	\$298,473
Improvement Fund Interest	\$1,677	\$2,135	3,812
Use of Improvement Fund Interest	(\$1,677)	(\$2,135)	(3,812)
Improvement Fund Collection (Use)	8,284	4,658	12,942
Ending Improvement Fund Balance	\$135,261	\$176,154	\$311,415

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel

5. METHOD OF ASSESSMENT

General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation and servicing of drainage and flood control improvements as well as streets, roads and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service”.

Furthermore:

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized ... is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments.... The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

Benefit Analysis

Each of the proposed improvements and services, and the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1982 Act and the California Constitution. The street and storm drain improvements associated with this District were necessary and essential requirements for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. As such the ongoing operation, servicing and maintenance of those improvements would otherwise be the direct financial obligation of each individual property owner. Since each parcel to be assessed within the District could not have been developed in the absence of these improvements and facilities, each parcel has a direct investment in the proper maintenance of the improvements that is over and above any general benefits that may be conferred by such improvements and services.

The ongoing maintenance and servicing of the District improvements is an integral part of the appearance, use and preservation of the properties within the District and such services to be funded by annual assessments confer a particular and distinct special benefit to those parcels. The proper maintenance of streets and appurtenant facilities allows individual parcels to be used to their fullest extent by ensuring the safe and efficient movement of people and goods to and from the benefiting properties Likewise, the maintenance and servicing of the storm drain system ensures proper water flow and control of excess water during periods of rain, which is essential to preservation and protection of private property. Together the maintenance and servicing of the streets and storm drain system contributes to a specific enhancement of each of the parcels within the District and the absence of adequate maintenance and servicing of the District improvements could

eventually have a negative impact on properties within the District.

Although the improvements may include public streets and storm drain facilities that connect to similar facilities outside the District boundaries, it is clear that the construction and installation of these improvements were only necessary for the development of properties within the District. As such, these improvements were not required nor necessarily desired by any properties or developments outside the District boundary and any public access or use of the improvements by others is incidental. Therefore, it has been determined that the ongoing maintenance, servicing and operation of the District improvements provide no measurable general benefit to properties outside the District or to the public at large, but clearly provide distinct and special benefits to properties within the District. Any improvement or portion thereof (particularly off-site storm drain facilities) that may be considered general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within this District. However, the costs associated with installation or improvement of any off-site facilities that benefit the parcels within this District as well as other properties (shared benefit) may be allocated to the parcels within the District based on their proportional special benefit from such improvements.

Assessment Methodology

The costs associated with the improvements and services shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed land use of that parcel as compared to other properties within the District based on similarities and differences in parcel land use.

Zones of Benefit:

While it has been determined that the improvements to be maintained by the District are entirely a special benefit to properties within the District (No measurable general benefit), upon review of the various improvements, the location and need for such improvements and the proposed development of properties within the District it has been determined that the improvements and services that will benefit the single-family residential properties are not identical to the improvements and services that will benefit the senior housing development, although they do share in the benefit of some of the improvements. Therefore, it has been determined that two separate zones of benefit are required to appropriately allocate the costs of maintaining the improvements and establish proportional special benefit assessments. The properties associated with the senior housing development have been identified and designated as "Zone A", and the single-family residential properties within Tract 2498 have been identified and designated as "Zone B" based on the improvements associated with those properties.

- (1) Zone A (Senior Housing Portion of Tract 2489)** — It has been determined that these properties benefit and shall proportionately share in the costs associated with maintaining and servicing the Upper Bridge Crossing, El Camino Real and the western portion of Ferrocarril Road leading into these properties. It has also been determined that the construction of the Graves Creek Bridge was only necessary for the development of these properties and therefore the cost to service and maintain this facility shall be entirely allocated to these properties. Conversely, the storm drain improvements that will be maintained by the City within Tract 2498 have been constructed as part

of developing the twenty-six single-family residential properties and it has been determined that the senior housing properties do not receive direct and special benefit from those particular improvements. While these properties will not be assessed for the storm drain improvements, it should be noted that some storm drain facilities will be constructed as part of the senior housing development; however these improvements are not included in this District and will be provided and maintained by a Homeowner's Association or similar entity.

- (2) Zone B (Single-Family Residential Portion of Tract 2498)** — Along with the properties in Zone A, the single-family residential properties within Tract 2498 benefit and shall proportionately share in the costs associated with maintaining and servicing the Upper Bridge Crossing and El Camino Real. In addition, the overall development of these particular properties required the construction and installation of the street improvements on Ferrocarril Road and De Anza Court as well as the entire storm drain system to be maintained by the District. Therefore the cost of maintaining and servicing these particular improvements shall be budgeted and allocated proportionately to only those properties in Zone B. Conversely, the construction of the Graves Creek Bridge was only necessary for the development of the senior housing and the properties within Zone B will not share in the cost of maintaining this particular facility.

Equivalent Benefit Units:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1982 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

EBU Application by Land Use:

- (1) Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.0 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against (i.e. Equivalent Benefit Unit "EBU").
- (2) 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. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobilehome parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately 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 Edition). These various studies indicate that 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 this District, an appropriate allocation of special benefit for multi-family residential properties as compared to a single-family residential property is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for the remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both 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 an APN. (There is no adjustment for parcels with more than five units).
- (4) Modified Housing/Senior Housing Units** — Modified Housing or Senior Housing is generally defined as residential units that would typically be classified as Condominiums or Town-homes, but have specific deed restrictions that may limit the size or use of all units within the development. This classification is not applicable to individual single-family residential parcels unless all single-family residential parcels within that particular development or subdivision have the same restrictions. (For example: One or more single-family units within a subdivision that are deed restricted as “Affordable Housing” or “Senior Housing” does not qualify for this land use classification, unless all the units within that development have the same or similar deed restrictions.) Since this classification generally involves Condominium or Town-home type properties, that are generally assigned 0.75 EBU, it has been determined that an appropriate allocation of special benefit for modified housing units or senior housing units is best represented by an assignment of 0.625 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to a single APN.
- (5) 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 District. 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 proportionately 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, multi-family units to be developed).
- (6) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the

total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.0 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.0 EBU (parcels in excess of 25 acres are assigned 25.0 EBU). Parcels less than one acre, shall be assigned a minimum of 1.0 EBU (similar to a vacant lot within a residential tract).

(7) Exempt Parcels — This land use identifies properties that are not assessed and are assigned 0.0 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, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District.;
-) Private properties that cannot be developed independently from 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, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(8) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do 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 classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

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

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

The total number of Equivalent Benefit Units (EBU's) is the sum of the 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 that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

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

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

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a

summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to the future assessments and is generally defined:

-) If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
-) The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area from February to February. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Beginning with fiscal year 2006/2007 and each fiscal year thereafter, the Maximum Assessment Rate has been recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate is calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications is permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Street and Storm Drain Maintenance District No. 03 (De Anza Estates) consist of the lots, parcels and subdivisions of land located in the residential development known as De Anza Estates, Tract 2498. The District covers approximately seventy-six acres (75.79 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.

7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

CITY OF ATASCADERO
Street and Storm Drain Maintenance District No. 03
(De Anza Estates)

Fiscal Year 2018/2019 Assessment Roll

Assessor's Parcel Number	Benefit Zone	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ⁽¹⁾
049-043-003	B	0	\$ -	\$ -
049-043-004	B	0	-	-
049-044-002	B	1	907.82	681.49
049-044-003	B	1	907.82	681.49
049-044-004	B	1	907.82	681.49
049-044-005	B	1	907.82	681.49
049-044-006	B	1	907.82	681.49
049-044-007	B	1	907.82	681.49
049-044-008	B	1	907.82	681.49
049-044-009	B	1	907.82	681.49
049-044-010	B	1	907.82	681.49
049-044-011	B	1	907.82	681.49
049-044-012	B	1	907.82	681.49
049-044-013	B	1	907.82	681.49
049-044-014	B	1	907.82	681.49
049-044-015	B	1	907.82	681.49
049-044-016	B	1	907.82	681.49
049-044-017	B	1	907.82	681.49
049-044-018	B	1	907.82	681.49
049-044-019	B	1	907.82	681.49
049-044-020	B	1	907.82	681.49
049-044-021	B	1	907.82	681.49
049-044-022	B	1	907.82	681.49
049-044-023	B	1	907.82	681.49
049-044-024	B	1	907.82	681.49
049-044-025	B	1	907.82	681.49
049-044-026	B	1	907.82	681.49
049-044-033	B	1	907.82	681.49
049-046-001	A	0	-	-
049-046-002	A	0.625	458.93	214.05
049-046-003	A	0.625	458.93	214.05
049-046-004	A	0.625	458.93	214.05
049-046-005	A	0.625	458.93	214.05
049-046-006	A	0.625	458.93	214.05
049-046-007	A	0.625	458.93	214.05
049-046-008	A	0.625	458.93	214.05
049-046-009	A	0.625	458.93	214.05



Assessor's Parcel Number	Benefit Zone	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ⁽¹⁾
049-046-010	A	0.625	458.93	214.05
049-046-011	A	0.625	458.93	214.05
049-046-012	A	0.625	458.93	214.05
049-046-013	A	0.625	458.93	214.05
049-046-014	A	0.625	458.93	214.05
049-046-015	A	0.625	458.93	214.05
049-046-016	A	0.625	458.93	214.05
049-046-017	A	0.625	458.93	214.05
049-046-018	A	0.625	458.93	214.05
049-046-019	A	0.625	458.93	214.05
049-046-020	A	0.625	458.93	214.05
049-046-021	A	0.625	458.93	214.05
049-046-022	A	0.625	458.93	214.05
049-046-023	A	0.625	458.93	214.05
049-046-024	A	0.625	458.93	214.05
049-046-025	A	0.625	458.93	214.05
049-046-026	A	0.625	458.93	214.05
049-046-027	A	0.625	458.93	214.05
049-046-028	A	0.625	458.93	214.05
049-046-029	A	0.625	458.93	214.05
049-046-030	A	0.625	458.93	214.05
049-046-031	A	0.625	458.93	214.05
049-046-032	A	0.625	458.93	214.05
049-046-033	A	0.625	458.93	214.05
049-046-034	A	0.625	458.93	214.05
049-046-035	A	0.625	458.93	214.05
049-046-036	A	0.625	458.93	214.05
049-046-037	A	0.625	458.93	214.05
049-046-038	A	0.625	458.93	214.05
049-046-039	A	0.625	458.93	214.05
049-046-040	A	0.625	458.93	214.05
049-046-041	A	0.625	458.93	214.05
049-046-042	A	0.625	458.93	214.05
049-046-043	A	0.625	458.93	214.05
049-046-044	A	0.625	458.93	214.05
049-046-045	A	0.625	458.93	214.05
049-046-046	A	0.625	458.93	214.05
049-046-047	A	0.625	458.93	214.05
049-046-048	A	0.625	458.93	214.05
049-046-049	A	0.625	458.93	214.05
049-046-050	A	0.625	458.93	214.05
049-046-051	A	0.625	458.93	214.05



Assessor's Parcel Number	Benefit Zone	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment ⁽¹⁾
049-046-052	A	0.625	458.93	214.05
049-046-053	A	0.625	458.93	214.05
049-046-054	A	0.625	458.93	214.05
049-046-055	A	0.625	458.93	214.05
049-046-056	A	0.625	458.93	214.05
049-046-057	A	0.625	458.93	214.05
049-046-058	A	0.625	458.93	214.05
049-046-059	A	0.625	458.93	214.05
049-046-060	A	0.625	458.93	214.05
049-046-061	A	0.625	458.93	214.05
Totals		63.5	\$ 51,139.12	\$ 30,561.74

(1) Slight variance in charge or total budget are due to rounding for placement on the tax rolls.

DRAFT RESOLUTION C

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE FINAL ENGINEER'S REPORT REGARDING THE LANDSCAPING AND LIGHTING DISTRICT NO. 03 (DE ANZA ESTATES), AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO IN FISCAL YEAR 2018/2019

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as the "City Council"), pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code, did by previous Resolution order the Engineer, NBS, to prepare and file a report in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500, in connection with the proposed levy for Landscaping and Lighting District No. 03 (De Anza Estates) (hereafter referred to as the "District") and the collection of assessments related thereto for the fiscal year starting July 1, 2018 and ending June 30, 2019; and

WHEREAS, the Engineer has prepared and filed with the City Clerk of the City of Atascadero and the City Clerk has presented to the City Council such report entitled "Engineer's Annual Levy Report for the Landscaping and Lighting District No. 03 (De Anza Estates), Fiscal Year 2018/2019" (hereafter referred to as the "Engineer's Report") in accordance with the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"); and

WHEREAS, the City Council has carefully examined and reviewed the Engineer's Report as presented, and is satisfied with the items and documents as set forth therein, and finds that the levy of assessments has been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Engineer's Report as presented, consists of the following:

- a) Plans and specifications that describe the District and Improvements.
- b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements and the calculations used to establish each parcel's proportional special benefit assessment as well as a description of the assessment range formula that establishes the maximum assessment rate in subsequent fiscal years.
- c) The Budget that outlines the costs and expenses to service, and maintain the improvements including incidental expenses authorized by the Act to operate the District.
- d) An Assessment Diagram that identifies the boundaries of the District.

e) An Assessment Roll containing each of the Assessor Parcel Numbers that comprise the District and the proportional maximum assessment and annual assessment for Fiscal Year 2018/2019.

SECTION 3. The Engineer’s Report as presented, is hereby approved, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the adoption and approval of the Engineer’s Report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ORDERING THE LEVY AND
COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2018/2019 FOR
LANDSCAPING AND LIGHTING DISTRICT NO. 03
(DE ANZA ESTATES)**

WHEREAS, the City Council of the City of Atascadero, California (hereafter referred to as City Council) has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the Landscaping and Lighting District No. 03 (De Anza Estates) (hereafter referred to as the "District") for Fiscal Year 2018/2019, said fiscal year commencing July 1, 2018 and ending June 30, 2019; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereinafter referred to as the "Act") to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting and appurtenant facilities related thereto; and

WHEREAS, the Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council an Engineer's Report in connection with the proposed levy of special benefit assessments upon eligible parcels of land within the District, and the City Council did by previous Resolution adopt and approve said Engineer's Report; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2018 and ending June 30, 2019, to pay the costs and expenses of operation, maintenance, repair and servicing of local landscaping, street lighting, and appurtenant facilities related thereto; and

WHEREAS, the City and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Section XIID of the California State Constitution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding its Resolution approving the Engineer's Report prepared in connection with the levy and collection of assessments, and considered the oral and written statements, protests and communications made or filed by interested persons.

SECTION 2. Based upon its review of the Engineer's Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

a) The land within District will receive special benefit by the operation, maintenance and servicing of improvements to be provided by the District.

b) The net amount to be assessed upon the lands within the District is in accordance and apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration and servicing of the improvements that may include, but is not limited to local street lights, landscaping, parks and open space areas within the District and appurtenant facilities related thereto.

SECTION 4. The maintenance, operation and servicing of improvements shall be performed pursuant to the Act and the County Auditor of San Luis Obispo County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City.

SECTION 5. The City shall deposit the money representing assessments collected by the County for the District to the credit of a fund for the Landscaping and Lighting District No. 03 (De Anza Estates), and such money shall be expended for the maintenance, operation and servicing of the improvements as described in the Engineers Report and generally described in Section 3 of this Resolution.

SECTION 6. The adoption of this Resolution constitutes the levy of assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019.

SECTION 7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor, per Sections 22645-22647 of the Act, upon adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

CITY OF ATASCADERO

Landscaping and Lighting District District No. 03 (De Anza Estates)

2018/19 Engineer's Report

May 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



CITY OF ATASCADERO
Landscaping & Lighting District No. 03
(De Anza Estates)

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CITY COUNCIL

Tom O'Malley, Mayor

Roberta Fonzi, Mayor Pro Tem

Charles Bourbeau, Council Member

Heather Moreno, Council Member

Brian Sturtevant, Council Member

AGENCY STAFF

Rachelle Rickard, City Manager

Jeri Rangel, Administrative Services Director

Cindy Chavez, Deputy Director of Administrative Services

NBS

Danielle Wood, Client Services Director

Adina McCargo, Senior Consultant

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1. ENGINEER’S LETTER

WHEREAS, on August 9, 2005 by Resolution No. 2005-074, the City Council of the City of Atascadero (the “City”), State of California, in accordance with and pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500 (the “1972 Act”) established the City of Atascadero Landscaping and Lighting District No. 03 De Anza Estates (the “District”); and

WHEREAS, on May 8, 2018, the City Council, under the 1972 Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report for the District; and

WHEREAS, the Resolution Initiating Proceedings directed NBS to prepare and file a report describing the general nature, location, and extent of the improvements to be maintained; an estimate of the costs of the maintenance, operations, and servicing of the improvements for the District for the referenced fiscal year; a diagram for the District, showing the area and properties to be assessed; and an assessment of the estimated costs of the administration, maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer’s Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received. The following table summarizes the proposed assessment for Fiscal Year 2018/19:

FY 2018/19 Budget Summary

Description	Total Costs	Costs Not Assessed	Proposed Assessment	Total Benefit Units	Maximum Rate	Proposed Rate Per BU
Annual Maintenance	\$11,923	\$1,208	\$10,715			
Administration	6,220	0	6,220			
Levy Adjustments	(2,268)	(1,208)	(1,060)			
Total	\$15,875	\$0	\$15,875	63.5	\$1,301.70	\$250.00

I, the undersigned, respectfully submit the enclosed Engineer’s Report and, to the best of my knowledge, information, and belief, the Engineer’s Report, Assessments, and the Assessment Diagram herein have been prepared, computed, and levied in accordance with the assessment methodology adopted, approved, and ordered by the City Council of the City of Atascadero and the 1972 Act.

 City Engineer

2. EXECUTIVE SUMMARY

Pursuant to the provisions of the Landscaping and *Lighting Act of 1972*, being *Part 2 of Division 15* of the *California Streets and Highways Code*, commencing with *Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID (hereafter referred to as “Article XIID”), the City Council of the City of Atascadero, County of San Luis Obispo, State of California (hereafter referred to as “City”), executed the proceedings required for the establishment of the special benefit assessment district designated as:

Landscaping and Lighting District No. 03 (De Anza Estates)

(hereafter referred to as the “District”), which includes the lots and parcels of land within the residential subdivision known as De Anza Estates, Tract 2498 within the City limits of the City. This Engineer’s Report (hereafter referred to as the “Report”) has been prepared in connection with the levy and collection of annual assessments related thereto for fiscal year 2018/19, as required pursuant to Chapter 1, Article 4 of the 1972 Act.

The City Council formed the District, and provided for the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the substantive and procedural provisions of Article XIID.

This Report describes the District, the improvements, and the proposed assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The annual assessments will provide a funding source for the continued operation and maintenance of public landscaping and lighting improvements installed in connection with the development of properties within the District.

The improvements and assessments described in this Report are based on the planned development of properties within the District and represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements. The boundaries of the District, the proposed improvements, the method of apportionment, and assessments described herein are based on current development plans and specifications for Tract 2498; and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the San Luis Obispo County Assessor’s Office. The San Luis Obispo County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of the District formation, the City of Atascadero conducted a Property Owner Protest Ballot proceeding for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing on August 9, 2005 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received were opened and tabulated to determine whether majority protest existed (ballots were weighted based on assessment amounts), and by resolution the City Council confirmed the results of the ballot tabulation. Tabulation of the ballots indicated that majority protest did not exist for

the proposed assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments. The assessments for fiscal year 2005/2006 were submitted to the San Luis Obispo County Auditor/Controller for inclusion on the property tax roll for each parcel.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District any changes to the District or improvements and the proposed budget and assessments for that fiscal year and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments. If the proposed assessments for the District exceed the maximum assessment described herein (as approved by the property owners), the new or increased assessment must be confirmed through another property owner protest ballot proceeding before such an assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

3. PLANS AND SPECIFICATIONS

Description of the District

The territory within the District consists of the lots, parcels and subdivisions of land within the proposed residential subdivision known as the De Anza Estates, Tract 2498, which encompasses an area of land totaling approximately seventy-six acres (75.76 acres).

This subdivision is planned to include twenty-six (26) Single-Family Residential Units and sixty (60) Modified Housing/Senior Housing Units at build-out. The planned subdivision is situated in the northern portion of the City of Atascadero northeast of Highway 101 and is generally located:

-) At the North end of El Camino Real;
-) North and East of U.S. HWY 101; and,
-) South and West of the Salinas River.

Improvements and Services Authorized by The 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and associated assessments may include one or more of the following:

- 1) The installation or planting of landscaping;
- 2) The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- 3) The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- 4) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- 5) The installation of park or recreational improvements, including, but not limited to, all of the following:
 - a) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - b) Lights, playground equipment, play courts, and public restrooms.
- 6) The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.
- 7) The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - a) Repair, removal, or replacement of all or any part of any improvements;
 - b) Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - c) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;

- d) The removal of trimmings, rubbish, debris, and other solid waste;
 - e) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - f) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - g) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.
- 8) Incidental expenses associated with the improvements including, but not limited to:
- a) The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - b) The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - c) Compensation payable to the County for collection of assessments;
 - d) Compensation of any engineer or attorney employed to render services;
 - e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - f) Costs associated with any elections held for the approval of a new or increase assessment.

Description of Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and street lighting improvements established or installed in connection with development of properties within the District. The improvements may consist of all or a portion of the public landscaped areas, street lighting and appurtenant facilities within and adjacent to the District (Tract 2498). These improvements generally include, but are not limited to the materials, equipment, utilities, labor, appurtenant facilities and expenses necessary for the ongoing maintenance and operation of public street lighting as well as landscaped parkways, medians, slopes, trails, park areas, drainage basins, open space areas and other designated easements or right-of-ways constructed and installed as part of the development plans and agreements approved for the development of each lot and parcel within the District. The improvements to be maintained and funded entirely or partially through the District assessments are generally described as:

-) Streetscape landscaping including street trees located on the perimeter of the development and interior streets of Tract 2498 that are within the public right-of-ways or easements and dedicated to the City for maintenance;
-) Open space areas and fuel modification areas within or adjacent to the District boundaries;
-) Park areas, recreational equipment, trails and landscaped drainage facilities developed and constructed as part of developing properties within Tract 2498; Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
-) Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provided by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner's Association or similar entity.

-) Public lighting facilities including street lighting, safety lighting and ornamental lighting installed as part of the residential development or landscaped improvement areas;
-) Appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements;
-) Specifically not included as District improvements are those improvements located on private property, improvements and facilities that may be provided or maintained by an agency other than the City; improvements and facilities that may be provide by another assessment or tax levied by the City or any improvement provided and maintained by a Homeowner’s Association or similar entity.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received.

Landscape Improvements

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, trees, irrigation and drainage systems, ornamental lighting, masonry walls or other fencing, hardscape improvements, monuments, and associated appurtenant facilities located within the landscape easements or public right-of-ways. Specifically the landscape improvement areas for this District are identified as:

-) Approximately 43,560 square feet of streetscape (parkway embankment) landscaping within the public right-of-ways located on El Camino Real within the boundaries of Tract 2498;
-) An estimated 150 trees, including trees within the landscaped area on El Camino Real, various trees within the open space area and the street trees within the street right-of-way on Ferrocarril Road;
-) Approximately 175,550 square feet (4.03 acres) of landscaped area in and around the two (2) drainage basins within Tract 2498;
-) Approximately fifty-one (51) acres of non-irrigated open space area;
-) Approximately 48,000 square feet of paved and unpaved trails; and 2,600 linear feet of steel rail fencing along the trail system and landscaped areas.

Public Lighting Improvements

The approved development plans for Tract 2498 do not include any proposed street light facilities.

4. ESTIMATE OF COSTS

BUDGET	Total Budget	Costs Not Assessed	Fiscal Year 2018/19
DIRECT COSTS			
Annual Maintenance			
Landscape Services	\$4,830	\$708	\$4,122
Landscape Supplies	840	0	840
Landscape Utilities	500	0	500
City Landscape Services	9,160	0	9,160
Maintenance	830	0	830
Total Annual Direct Costs	\$16,160	\$708	\$15,452
CAPITAL EXPENDITURES			
Special Projects	\$5,000	\$0	\$5,000
Total Annual Capital Expenditures	\$5,000	\$0	\$5,000
ADMINISTRATION EXPENSES			
Annual Administration Expenses			
City Annual Administration	\$2,100	\$0	\$2,100
Engineer's Report & Services	3,970	0	3,970
Public Noticing	150	0	150
Total Annual Administration Costs	\$6,220	\$0	\$6,220
TOTAL DIRECT & ADMINISTRATION COSTS	\$27,380	\$708	\$26,672
CAPITAL RESERVE COLLECTIONS/(USES)			
Landscape Rehabilitation/Replacement	\$2,938	\$0	\$2,938
Trail & Pathway Rehabilitation/Replacement	1,000	500	500
Park & Open Space Rehabilitation/Replacement	707	0	707
Tree Rehabilitation/Replacement	1,207	0	1,207
Park Rehabilitation/Replacement	762	0	762
Reserve Collection (Use)	(15,851)	0	(15,851)
Total Annual Capital Reserve Collections/(Uses)	(\$9,237)	\$500	(\$9,737)
LEVY ADJUSTMENTS			
Interest Income - Improvement Fund	(\$901)	\$0	(\$901)
Interest Income - Operating Reserve Fund	(159)	0	(159)
Contributions from Other Sources	(1,208)	(1,208)	0
Total Levy Adjustments	(\$2,268)	(\$1,208)	(\$1,060)
BALANCE TO LEVY	\$15,875	\$0	\$15,875
DISTRICT STATISTICS			
Total Parcels			89
Parcels Levied			86
Total EBU			63.5
Levy per EBU ⁽¹⁾			\$250.00
Maximum Levy per EBU			\$1,301.70
FUND BALANCE INFORMATION			
Beginning Operating Reserve Balance			\$14,547
Operational Reserve Interest			159
Use of Operational Reserve Interest			(159)
Operational Reserve Collection (Use)			0
Estimated Ending Operating Reserve Balance			\$14,547
Beginning Improvement Fund Balance			\$90,348
Improvement Fund Interest			901
Use of Improvement Fund Interest			(901)
Improvement Fund Collection (Use)			(9,237)
Estimated Ending Improvement Fund Balance			\$81,111

(1) Levy per EBU rate does not include the County of San Luis Obispo fee of \$2.00 per parcel.

5. METHOD OF ASSESSMENT

General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and have been established pursuant to the 1972 Act and the provisions of Article XIII D. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the 1972 Act and Article XIII D. The improvements provided by this District and for which properties will be assessed have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the development plans and applicable portions of the City General Plan. 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 these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are a distinct and special benefit to the properties within the District. Any improvement or portion thereof that is considered to be of general benefit shall be funded by other revenue sources and not included as part of the special benefit assessments allocated to properties within the District.

Special Benefit

The method of apportionment (method of assessment) established herein is based on the premise that each assessed parcel within the District receives special benefits from the improvements and the desirability and security of those properties is enhanced by the presence of public lighting and well-maintained landscaping in close proximity to those properties.

The special benefits associated with landscape improvements are specifically:

-) Enhanced desirability of properties through association with the improvements.
-) Improved aesthetic appeal of properties providing a positive representation of the area and properties.
-) Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

-) Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
-) Increased sense of pride in ownership of property within the District resulting from well-maintained improvements associated with the properties.
-) Enhanced quality of life through well-maintained green space and landscaped areas.
-) Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
-) Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The special benefits of street lighting and other public lighting facilities are the convenience, safety, and security of property, improvements, and goods. Specifically:

-) Enhanced deterrence of crime and the aid to police protection.
-) Increased nighttime safety on roads, streets and public areas.
-) Improved ability of pedestrians and motorists to see.
-) Improved ingress and egress to property.
-) Reduced vandalism and other criminal act and damage to improvements or property.
-) Improved traffic circulation and reduced nighttime accidents and personal property loss.

The preceding special benefits contribute to the esthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement of the properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the District improvements would have a negative impact on the properties within the District.

General Benefit

Upon reviewing each of the District improvements, the proximity of those improvements to both properties within the District and those outside the District as well as the reasons for installing, constructing and maintaining such improvements, it is evident that the properties within the District receive special benefit from those improvements. While the District improvements clearly include public areas, easements, right-of-ways and other amenities available or visible to the public at large, the landscaped areas, trails, detention basin as well as the need to increase maintenance activities within the open space areas resulted solely from the development of properties within the District and would otherwise not have been required nor necessarily desired by any properties or developments outside the District and any public access or use of the improvements by others is incidental. Therefore, it has been determined that these improvements and the ongoing maintenance, servicing and operation of those improvements provide no measurable general benefit to properties outside the District or to the public at large. However, while this development has facilitated a need for increased maintenance of the open space area associated with Tract 2498, it is also recognized that land conservation and ensuring adequate open space areas within the City does have some indirect, but not quantifiable, benefit to the community at large. Therefore, while the entire cost to maintain the open space area as well as the Horse Arena facility have been incorporated into the District budget, the annual cost to maintain the arena and a portion of the open space area are not included in the proposed special benefit assessments. Should the City require maintenance of these areas, the associated costs will be funded by other revenue sources available to the City.

Assessment Methodology

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

The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Article XIID Section 4, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

To identify and determine the special benefit to be received by each parcel and their proportionate share of the improvement costs it is necessary to consider the entire scope of the planned improvements as well as individual property development within the District. Upon review of the proposed improvements it has been determined that each of the residential parcels within the District receives special benefits from the improvements to be funded by annual assessments and based on the planned property development a single zone of benefit is appropriate for the allocation of the assessments and proportional benefit.

Equivalent Benefit Units:

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of the other properties within the District. The method of apportionment established for most districts formed under the 1972 Act utilizes a weighted method of apportionment known as an Equivalent Benefit Unit methodology that uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Benefit Unit (EBU) and the other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

Although the Equivalent Benefit Unit method of apportioning special benefit is most commonly used and applied to districts that have a wide range of land use classifications (residential and non-residential use), this District is comprised of only residential properties and the following apportionment analysis of special benefit addresses only residential land uses. Not all land use types described in the following are necessarily applicable to the development of properties within this District, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the District.

- (1) **Single-family Residential** — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that the other properties are compared and weighted against regarding special benefit.
- (2) **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. (This land use typically includes apartments, duplexes, triplex etc., but does not generally include condominiums, town-homes or mobile home parks). Based on average population densities and size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionately 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 Edition). These various studies indicate that 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 this District, an appropriate allocation of special benefit for multi-family 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 50 units; 0.50 EBU per unit for units 51 through 100; and 0.25 EBU per unit for remaining units.

- (3) Condominium/Town-home Units** — Condominiums and town-homes tend to share attributes of both 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 an APN. (There is no adjustment for parcels with more than five units).
- (4) Modified Housing/Senior Housing Units** — Modified Housing or Senior Housing is generally defined as residential units that would typically be classified as Condominiums or Town-homes, but have specific deed restrictions that may limit the size or use of all units within the development. This classification is not applicable to individual single-family residential parcels unless all single-family residential parcels within that particular development or subdivision have the same restrictions. (For example: One or more single-family units within a subdivision that are deed restricted as “Affordable Housing” or “Senior Housing” does not qualify for this land use classification, unless all the units within that development have the same or similar deed restrictions.) Since this classification generally involves Condominium or Town-home type properties, that are generally assigned 0.75 EBU, it has been determined that an appropriate allocation of special benefit for modified housing units or senior housing units is best represented by an assignment of 0.625 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to a single APN.
- (5) 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 District. 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 proportionately 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, multi-family units to be developed).
- (6) Vacant Residential** — This land use is defined as property currently zoned for residential development, but a tentative or final tract map for the property has not yet been approved. Based

upon the opinions of professional appraisers who appraise market property values for real estate in California, the land value portion of a property typically ranges from 20 to 30 percent of the total value of a developed residential property (the average is about 25 percent). Although the assessed value of an individual property is not a direct reflection of the property's special benefit, this general correlation between land value and structure value does provide a reasonable basis for apportioning special benefit for vacant residential properties. Utilizing this twenty-five percent (25%) apportionment and the number of single-family residential units typically developed per acre of land (an average of 4 residential units per acre) an Equivalent Benefit Unit of 1.00 EBU per acre (4 units per acre x 25%) is derived and presents an appropriate apportionment of special benefit for vacant residential properties. Recognizing that the full and timely utilization of vacant property is reduced as the size of the property increases, it has been determined that the maximum EBU assigned to a vacant residential parcel shall not exceed 25.00 EBU (parcels in excess of 25 acres are assigned 25.00 EBU). Parcels less than one acre, shall be assigned a minimum of 1.00 EBU (similar to a vacant lot within a residential tract).

(7) 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:

- J Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- J Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
- J Private properties that cannot be developed independently from 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, but shall be reviewed annually by the assessment engineer to confirm the parcels' current development status. Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

(8) Special Cases — In many districts where multiple land use classifications are involved, there are usually one or more properties for which the standard land use classifications do 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 classifications and the Equivalent Benefit Unit calculations previously outlined.

Property Type	Equivalent Benefit Units	Multiplier
Single-family Residential	1.00	Per Unit/Lot/Parcel
Multi-family Residential	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Condominium/Townhome Units	0.75	Per Unit
Planned Residential Development	1.00	Per Planned SF Residential Lot
	0.75	Per Planned Condominium
	0.75	Per Unit for the First 50 Units
	0.50	Per Unit for Units 51-100
	0.25	Per Unit for all Remaining Units
Vacant Residential Land	1.00	Per Acre
Exempt Parcels	0.00	Per Parcel

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

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

The total number of Equivalent Benefit Units (EBU's) is the sum of the 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 that amount by the total number of EBU's of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

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

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

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (Proposition 218 implementing legislation).

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures,

which could add to the District costs and assessments. As part of the District formation, the notice and assessment ballots presented to the property owners for approval included a maximum assessment amount for fiscal year 2005/2006 (initial maximum assessment), identification of the corresponding maximum assessment rate and a summary of the Assessment Range Formula described herein.

The Assessment Range Formula for this District shall be applied to future assessments and is generally defined:

- J If the proposed annual assessment (levy per EBU) for the upcoming fiscal year is less than or equal to the adjusted Maximum Assessment Rate, then the proposed annual assessment is not considered an increased assessment.
- J The Maximum Assessment Rate is equal to the (Initial) Maximum Assessment Rate established for fiscal year 2005/2006 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-Hayward Area from February to February. The Maximum Assessment rate was increased by 3.56% for fiscal year 2018/19. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

Beginning with the second fiscal year (fiscal year 2006/2007) and each fiscal year thereafter, the Maximum Assessment Rate is recalculated and a new Maximum Assessment Rate is established for the fiscal year utilizing the Assessment Range Formula described above. The Maximum Assessment Rate has been calculated independent of the District's annual budget and proposed assessment. The annual percentage change in CPI is based on available data provided by the U.S. Department of Labor; Bureau of Labor Statistics at the time the annual Report is prepared. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living. In January 2018, BLS introduced a new geographic area sample for the CPI. As part of the change the index for this area was renamed from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward. The metropolitan area is comprised of Alameda, Contra Costa, Marin, San Francisco, San Mateo Counties in the State of California. This CPI will be used going forward.

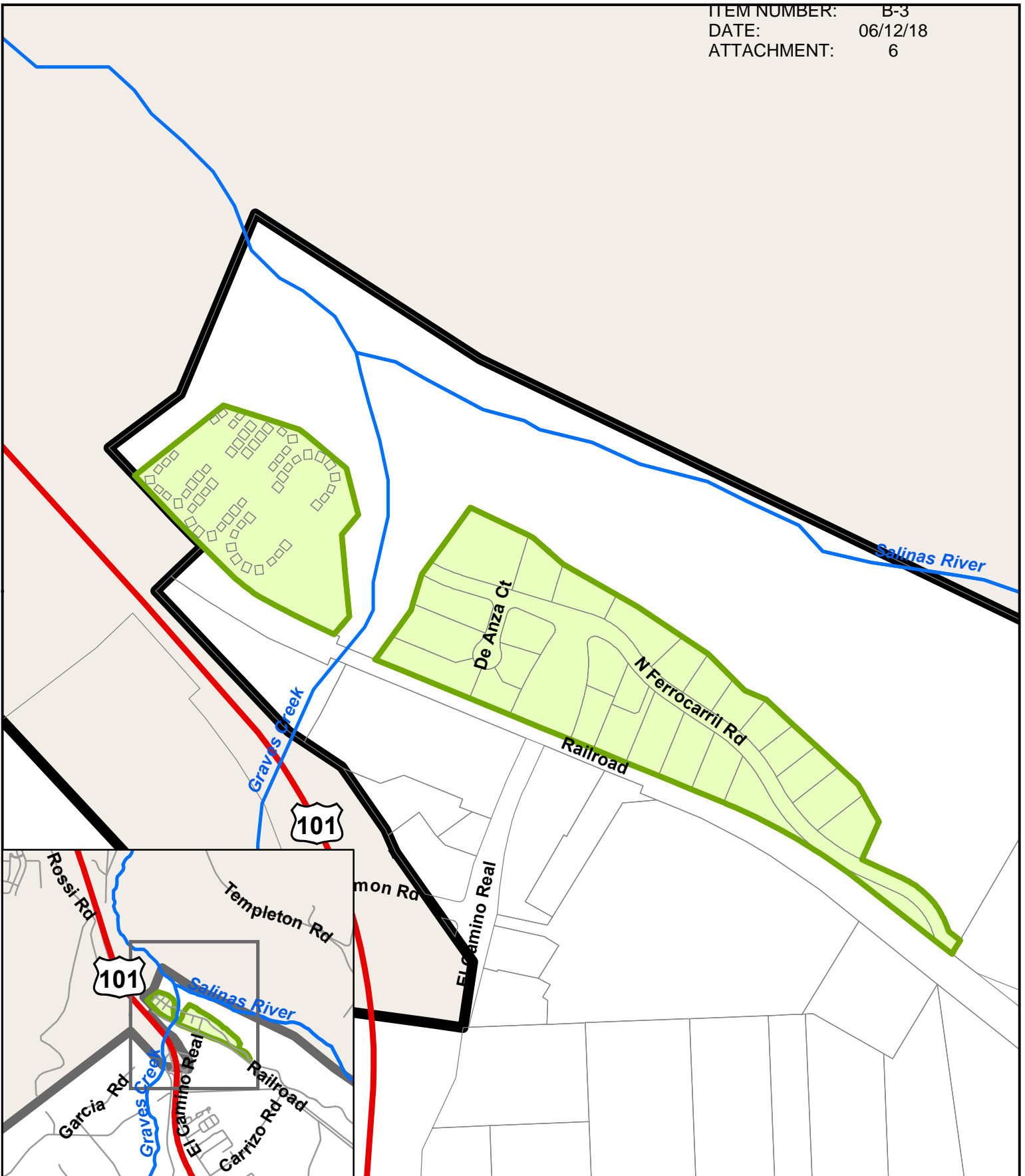
Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rate is not considered an increased assessment, even if the proposed assessment is significantly greater than the assessment applied in the prior fiscal year. Likewise, modifications to the method of apportionment that increase the proportional special benefit assigned to a particular land use classification would be considered an increased assessment. Conversely, reductions in the proportional special benefit assigned to a land use classifications are permitted. Changes in land use or size of an individual property resulting in an assessment increase, is not considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve a proposed new or increased assessment before such an assessment may be imposed.

6. ASSESSMENT DIAGRAM

The parcels within the Landscaping and Lighting District No. 03 De Anza Estates consist of the lots, parcels and subdivisions of land located in the planned residential development known as De Anza Estates, Tract 2498. The District covers approximately seventy-six acres (75.76 acres) in the northern portion of the City of Atascadero.

The following map is based on the District Diagram, the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information and identifies the parcels of land within the proposed District, as the same existed at the time the District was formed. The combination of the District Diagram on file with the City Clerk and the Assessment Roll contained in this Report constitute the District Assessment Diagram.



CITY OF ATASCADERO

DE ANZA ESTATES

Street and Storm Drain Maintenance District No. 3

Landscaping and Lighting District No. 3



7. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

Non-assessable lots or parcels may include, but are not limited to public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas, right-of-ways, common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed or has little or no value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein.

CITY OF ATASCADERO
Landscaping and Lighting District No. 03
(De Anza Estates)
 Fiscal Year 2018/2019 Assessment Roll

Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-043-003	0	\$ -	\$ -
049-043-004	0	-	-
049-044-002	1	1,301.70	250.00
049-044-003	1	1,301.70	250.00
049-044-004	1	1,301.70	250.00
049-044-005	1	1,301.70	250.00
049-044-006	1	1,301.70	250.00
049-044-007	1	1,301.70	250.00
049-044-008	1	1,301.70	250.00
049-044-009	1	1,301.70	250.00
049-044-010	1	1,301.70	250.00
049-044-011	1	1,301.70	250.00
049-044-012	1	1,301.70	250.00
049-044-013	1	1,301.70	250.00
049-044-014	1	1,301.70	250.00
049-044-015	1	1,301.70	250.00
049-044-016	1	1,301.70	250.00
049-044-017	1	1,301.70	250.00
049-044-018	1	1,301.70	250.00
049-044-019	1	1,301.70	250.00
049-044-020	1	1,301.70	250.00
049-044-021	1	1,301.70	250.00
049-044-022	1	1,301.70	250.00
049-044-023	1	1,301.70	250.00
049-044-024	1	1,301.70	250.00
049-044-025	1	1,301.70	250.00
049-044-026	1	1,301.70	250.00
049-044-033	1	1,301.70	250.00
049-046-001	0	-	-
049-046-002	0.625	813.56	156.25
049-046-003	0.625	813.56	156.25
049-046-004	0.625	813.56	156.25
049-046-005	0.625	813.56	156.25
049-046-006	0.625	813.56	156.25
049-046-007	0.625	813.56	156.25
049-046-008	0.625	813.56	156.25
049-046-009	0.625	813.56	156.25



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-046-010	0.625	813.56	156.25
049-046-011	0.625	813.56	156.25
049-046-012	0.625	813.56	156.25
049-046-013	0.625	813.56	156.25
049-046-014	0.625	813.56	156.25
049-046-015	0.625	813.56	156.25
049-046-016	0.625	813.56	156.25
049-046-017	0.625	813.56	156.25
049-046-018	0.625	813.56	156.25
049-046-019	0.625	813.56	156.25
049-046-020	0.625	813.56	156.25
049-046-021	0.625	813.56	156.25
049-046-022	0.625	813.56	156.25
049-046-023	0.625	813.56	156.25
049-046-024	0.625	813.56	156.25
049-046-025	0.625	813.56	156.25
049-046-026	0.625	813.56	156.25
049-046-027	0.625	813.56	156.25
049-046-028	0.625	813.56	156.25
049-046-029	0.625	813.56	156.25
049-046-030	0.625	813.56	156.25
049-046-031	0.625	813.56	156.25
049-046-032	0.625	813.56	156.25
049-046-033	0.625	813.56	156.25
049-046-034	0.625	813.56	156.25
049-046-035	0.625	813.56	156.25
049-046-036	0.625	813.56	156.25
049-046-037	0.625	813.56	156.25
049-046-038	0.625	813.56	156.25
049-046-039	0.625	813.56	156.25
049-046-040	0.625	813.56	156.25
049-046-041	0.625	813.56	156.25
049-046-042	0.625	813.56	156.25
049-046-043	0.625	813.56	156.25
049-046-044	0.625	813.56	156.25
049-046-045	0.625	813.56	156.25
049-046-046	0.625	813.56	156.25
049-046-047	0.625	813.56	156.25
049-046-048	0.625	813.56	156.25
049-046-049	0.625	813.56	156.25
049-046-050	0.625	813.56	156.25
049-046-051	0.625	813.56	156.25



Assessor's Parcel Number	Equivalent Benefit Units	Maximum Assessment	Proposed Assessment
049-046-052	0.625	813.56	156.25
049-046-053	0.625	813.56	156.25
049-046-054	0.625	813.56	156.25
049-046-055	0.625	813.56	156.25
049-046-056	0.625	813.56	156.25
049-046-057	0.625	813.56	156.25
049-046-058	0.625	813.56	156.25
049-046-059	0.625	813.56	156.25
049-046-060	0.625	813.56	156.25
049-046-061	0.625	813.56	156.25
Totals	63.5	\$ 82,657.95	\$ 15,875.00

(1) Slight variance in charge or total budget are due to rounding for placement on the tax rolls.



Atascadero City Council

Staff Report – City Manager’s Office

Atascadero Tourism Business Improvement District Confirmation of Annual Assessment (Fiscal Year 2018-2019)

RECOMMENDATION:

Council adopt Draft Resolution confirming the annual assessment for the Atascadero Tourism Business Improvement District (Fiscal Year 2018-2019).

DISCUSSION:

The City of Atascadero established the Atascadero Tourism Business Improvement District (ATBID) to levy annual assessments under the Parking and Business Improvement Area Law of 1989, by adopting Title 3, Chapter 16 of the Atascadero Municipal Code in April 2013. The activities to be funded by the assessments, on lodging businesses within the ATBID, are tourism promotions and marketing programs to promote the City as a tourism destination. The formation and operation of a Tourism Business Improvement District is governed by the California Streets & Highways Code (Section 36500 et. Seq.).

The City Council appointed ATBID Advisory Board Members to serve at the pleasure of the Council. The Advisory Board is made up of lodging business owners or employees, or other representatives holding the written consent of a lodging business owner within the ATBID area.

The Streets and Highways Code requires that the Advisory Board provide a report to the City Council annually for the expenditure of funds derived from the assessment paid by lodging businesses within the City. The annual report must meet the requirements of the California Streets and Highway Code §36533. The Council received and approved the annual report at its May 22, 2018 meeting. After the approval of the report, the City Council is required to hold a public hearing. The purpose of the public hearing is to receive public comment prior to the assessment being collected.

The Atascadero Tourism Business Improvement District assessments are estimated to be approximately \$266,480 for the fiscal year. This represents the two percent (2%) of the rent charged by the business per occupied room or space per night for transient occupancies.

Following the public hearing, it is staff's recommendation that the Council adopt the proposed Resolution. Adoption of the Resolution constitutes the levying of the assessment.

FISCAL IMPACT:

Annual assessments for 2018/2019 are expected to be approximately \$266,480 and will be assessed as 2% of the rent charged on the occupied rooms and spaces for transient occupancies.

ALTERNATIVES:

The City Council may direct staff to amend the Resolution before adoption.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, CONFIRMING
ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT
(ATBID) ASSESSMENT FOR FISCAL YEAR 2018-2019**

WHEREAS, the City of Atascadero established the Atascadero Tourism Business Improvement District (ATBID) consistent with Section 36500 et seq. of the Streets and Highways Code of the State of California; and

WHEREAS, the City Council has determined to set the assessment at two percent (2%) of the rent charged by the Business per occupied room or space per night for transient occupancies; and

WHEREAS, the purpose of this assessment is to provide tourism promotions and marketing programs to promote the City as a tourism destination pursuant to the Streets & Highways Code of the State of California; and

WHEREAS, the City Council, having received the annual report from the ATBID, adopted Resolution No. 2018-031, declaring intent to levy annual ATBID assessment pursuant to Section 36534 of the California Streets and Highways Code; and

WHEREAS, the City Council did fix a time and place for a public hearing on the levy of the proposed assessment for Fiscal Year 2018-2019; and

WHEREAS, on June 12, 2018, the City Council conducted a public hearing at the date and time for such purpose; and

WHEREAS, the City Council did not receive the required number of protests for the levy of such assessment.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The City Council of the City of Atascadero does hereby confirm the assessment at two percent (2%) of the rent charged by the Business per occupied room or space per night for transient occupancies.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Roberta Fonzi, Mayor Pro Tem

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report – City Manager’s Office

Downtown Parking and Business Improvement Area Confirmation of Annual Assessment (FY 2018-2019)

RECOMMENDATIONS:

Council:

1. Adopt Draft Resolution confirming the annual assessment for the Downtown Parking and Business Improvement Area (Fiscal Year 2018-2019).
2. Authorize the Director of Administrative Services to appropriate \$8,000 of General Fund Reserves monies to the Marketing, Outreach, and Promotions budget.
3. Authorize the Director of Administrative Services to budget \$8,000 in Business Improvement Area revenues and expenses for Fiscal Year 2018-2019.

DISCUSSION:

The City of Atascadero established a Downtown Parking and Business Improvement Area in 1986 (Chapter 11 of the Atascadero Municipal Code) for the purpose of *acquisition, construction or maintenance of parking facilities, decoration of public places, promotion of public events, and general promotion of business activities in the downtown area*. The formation and operation of a Business Improvement Area is governed by the California Streets and Highways Code (Section 36500 et. seq.). The Code requires, the City to levy and collect the assessments, the City Council to adopt an annual Resolution of Intention, declaring the City’s intent to levy an annual Downtown Parking and Business Improvement Area assessment, and hold a public hearing confirming the assessment. The City Council adopted a draft Resolution of Intention on May 22, 2018, and set a public hearing for June 12, 2018 to receive public comment.

The Downtown Parking and Business Improvement Area (BIA) assessment was reduced to \$0.00 in 2010 at the behest of downtown landlords as part of a program to encourage downtown businesses. The assessment has remained at \$0.00 since 2010. In January 2018, staff was approached by the Atascadero Colony District Committee, a group of downtown business owners, who expressed interest in reinstating the full levy of the assessment for the BIA. The full levy of the assessment is equal to 100 percent

of the business license fee, essentially doubling the business license fee, and is charged to businesses located in the BIA.

Once the City receives funds, the City will enter into an agreement with the Atascadero Chamber of Commerce Economic Foundation. The Chamber will act as the fiduciary agent for the Atascadero Colony District Committee, which will provide direction to the Chamber Economic Foundation on how to expend the Downtown Parking and Business Improvement Area funds received by the City. As part of the contract, the Chamber Economic Foundation will provide an annual accounting of expenditures for the BIA funds.

The Atascadero Colony District Committee has submitted a report, which was provided to the Council at the May 22, 2018 Meeting and is Exhibit A to the proposed Resolution confirming the assessment. The Downtown Parking and Business Improvement Area assessments collected by the City are estimated at approximately \$8,000 annually. The recommended action would confirm the assessment and collection of these funds for downtown revitalization activities for 2018-2019. The Atascadero Colony District Committee is proposing expenditures for 2018-2019 with the Downtown Parking and Business Improvement Area funds as follows:

BIA Funds requested for 2018/2019	\$ 8,000
Carry over from 2008/2009	\$ 0
Total Proposed Funding Available	\$ 8,000
 <u>2018/2019 Proposed Expenditures:</u>	
Signage & Banners	\$ 500
Tree Lights	\$ 6,500
Marketing	\$ 1,000
<u>Total Proposed Expenditures for 2018/2019</u>	<u>\$ 8,000</u>
<i>Fund Balance</i>	<i>\$ 0</i>

Funds for the Downtown Parking and Business Improvement Area will be collected along with business license fees in December and January. Because there will be no funds available from the assessment until 8-9 months from now, staff is recommending that the City’s General Fund Promotions budget be increased by \$8,000 one-time only in Fiscal Year 2018-2019. These funds would be strictly under control of the City as part of the promotions budget and could be used at City staff discretion for downtown promotions and events. This is intended as seed money to keep momentum going in the Downtown until the BIA funds are available for expenditure.

FISCAL IMPACT:

Adopting the staff recommendation will result in the collection and expenditure of approximately \$8,000 in BIA funds. The actions will also result in the expenditure of \$8,000 in one-time General Fund Reserves for Fiscal Year 2018-2019.

ALTERNATIVES:

1. The City Council may choose not to adopt the Resolution, confirming the levy of the assessment as recommended, and continue the levy at a zero amount.
2. The City Council may grant Downtown Parking and Business Improvement Area assessment funds in an amount lower than requested.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, CONFIRMING
DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA
ASSESSMENT FOR FISCAL YEAR 2018-2019**

WHEREAS, the City of Atascadero established a Downtown Parking and Business Improvement Area (DBPIA) consistent with Section 36500 et seq. of the Streets and Highways Code of the State of California; and

WHEREAS, Section 36533 of the Streets & Highway Code of the State of California requires a report to be filed with the City prior to the levy and collection of the assessment; and

WHEREAS, the City Council determined in 2010 to set the assessment at \$0.00 to provide a stimulus to downtown businesses in this time of unprecedented economic downturn, eliminating the need for a report in accordance with Section 36533 of the Streets & Highway Code of the State of California; and

WHEREAS, the Atascadero Colony District Committee requested the City Council reinstitute the full levy of the assessment for the DPBIA; and

WHEREAS, the City will enter into an agreement with the Atascadero Chamber of Commerce Economic Foundation, which will act as the fiduciary agent for the Atascadero Colony District Committee which will provide direction to the Chamber Economic Foundation on how to expend the Downtown Parking and Business Improvement Area funds received by the City; and

WHEREAS, the Atascadero Colony District Committee filed a report with the City in accordance with Section 36533 of the Streets & Highway Code of the State of California attached hereto and incorporated herein by this reference; and

WHEREAS, the City Council having received the report adopted Resolution No. 2018-034 declaring intent to levy annual Downtown Parking and Business Improvement Area assessment pursuant to Section 36534 of said code; and

WHEREAS, the City Council did fix a time and place for a public hearing on the levy of the proposed assessment for Fiscal Year 2018-2019; and

WHEREAS, on June 12, 2018, the City Council conducted a public hearing at the date and time for such purpose; and

WHEREAS, the City Council did not receive the required number of protests for the levy of such assessment.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The City Council of the City of Atascadero does hereby confirm approval of the Section 36533 Report as originally filed and confirmation of approval of such report constitutes the levy of an assessment for fiscal year 2018-2019, pursuant to the Streets and Highways Code of the State of California.

SECTION 2. The Atascadero Chamber of Commerce Economic Foundation is hereby designated to receive and manage, with direction from the Atascadero Colony District Committee, Downtown Parking and Business Improvement Area assessment funds for Fiscal Year 2018-2019.

SECTION 3. The City Council directs staff to make appropriations in the City’s budget in accordance with such report.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O’Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

Exhibit A

Atascadero Main Street Downtown Parking and Business Improvement Area Annual Report for Fiscal Year 2018-2019

The California Streets and Highways Code Section 36533 requires the preparation of a report for each fiscal year for which assessments are to be levied and collected to pay the costs of improvements and activities of the Improvement Area. The report may propose changes, including, but not limited to the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses.

No boundary changes are proposed for Fiscal Year 2018-2019. The boundaries are more specifically described as follows:

From the south corner of Morro Road at the Highway 101 over-crossing then in the generally northwest direction immediately adjacent to Highway 101, to a point at the intersection of El Camino Real and Rosario Avenue, then easterly along Rosario Avenue, to a point at the intersection of Rosario and Palma Avenue, then easterly along Palma Avenue to the rear lot line of parcels on the east side of Traffic Way, then north along said rear lot lines to include Lot 24 of Block LA, of Atascadero, then northerly along the center line of Traffic Way, to a point, then easterly to include the presently existing National Guard Armory Property. Then to a point easterly to the intersection of West Mall and Santa Ysabel Avenue at the West Mall bridge, then southerly along Santa Ysabel Avenue to a point at the intersection of the southerly leg of Hospital Drive and Santa Ysabel Avenue, then easterly from that point to the extension of proposed Highway 41, then southwesterly to the Morro Road/Highway 101 over-crossing, point of beginning.

Since 2000, the City, Community Redevelopment Agency, Chamber of Commerce, other organizations and the community have worked to strengthen the downtown business community, and implement the downtown revitalization strategy. In 2009, as the economic downturn was affecting businesses, the City Council made the decision to levy a \$0 assessment on the businesses in the District. The State of California dissolved all redevelopment agencies in 2011, and the City, Chamber of Commerce, and other organizations have worked in collaboration to continue the efforts of the Community Redevelopment Agency to provide better services to and strengthen the businesses in the downtown.

In 2017, The Atascadero Colony District Committee formed to promote economic vitality and encourage business growth in the downtown. The Atascadero Colony District Committee will serve as the advisory body and the Atascadero Chamber of Commerce will serve as the sub-contractor to the City regarding the Downtown Parking and Business Improvement Area. The Colony District Committee is now requesting that the City levy an

assessment of 100% of the business license fee for businesses in the Downtown Parking and Business Improvement Area (DPBIA). Each licensed business in the Improvement Area shall contribute to the assessment. Activities and improvements in the DPBIA are funded by the assessment.

The proposed work plan and budget for fiscal year 2018/2019 is as follows:

BIA Funds requested for 2018/2019	\$ 8,000
Carry over from 2007/2008	\$ 0
Total Proposed Funding Available	\$ 8,000

2018/2019 Proposed Expenditures:

Signage & Banners	\$ 500
Tree Lights	\$ 6,500
Marketing	\$ 1,000
Total Proposed Expenditures for 2018/19	\$ 8,000
<i>Fund Balance</i>	\$ 0

This report shall be filed with the City Clerk on behalf of the DPBIA for Fiscal Year 2018-2019.



Atascadero City Council

City Clerk Report

General Municipal Election November 6, 2018

(The City Council must adopt resolutions to initiate the election process.)

RECOMMENDATIONS:

Council adopt the following Resolutions for the purpose of electing a Mayor, two members to the City Council and a City Treasurer:

1. Draft Resolution A, calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 6, 2018 for the election of a Mayor, two Council Members and a City Treasurer.
2. Draft Resolution B, requesting the Board of Supervisors of the County of San Luis Obispo to consolidate a General Municipal Election to be held on November 6, 2018.

DISCUSSION:

The General Municipal Election will be held on Tuesday, November 6, 2018. The terms of Mayor Tom O'Malley, two Council Members, Brian Sturtevant and Heather Moreno and City Treasurer Gere Sibbach will expire in November 2018. The Mayor has a two-year term, the Council Members have four-year terms and the City Treasurer has a four-year term. The City Council must adopt a resolution to initiate the election process (Draft Resolution A). In order to combine the City's election with the County, the Council must also adopt a resolution requesting consolidation with the County (Draft Resolution B).

The qualifications required to run for Mayor are the same as for City Council Members; you must be registered to vote in the City of Atascadero and live within the Atascadero City limits. In addition, all Council Members, whether or not they are up for re-election, may also run for the office of elected Mayor. If a Council Member is mid-term when she/he runs for Mayor, and is successful, the Council Member's position will become vacant. The City Council must then appoint a replacement, or call for a Special Election, within 60 days of the position becoming vacant. The vacancy would occur in December 2018 once the Mayor is sworn into office.

FISCAL IMPACT:

The cost to the City is determined by the number of registered voters on Election Day, and the number of Candidate Statements included in the Voter Pamphlet. Also, due to the State reduction in funding to the Counties for election costs, the County will be passing those costs along to the cities. The City Clerk's estimate for the 2018 election of officials in Atascadero is \$22,000 in budgeted General Funds.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, CALLING FOR THE HOLDING OF A
GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 6, 2018,
FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE
PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA
RELATING TO GENERAL LAW CITIES**

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on November 6, 2018, for the election of Municipal Officers.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Atascadero, California on Tuesday, November 6, 2018, a General Municipal Election for the purpose of electing a Mayor for the full term of two years; two Members of the City Council for the full term of four years; and a City Treasurer for the full term of four years.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to coordinate with the County of San Luis Obispo Clerk-Recorder to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 8. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of ____, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ATASCADERO, CALIFORNIA, REQUESTING THE
BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO
TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION
TO BE HELD ON TUESDAY, NOVEMBER 6, 2018, WITH THE
STATEWIDE GENERAL ELECTION TO BE HELD ON THE DATE
PURSUANT TO § 10403 OF THE ELECTIONS CODE**

WHEREAS, the City Council of the City of Atascadero called a General Municipal Election to be held on November 6, 2018, for the purpose of the election of a Mayor, two Members of the City Council and a City Treasurer; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County Election Department of the County of San Luis Obispo canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of San Luis Obispo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 6, 2018, for the purpose of the election of a Mayor, two Members of the City Council, and a City Treasurer.

SECTION 2. That the County Election Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide election.

SECTION 3. That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 4. That the City of Atascadero recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any related costs.

SECTION 5. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Election Department of the County of San Luis Obispo.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Administrative Services

Cannabis Tax Ballot Measure

(The City Council must adopt resolutions to submit a ballot measure to the voters.)

RECOMMENDATIONS:

Council adopt the following Resolutions to submit to the voters a cannabis business tax ballot measure:

1. Draft Resolution A, calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 6, 2018, for the submission to the voters of a question relating to a cannabis business tax measure.
2. Draft Resolution B, requesting the Board of Supervisors of the County of San Luis Obispo to consolidate a General Municipal Election to be held on November 6, 2018.
3. Draft Resolution C, setting priorities for filing written arguments regarding the City measure and directing the City Attorney to prepare an impartial analysis.
4. Draft Resolution D, providing for the filing of rebuttal arguments for City measures submitted at Municipal Elections.
5. Authorize the Director of Administrative Services to appropriate \$8,000 of General Fund Reserves monies to the City Clerk budget.

REPORT-IN-BRIEF:

At Council's Strategic Planning Session in February 2018 and again during the May 8, 2018 regular Council Meeting, Council discussed looking into a potential ballot measure that would place a tax on commercial cannabis activities. Attached are the resolutions that would begin the process to place such a measure on the City's November 2018 ballot.

At this time, no commercial cannabis activities are legal in the City. However, in the event that either some activities become legal at some point in the future or illegal activities are identified, the tax mechanism will already have been considered by the voters.

DISCUSSION:

On November 8, 2016, Proposition 64 was approved by California voters. Proposition 64, known as the Adult Use of Marijuana Act (AUMA), allows for the sale of recreational cannabis, and imposes state taxes on the sale and cultivation of recreational cannabis, beginning on January 2, 2018. It also allows local governments to regulate these commercial activities consistent with the land use and police powers bestowed on them by the state constitution, and the state licensing program.

Cannabis Tax Measure Process

The City has the legal authority to impose a business or excise tax upon the gross receipts of cannabis sales, services and transactions, provided the tax is approved by the voters as required by the California Constitution (Proposition 218, enacted by voters in November 1996). Under Prop. 218, the City Council does not have the authority to establish or raise taxes, only to put a measure on the ballot for voter approval. In order to place a tax measure on the November 6, 2018 ballot, it takes a 2/3 vote of the City Council (at least 4 members). The voters must approve the establishment and rates of a commercial cannabis tax. If passed by the Council and the electorate, the tax would be effective January 1, 2019.

Proposition 218, now requires that all City tax election measures be placed on the same election when City Council Members are selected. The next Council election is scheduled for November 6, 2018. Subsequent Council elections are held every two years. It is recommended that Council consider and adopt the attached resolutions by June 18, 2018, in order to allow sufficient time for the placement of the measure on the November ballot.

The proposed initial and maximum cannabis business tax rates are as follows:

	Initial Rate	Maximum Rate
Commercial Cultivation		
Indoor, exclusively artificial lighting	\$7.00 annually per sq ft of canopy space	\$10.00 annually per sq ft of canopy space + CPI Increase
Indoor, mixed lighting	\$4.00 annually per sq ft of canopy space	\$7.00 annually per sq ft of canopy space + CPI Increase
Indoor, exclusively natural lighting	\$2.00 annually per sq ft of canopy space	\$4.00 annually per sq ft of canopy space + CPI Increase
Nusery, only minimal artificial lighting	\$1.00 annually per sq ft of canopy space	\$2.00 annually per sq ft of canopy space + CPI Increase
Testing Lab	1% of gross receipts	2.5% of gross receipts
Retail sales	4% of gross receipts	6% of gross receipts
Distribution	2% of gross receipts	3% of gross receipts
Manufacturing, processing, microbusiness, or other	2.5% of gross receipts	4% of gross receipts

While cannabis business taxes are commonly based on gross receipts of commercial cannabis activities, this is not typically the case for commercial cultivation. Commercial cultivation activities are usually charged based on square footage of canopy space in order to insulate city revenues from what could be significant market volatility. There is excess cultivation capacity in California already with significantly more product anticipated to be produced in the future. Cultivation operations are expected to be a large percentage of cannabis business failures. If cannabis continues to sell for the current price (roughly) of \$1000/lb., potential revenues could be robust. But if prices should drop to \$500/lb. or lower, potential revenues will plummet. In general, gross receipts revenues will be highly responsive to declines in price and crop yield, hence a percentage of gross receipts of cultivation will be a much more volatile revenue source.

According to industry representatives, cumulative taxes exceeding 30% across all businesses would become a barrier to businesses that wish to operate legally or otherwise drive cannabis businesses to other communities with more favorable tax policies. Under the AUMA, all cannabis businesses, whether they are medical or non-medical, are subject to a 15% state excise tax. In addition, cultivators are subject to a state tax of \$9.25 per ounce of flower or \$2.75 per ounce of leaf. The per-ounce tax on cultivation is equivalent to a 10-15% tax on gross receipts. For non-medical retail businesses, the consumer will also be subject to state and local sales taxes required to be collected by the retail business.

The state is issuing separate licenses for medical cannabis businesses and non-medical (adult use) cannabis businesses, although a business can have both. The medical cannabis businesses presumably will be developing different and more unique products needed for medicinal purposes. However, from a taxing perspective, the state's taxes apply equally to both. The only distinction from a taxing perspective is consumers that have a medical card issued by the state will be able to avoid paying state and local sales taxes, currently 7.75% in the City of Atascadero. As such, medical cannabis consumers will get some relief in price relative to recreational consumers.

A tax measure for a general tax requires a simple majority approval of voters (50% + 1 vote). The monies from a general tax measure would be deposited into the City's General Fund and would be used to pay for general services, such as police, fire, park maintenance services.

If the initiative currently referred to as the Tax Fairness, Transparency and Accountability Act is qualified for the ballot and passes, the cannabis business tax measure will be required to pass by 2/3 majority.

Ballot Measure for Proposed Cannabis Business Tax

If the Council has decided to go ahead with this ballot measure, specific language needs to be included in the Election Resolutions to clarify for the San Luis Obispo County Clerk-Recorder the requested wording for the November 6, 2018 ballots (Draft Resolutions A & B).

The General Municipal Election will be held on Tuesday, November 6, 2018. The City Council must adopt a resolution to initiate the election process (Draft Resolution A). Also, to combine our election with the County, the Council must adopt a resolution requesting consolidation with the County (Draft Resolution B).

A resolution setting the priorities for the filing of written arguments and directing the City Attorney to prepare an impartial analysis will need to be adopted (Draft Resolution C). The impartial analysis shall not exceed 500 words. In Resolution C, the City Council also authorizes Council Members to write arguments in favor of the measure. Council Members are not required to write an argument in favor of the Measure, however Draft Resolution C gives them the option. Registered voters may also file with the City Clerk written arguments in favor or opposition of the ballot measure.

Arguments shall not exceed 300 words and must be signed by the author(s). The City Clerk has fixed June 26, 2018 as the last day for submitting arguments for and against the ballot measure, and the impartial analysis by the City Attorney. This will allow ample time for the 10-calendar-day public examination period, translation, typesetting, printing and submission to the County. A notice of this deadline will be posted in the kiosk in front of City Hall. If two or more arguments are submitted in favor of or against the measure, the California Elections Code sets up priorities the City Clerk must follow to choose one of each for printing and distribution to the voters.

Also, the adoption of a resolution providing for the filing of rebuttal arguments for the ballot measure is required (Draft Resolution D). The rebuttal arguments shall not exceed 250 words. The deadline for the filing of rebuttal arguments is July 6, 2018, 10 days after the deadline for the filing of the arguments in favor or opposed.

FISCAL IMPACT:

The cost to the City is determined by the number of registered voters on Election Day, and the number of Candidate Statements included in the Voter Pamphlet. Also, due to the State reduction in funding to the Counties for election costs, the County will be passing those costs along to the cities. The City Clerk's estimate for the 2018 election of officials in Atascadero is \$22,000. The City Clerk's estimate for the addition of the ballot measure is approximately \$16,000. Therefore, the total estimate for the 2018 election including ballot measures is \$38,000 in General Funds.

ATTACHMENTS:

1. Draft Resolution A
2. Draft Resolution B
3. Draft Resolution C
4. Draft Resolution D

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING BALLOT MEASURE TEXT TO BE SUBMITTED TO THE QUALIFIED ELECTORS OF THE CITY AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 6, 2018, IMPOSING A CANNABIS BUSINESS TAX AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

WHEREAS, if in the future commercial cannabis business activities are permitted in Atascadero by either a future Atascadero City Council, the voters through a future ballot measure, or the State of California then the Atascadero City Council desires that a tax be in place and imposed on any such future commercial cannabis activities; and

WHEREAS, The Atascadero City Council desires that a tax be in place and imposed on any illegal cannabis activities; and

WHEREAS, Sections 37101 and 37100.5 of the California Government Code authorize the City to levy a license tax, for revenue purposes, upon business transacted in the City; and

WHEREAS, as a result of recent voter-approved changes to state law, there has been a very strong interest by cannabis businesses to open in the City; and

WHEREAS, cannabis businesses are likely to create demands upon City services, and the City does not currently impose any taxes upon cannabis businesses, aside from generally applicable municipal taxes; and

WHEREAS, the City Council desires to seek to impose a supplemental license tax upon cannabis businesses, to be known as the “Cannabis Business Tax”; and

WHEREAS, the Cannabis Business Tax cannot be imposed without voter approval; and

WHEREAS, the City Council desires to submit a Cannabis Business Tax measure to the voters of the City at the General Municipal Election to be held on Tuesday, November 6, 2018, and to be consolidated with any other election to be held on that date; and

WHEREAS, the proposed Cannabis Business Tax is more completely described in the ordinance attached hereto as Attachment “A” and incorporated herein by reference (the “Tax Ordinance”).

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The City Council hereby proposes the Cannabis Business Tax.

SECTION 3. This Resolution is exempt from the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq., because it can be seen with certainty that there is no possibility that the adoption of this Resolution would have a significant effect on the environment (Pub. Resources Code § 21065; CEQA Guidelines §§ 15378(b)(4), 15061(b)(3)) and because the Resolution involves the possible approval of government revenues to fund existing services (Pub. Resources Code § 21080, subd. (b)(8); CEQA Guidelines § 15273(a)(4)). It does not make any commercial activity lawful nor commit the City to fund any particular activity.

SECTION 4. The City Council hereby calls a General Municipal Election for Tuesday November 6, 2018 (the “Election”) and orders, pursuant to Section 9222 of the Elections Code, that the Tax Ordinance be submitted to the voters at that election.

SECTION 5. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election the following question:

<u>BALLOT MEASURE #</u>	Yes
Shall the measure be adopted to tax cannabis businesses operating illegally or allowed in the future by the voters, State or City, at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% of gross receipts for all other cannabis businesses, generating \$0-\$500,000 annually for unrestricted general revenue purposes, such as police, fire and parks, until ended by the voters?	No

SECTION 6. That the proposed complete text of the measure (Ordinance) submitted to the voters is attached as Exhibit A.

SECTION 7. Pursuant to Article XIII C of the Constitution, this measure requires approval by a majority of those casting ballots on the measure unless another threshold is otherwise required by law.

SECTION 8. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 9. That the City Clerk is authorized, instructed and directed to coordinate with the County of San Luis Obispo Clerk-Recorder to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 10. That the polls for the election shall be open at seven o’clock a.m. of the day of the election and shall remain open continuously from that time until eight o’clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 11. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 12. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 13. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

SECTION 14. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

EXHIBIT A

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF ATASCADERO,
CALIFORNIA ADDING CHAPTER 3-17 (CANNABIS
BUSINESS TAX) TO TITLE 3 OF THE ATASCADERO
MUNICIPAL CODE ESTABLISHING A CANNABIS
BUSINESS TAX**

THE PEOPLE OF THE CITY OF ATASCADERO DO ORDAIN AS FOLLOWS:

SECTION 1. CODE AMENDMENT. Chapter 3-17 of Title 3 of the Atascadero Municipal Code to read as follows:

**CHAPTER 3-17
CANNABIS BUSINESS TAX**

Sections:

- 3-17.010 Title.
- 3-17.020 Authority and Purpose.
- 3-17.030 Intent.
- 3-17.040 Definitions.
- 3-17.050 Tax imposed.
- 3-17.060 Reporting and remittance of tax.
- 3-17.070 Payments and communications –timely remittance.
- 3-17.080 Payment – when taxes deemed delinquent.
- 3-17.090 Notice not required by City.
- 3-17.100 Penalties and interest.
- 3-17.110 Refunds and credits.
- 3-17.120 Refunds and procedures.
- 3-17.130 Personal cultivation not taxed.
- 3-17.140 Administration of the tax.
- 3-17.150 Appeal procedure.
- 3-17.160 Enforcement –action to collect.
- 3-17.170 Apportionment.
- 3-17.180 Constitutionality and legality.
- 3-17.190 Audit and examination of premises and records.
- 3-17.200 Other licenses, permits, taxes or charges.
- 3-17.210 Payment of tax does not authorize unlawful business.
- 3-17.220 Deficiency determinations.
- 3-17.230 Failure to report – nonpayment, fraud.
- 3-17.240 Tax assessment –notice requirements.
- 3-17.250 Tax assessment – hearing, application, and determination.
- 3-17.260 Relief from taxes-disaster relief.
- 3-17.270 Conviction for violation – taxes not waived.
- 3-17.280 Violation deemed misdemeanor.

- 3-17.290 Severability.
- 3-17.300 Remedies cumulative.
- 3-17.310 Amendment or repeal.

3-17.010 Title.

This ordinance shall be known as the Cannabis Business Tax Ordinance.

3-17.020 Authority and Purpose.

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon Cannabis Businesses that engage in business in the City, should they be authorized to do so at some future time. The Cannabis Business Tax ~~is~~ shall be levied based upon business gross receipts and square footage of plant canopy, should cannabis businesses ever be authorized to operate in the City. In addition, Cannabis Businesses that operate illegally in the City at any time, regardless of the City's cannabis regulations, are subject to the Cannabis Business Tax. It is not a sales and use tax, a tax upon income, or a tax upon real property.

The Cannabis Business Tax is a general tax enacted solely for general governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this Chapter shall be placed in the City's general fund and be available for any legal municipal purpose.

3-17.030 Intent.

The intent of this Ordinance is to position the City to levy a tax on all Cannabis Businesses that operate in the City, regardless of whether such business is operating legally or illegally. Nothing in this Ordinance shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

3-17.040 Definitions.

The following words and phrases shall have the meanings set forth below when used in this Chapter:

A. "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code and is not

limited to medical cannabis.

C. “Cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. “Cannabis product” also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.

D. “Canopy” means all areas occupied by any portion of a cannabis plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

E. “Cannabis business” means any business activity involving cannabis, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, of cannabis products or of ancillary products and accessories, whether or not carried on for gain or profit.

F. “Cannabis business tax” or “business tax,” means the tax due pursuant to this Chapter for engaging in cannabis business in the City.

G. “Commercial cannabis cultivation” means cultivation in the course of conducting a cannabis business.

H. “City permit” means a permit issued by the City to a person to authorize that person to operate or engage in a cannabis business.

I. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis and includes, but is not limited to, the operation of a nursery.

J. “Employee” means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

K. “Engaged in business as a cannabis business” means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person’s employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person’s employee owns or leases real property within the City for business purposes;

3. Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
4. Such person or person's employee regularly conducts solicitation of business within the City; or
5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

L. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

M. "Calendar year" means January 1 through December 31 of the following calendar year.

N. "Gross Receipts," except as otherwise specifically provided, means, whether designated a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits and property of any kind or nature) received or payable for sales of goods, wares or merchandise or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;
5. Cash value of sales, trades or transactions between departments or units of the same business;
6. Whenever there are included within the gross receipts amounts which

reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;

8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the Administrative Services Department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

9. Retail sales of t-shirts, sweaters, hats, stickers, key chains, bags, books, posters or other personal tangible property which the Tax Administrator has excluded in writing by issuing an administrative ruling per Section 3-17.140 shall not be subject to the cannabis business tax under this chapter. However, any retail sales not subject to this Chapter as a result of the administrative ruling shall be subject to the appropriate business tax under Chapter 3-5 or any other Chapter or Title as determined by the Tax Administrator.

O. “Indoor cultivation” means the cultivation of cannabis within a permanent structure using exclusively artificial light or within any type of structure using artificial light at a rate above twenty-five (25) watts per square foot.

P. “Lighting” means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

Q. “Nursery” means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

R. “Outdoor cultivation” means the cultivation of mature cannabis without the use of artificial lighting in the canopy area at any point in time. Artificial lighting is permissible only to maintain immature plants.

S. “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

T. “Sale” means and includes any sale, exchange, or barter.

U. “State” means the State of California.

V. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Sections 19300, *et seq.* or other applicable state law.

W. “Tax Administrator” means the City of Atascadero Director of Administrative Services or his or her designee.

X. “Testing Laboratory” means a cannabis business that (i) offers or performs tests of cannabis or cannabis products, (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the State Department of Public Health.

3-17.050 Tax imposed.

- A. Beginning January 1, 2019, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax regardless if the business has been issued a permit to operate lawfully in the City or is operating unlawfully.
- B. The initial rate of the cannabis business tax shall be as follows:
 - 1. For every person who is engaged in commercial cannabis cultivation in the City:
 - a. Seven dollars (\$7.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses exclusively artificial lighting.
 - b. Four dollars (\$4.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses a combination of natural and supplemental artificial lighting.
 - c. Two dollars (\$2.00) annually per square foot of canopy space for outdoor cultivation that uses no artificial lighting.
 - d. One dollar (\$1.00) annually per square foot of canopy space for any nursery.

For purposes of this subdivision (B), the square feet of canopy space for a business shall be rebuttably presumed to be the maximum square footage of canopy allowed by the business’s City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage shall be the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. Should a City permit be issued to a business which cultivates only for certain months of the year, the City shall prorate the tax as to sufficiently reflect the period in which cultivation is occurring at the business. In no case shall canopy square footage which is authorized by the City commercial cannabis permit but not utilized for cultivation be deducted for the purpose of determining the tax for cultivation, unless the Tax Administrator is informed in writing and authorizes such reduction for the purpose of relief from the tax prior to the period for which the space will not be used, that such space will not be used.

2. For every person who engages in the operation of a testing laboratory: one percent (1%) of gross receipts.
 3. For every person who engages in the retail sales of cannabis as a retailer (dispensary) or non-store front retailer (delivery) or microbusiness (retail sales): Four percent (4%) of gross receipts.
 4. For every person who engages in a cannabis distribution business: two percent (2%) of gross receipts.
 5. For every person who engages in a cannabis manufacturing, processing, or microbusiness (non-retail), or any other type of cannabis business not described in Section (B) (1), (2), (3) or (4): Two and half percent (2.5%) of gross receipts.
- C. The City Council may, by resolution or ordinance, adjust the rate of the cannabis business tax. However, in no event may the City Council set any adjusted rate that exceeds the maximum rate calculated pursuant to Subdivision (D) of this Section for the date on which the adjusted rate will commence.
- D. The maximum rate shall be calculated as follows:
1. For every person who is engaged in commercial cannabis cultivation in the City:
 - a. Through January 1, 2021, the maximum rate shall be:
 - i. Ten dollars (\$10.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses exclusively artificial lighting.
 - ii. Seven dollars (\$7.00) annually per square foot of canopy space for indoor cultivation within a permanent structure that uses a combination of natural and supplemental artificial lighting.
 - iii. Four dollars (\$4.00) annually per square foot of canopy space for outdoor cultivation that uses no artificial lighting.
 - iv. Two dollars (\$2.00) annually per square foot of canopy space for any nursery.
 - b. On January 1, 2022 and on each January 1 thereafter, the maximum annual tax rate per square foot of each type of canopy space shall increase by the percentage change between January of the calendar year prior to such increase and January of the calendar year of the increase in the Consumer Price Index (“CPI”) for all urban consumers in the Los Angeles-Long

Beach-Anaheim area as published by the United States Government Bureau of Labor Statistics (BLS). In the event the BLS modifies the Los Angeles-Long Beach-Anaheim Index, then its successor or equivalent shall apply. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

2. For every person who engages in the operation of a testing laboratory, the maximum tax rate shall not exceed two and a half percent (2.5%) of gross receipts.
3. For every person who engages in the retail sales of cannabis as a retailer (dispensary) or non-store front retailer (delivery business), or microbusiness (retail sales activity) the maximum tax rate shall not exceed six percent (6%) of gross receipts.
4. For every person who engages in a cannabis distribution business, the maximum tax rate shall not exceed three percent (3%) of gross receipts.
5. For every person who engages in a cannabis manufacturing, processing, or microbusiness (non-retail activity) or any other type of cannabis business not described in Section (D) (1), (2), (3) or (4), the maximum tax rate shall not exceed four percent (4%) of gross receipts.

3-17.060 Reporting and remittance of tax.

- A. The cannabis business tax imposed by this Chapter shall be paid, in arrears, on a quarterly basis. For commercial cannabis cultivation, the tax due for each calendar quarter shall be based on the square footage of the business's canopy space during the quarter and the rate shall be 25% of the applicable annual rate. For all other cannabis businesses activities, the tax due for each calendar quarter shall be based on the gross receipts for the quarter.
- B. Each person owing cannabis business tax for a calendar quarter shall, no later than the last day of the month following the close of the calendar quarter, file with the Tax Administrator a statement of the tax owed for that calendar quarter and the basis for calculating that tax. The Tax Administrator may require that the statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar quarter shall be due and payable on that same date as the statement for the calendar quarter is due.
- C. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar quarters up to the calendar quarter during which cessation occurred.
- D. The Tax Administrator may, at his or her discretion, establish shorter report and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure collection of the tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar quarter, be made by a

taxpayer at the beginning of that calendar quarter. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar quarter. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

- E. For purposes of this section, the square feet of canopy space for a business shall be rebuttably presumed to be no less than the maximum square footage of canopy allowed by the business's City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage shall be the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case shall canopy square footage which is authorized by the permit or license but not utilized for cultivation be excluded from taxation unless the Tax Administrator is informed in writing, prior to the period for which the space will not be used, that such space will not be used.

3-17.070 Payments and communications – timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday, the due date shall be the next regular business day on which the City is open to the public.

3-17.080 Payment - when taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this Chapter, the taxes required to be paid pursuant to this Chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 3-17.060 and 3-17.070.

3-17.090 Notice not required by the City.

The City may as a courtesy send a tax notice to the business. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this Chapter.

3-17.100 Penalties and interest.

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1.0%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the

amount of the tax, plus interest at the rate of one percent (1.0%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1.0%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this Section, and any other amount allowed under state law.

3-17.110 Refunds and credits.

A. No refund shall be made of any tax collected pursuant to this Chapter, except as provided in Section 3-17.120.

B. No refund of any tax collected pursuant to this Chapter shall be made because of the discontinuation, dissolution, or other termination of a business.

3-17.120 Refunds and procedures.

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this Chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Tax Administrator within one (1) year of the date the tax was originally due and payable.

B. The Tax Administrator, his or her designee or any other City officer charged with the administration of this Chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the cannabis business tax was erroneously paid, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid up to one (1) year from when the error was identified. If an error is attributable to the claimant, the City may retain an amount established by resolution of the City Council from time to time in an amount sufficient to recover the City's cost to process the claim and refund the balance.

3-17.130 Personal Cultivation Not Taxed.

The provisions of this Chapter shall not apply to personal cannabis cultivation as defined in the "Medicinal and Adult Use Cannabis Regulation and Safety Act". This Chapter shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and for which the individual receives no compensation whatsoever related to that personal use.

3-17.140 Administration of the tax.

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this Chapter.

B. For purposes of administration and enforcement of this Chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this Chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this Chapter;
3. Receive and record all taxes remitted to the City as provided in this Chapter;
4. Maintain records of taxpayer reports and taxes collected pursuant to this Chapter;
5. Assess penalties and interest to taxpayers pursuant to this Chapter;
6. Determine amounts owed and enforce collection pursuant to this Chapter.
7. Take such other reasonable steps as he or she deems necessary and appropriate to enforce this chapter.

3-17.150 Appeal procedure.

Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the amount of tax, interest, penalties and fees, if any, due under this Chapter may appeal to the City Council by filing a notice of appeal with the City Clerk within thirty (30) days of the serving or mailing of the determination of tax due. The City Clerk, or his or her designee, shall fix a time and place for hearing such appeal, and the City Clerk, or his or her designee, shall give notice in writing to such operator at the last known place of address. The finding of the City Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed by this Chapter for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice.

3-17.160 Enforcement - action to collect.

A. Any taxes, penalties and/or fees required to be paid under the provisions of this Chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this Chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this Section shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based

upon the failure to pay the tax, penalties and/or fees imposed by this Chapter or the failure to comply with any of the provisions of this Chapter.

B. In addition to any other remedies available under federal, state, or local law, if any amount required to be paid to the City under this Chapter is not paid when due, the Tax Administrator may, within three years after the amount is due record a certificate of lien specifying the amount of taxes, fees and penalties due, and the name and address of the individual or business as it appears on the records of Tax Administrator. The lien shall also specify that the Tax Administrator has complied with all provisions of this Chapter in the determination of the amount required to be paid. From the time of the filing for record, the amount required to be paid, together with penalties thereon, constitutes a lien upon all real property in the City owned by the individual or business, or subsequently acquired by the individual or business before the lien expires. The lien has the force, effect, and priority of a judgment lien and shall continue for ten years from filing of the certificate unless sooner released or otherwise discharged.

C. At any time within three years after any individual or business is delinquent in the payment of any amount herein required to be paid or within three years after the last recording of a certificate of lien under subsection B of this Section, the Tax Administrator may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the City under this Chapter. The warrant shall be directed to the sheriff and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution. The Tax Administrator may pay or advance to the sheriff, the same fees, commissions and expenses for service provided by law for similar services pursuant to a writ of execution. The Tax Administrator shall approve the fees for publication in the newspaper.

D. At any time within three years after recording a lien against any individual or business, if the lien is not discharged and released in full, the Tax Administrator may forthwith seize any asset or property, real or personal (including bank account), of the operator and sell at public auction the asset or property, or a sufficient part of it to pay the amount due together with any penalties and interest imposed for the delinquency and any cost incurred on account of the seizure and sale. Assets or property of the business subject to seizure and sale subject to this Chapter shall not include any asset or property which is exempt from execution under the provisions of Code of Civil Procedure.

3-17.170 Apportionment.

If a business subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

3-17.180 Constitutionality and legality.

A. This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this Chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

B. The taxes imposed under this chapter are excises on the privilege of engaging in business as a cannabis business in the City. It is not a sales or use tax and shall not be calculated or assessed as such. Nevertheless, at the option of a cannabis business, the tax may be separately identified on invoices, receipts and other evidences of transactions.

C. Pursuant to California Constitution, article XIII B, the appropriation limit for the City is hereby increased to the maximum extent over the maximum period of time allowed under law by the amount of the revenues generated by the tax.

3-17.190 Audit and examination of premises and records.

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator shall have the power to inspect any location where commercial cannabis cultivation occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, state and federal income tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the Tax Administrator shall have the power to inspect any equipment, such as computers or point of sale machines, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this Chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee shall have the right to inspect at all reasonable times.

3-17.200 Other licenses, permits, taxes, fees or charges.

A. Nothing contained in this Chapter shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any permit or license required by, under or by virtue of any provision of any other Chapter of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges,

or schedule of license fees, provided for in other Chapter of this Code.

- B. Notwithstanding subdivision (A) of this Section, a cannabis business shall not be required to pay the license fee required by Chapter 3-5 of Title 3 of this Code so long as all of business' activities within the City that would require payment of a license fee are activities subject to the cannabis business tax.
- C. The Tax Administrator may revoke or refuse to renew the license required by Chapter 3-5 of Title 3 of this Code for any business that is delinquent in the payment of any tax due pursuant to this Chapter or that fails to make a deposit required by the Tax Administrator pursuant to Section 3-17.060.

3-17.210 Payment of tax does not authorize unlawful business.

A. The payment of a cannabis business tax required by this Chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this Code and all other applicable state laws.

B. No tax paid under the provisions of this Chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

3-17.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this Chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 3-17.240.

3-17.230 Failure to report—nonpayment, fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this Chapter at any time:

- 1. If the person has not filed a complete statement required under the provisions of this Chapter;
- 2. If the person has not paid the tax due under the provisions of this Chapter;

3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this Chapter; or

4. If the Tax Administrator determines that the nonpayment of any business tax due under this Chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this Chapter and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this Chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

3-17.240 Tax assessment - notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this Chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purposes of this Section, a service by mail is complete at the time of deposit in the United States mail.

3-17.250 Tax assessment - hearing, application and determination.

Within thirty (30) days after the date of service the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her no later than thirty (30) days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person requesting such hearing not later than five (5) days

prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 3-17.240 for giving notice of assessment.

3-17.260 Relief from taxes -disaster relief.

(a) If a business is unable to comply with any tax requirement due to a disaster, the business may

notify the Tax Administrator of this inability to comply and request relief from the tax requirement;

(b) The Tax Administrator, in its sole discretion, may provide relief from the cannabis business tax requirement for businesses whose operations have been impacted by a disaster if such tax liability does not exceed five thousand (\$5,000) dollars. If such tax liability is five thousand one (\$5,001) dollars or more than such relief shall only be approved by the City Council;

(c) Temporary relief from the cannabis tax may be relieved for a reasonable amount of time as determined by the Tax Administrator in order to allow the cannabis business time to recover from the disaster;

(d) The Tax Administrator may require that certain conditions be followed in order for a cannabis business to receive temporary relief from the cannabis business tax requirement;

(e) A cannabis business shall not be subject to an enforcement action for a violation of a cannabis business requirement in which the licensee has received temporary relief from the Tax Administrator;

(f) For purposes of this section, “disaster” means fire, flood, storm, tidal wave, earthquake, or similar public calamity, whether or not resulting from natural causes.

(1) The cannabis business must notify the Tax Administrator in writing a request for temporary relief from imposition of the tax requirement pursuant to subsection (a) of this section of such disaster clearly indicates why relief is requested from, the time period for which the relief is requested, and the reasons relief is needed for the specified amount of time;

(2) The cannabis business agrees to grant the Tax Administrator or his/her designee access to the location where the cannabis business has been impacted due to a disaster.

3-17.270 Conviction for violation - taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Chapter or of any state law requiring the payment of all taxes.

3-17.280 Violation deemed misdemeanor.

Any person violating any of the provisions of this Chapter shall be guilty of a misdemeanor.

3-17.290 Severability.

If any provision of this Chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Chapter or the application

of this Chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

3-17.300 Remedies cumulative.

All remedies and penalties prescribed by this Chapter or which are available under any other provision of the Atascadero Municipal Code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

3-17.310 Amendment or repeal.

This Chapter may be repealed or amended by the City Council without a vote of the people to the extent allowed by law. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Chapter. The people of the City of Atascadero affirm that the following actions shall not constitute an increase of the rate of a tax:

- A. The restoration of the rate of the tax to a rate that is no higher than that set by this Chapter, if the City Council has acted to reduce the rate of the tax;
- B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Chapter; or
- C. The collection of the tax imposed by this Chapter even if the City had, for some period of time, failed to collect the tax.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 3. CEQA. This Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq., because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code § 21065; CEQA Guidelines §§ 15378(b)(4), 15061(b)(3)) and because the Ordinance involves the approval of government revenues to fund existing services (Pub. Resources Code § 21080, subd. (b)(8); CEQA Guidelines § 15273(a)(4)). It does not make any commercial activity lawful nor commit the city to fund any particular activity.

This Ordinance was approved and adopted by the People of the City of Atascadero at the City's November 6, 2018 statewide election.

ITEM NUMBER:
DATE:
ATTACHMENT:

C-2
06/12/18
1A

XXX, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

DRAFT RESOLUTION B

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2018, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE.

WHEREAS, the City Council of the City of Atascadero called a General Municipal Election to be held on November 6, 2018, for the purpose of submitting to the voters the question relating to a cannabis business tax; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of San Luis Obispo canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of San Luis Obispo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General election on Tuesday, November 6, 2018, for the submittal of a ballot measure to the voters.

SECTION 2. That the measure is to appear on the ballot as follows:

<u>BALLOT MEASURE #</u>	Yes
Shall the measure be adopted to tax cannabis businesses operating illegally or allowed in the future by the voters, State or City, at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% of gross receipts for all other cannabis businesses, generating \$0-\$500,000 annually for unrestricted general revenue purposes, such as police , fire and parks, until ended by the voters?	No

SECTION 3. Pursuant to Article XIII C of the Constitution, this measure requires approval by a majority of those casting ballots on the measure unless another threshold is otherwise required by law.

SECTION 4. That the county election department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide election.

SECTION 5. That the Board of Supervisors is requested to issue instructions to the county election department to take any and all steps necessary for the holding of the consolidated election.

SECTION 6. That the City of Atascadero recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 7. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of San Luis Obispo.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION C

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING CITY MEASURES AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, a General Municipal Election is to be held in the City of Atascadero, California, on November 6, 2018, at which there will be submitted to the voters the following measure:

<u>BALLOT MEASURE #</u>	Yes
Shall the measure be adopted to tax cannabis businesses operating illegally or allowed in the future by the voters, State or City, at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% of gross receipts for all other cannabis businesses, generating \$0-\$500,000 annually for unrestricted general revenue purposes, such as police , fire and parks, until ended by the voters?	No

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That the City Council authorizes the following member(s) of the City Council:

- _____, Council Member In Favor
- _____, Council Member In Favor
- _____, Council Member In Favor
- _____, Council Member In Favor
- _____, Council Member In Favor

to file (a) written argument(s), not exceeding 300 words regarding the City measure as specified above accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 2. That the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney, unless the organization or salaries of the Office of the City Attorney are affected.

a. The City Attorney shall prepare an impartial analysis of the measure not exceeding 500 words showing the effect of the measure on the existing law and the operation of the measure. If the measure affects the organization or salaries of the Office of the City Attorney, the City Clerk shall prepare the impartial analysis.

b. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City.

c. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the Election Official's office at (805) 470-3400 and a copy will be provided at no cost to you."

d. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____ day of _____, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

DRAFT RESOLUTION D

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, PROVIDING FOR THE FILING OF REBUTTAL ARGUMENTS FOR CITY MEASURES SUBMITTED AT MUNICIPAL ELECTIONS

WHEREAS, §9282 of the Elections Code of the State of California provides for written arguments to be filed in favor of or against city measures not to exceed 300 words in length; and

WHEREAS, § 9285 of the Elections Code of the State of California authorizes the City Council, by majority vote, to adopt provisions to provide for the filing of rebuttal arguments for city measures submitted at municipal elections.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. That pursuant to Section 9285 of the Elections Code of the State of California, when the elections official has selected the arguments for and against the measure (not exceeding 300 words each) which will be printed and distributed to the voters, the elections official shall send a copy of an argument in favor of the measure to the authors of any argument against the measure, and a copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments.

The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit or sign the rebuttal argument.

A rebuttal argument may not be signed by more than five authors.

The rebuttal arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, **not more than 10 days after** the final date for filing direct arguments. The rebuttal arguments shall be accompanied by the Form of Statement To Be Filed By Author(s) of Argument.

Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument, which it seeks to rebut.

SECTION 2. That all previous resolutions providing for the filing of rebuttal arguments for city measures are repealed.

SECTION 3. That the provisions of Section 1 shall apply at the next ensuing municipal election and at each municipal election after that time.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2018.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney



Atascadero City Council

Staff Report - Public Works Department

Santa Lucia Road and Via Avenue Bridge Replacement Project Updates

RECOMMENDATIONS:

Council:

1. Review preliminary design plans for the Santa Lucia Road Bridge over Graves Creek (Project No. C2015B03) and the Via Avenue Bridge over Atascadero Creek (Project No. C2015B02).
2. Approve bridge railing design options for Santa Lucia Road and Via Avenue Bridge projects.

REPORT-IN-BRIEF:

Quincy Engineering has design plans for the Santa Lucia Road and Via Avenue Bridge Replacement Projects (Projects) completed to a 65% level, including preparation of all environmental documentation. Both projects are currently in the CEQA public review phase, and remain on schedule to be constructed during 2020. Upcoming tasks include right-of-way appraisals and acquisition, utility coordination, and continuation of the project design package. At the June 12, 2018 Council meeting, Council will receive Project updates and provide needed staff direction for bridge railing design options.

DISCUSSION:

Background:

The Santa Lucia Road Bridge over Graves Creek (Bridge # 49C-0158) and Via Avenue Bridge over Atascadero Creek (Bridge # 49C-0164) were identified in 2005 as needing replacement. Caltrans Bridge Inspection Records Information System (BIRIS) identified the Via Avenue Bridge as being structurally deficient and functionally obsolete and, in 2013, the Santa Lucia Road Bridge as functionally obsolete. This determination allowed for the availability of federal funding for the replacement of the two bridges. A Project Study Report was developed shortly thereafter, and applications for the Federal Highway Bridge Replacement and Rehabilitation Program (HBRRP) were prepared in 2014 for both bridges. The City was successful in obtaining HBRRP grant funding for both bridges. This program provides Santa Lucia Bridge with 100% federal cost participation, while the

Via Avenue Bridge has 88.53% federal cost participation with local participation covering the remaining 11.47% of costs.

In January 2016, the City solicited proposals from qualified consultants for Professional Engineering Services for the Via Avenue and Santa Lucia Road Bridge Replacement Projects. Quincy Engineering was selected and provided a fee proposal which split design work into Phase 1 and Phase 2, with additional authorization required from Caltrans for Phase 2 work. Council authorized Phase 1 work to commence in April, 2016.

After preliminary design and completion of hydrological, geotechnical and environmental studies, the City Council authorized Phase 2 work to commence at their May 9, 2017 meeting. Caltrans subsequently authorized the additional funds for Phase 2 for both the Via Avenue and Santa Lucia Bridge projects.

At the May 2017 meeting, the City Council also reviewed and approved preliminary design options for both bridge projects. Council agreed with staff recommendations to reconfigure the Via Avenue Bridge to a curved roadway alignment to reflect current traffic patterns. Initially, Ensenada Avenue was the through street with Via Avenue intersecting at a "T" near the southern bridge terminus. Ensenada was closed to through-traffic at the bridge in the early 2000's, after an accident occurred where a speeding vehicle struck a local child, whereby making Via Avenue as the de-facto through street. Construction of the bridge deck with a curved alignment accommodates the primary north-south traffic movement and will eliminate the stop controls at the bridge ends and the associated traffic delays, noise and air pollution.

The City Council also considered options for detouring traffic and construction staging for the Santa Lucia Road Bridge replacement. Prior to the Council meeting, City staff held a neighborhood meeting with area residents to discuss the preliminary bridge design and three detour alternatives. Nearly all residents in attendance (approximately 40-50) preferred the detour alternative to install a temporary single lane bridge adjacent to the Santa Lucia Bridge. Given the tight constraint conditions for construction, public access to Llano Road at the bridge would be unavailable during construction. It was proposed to utilize the single lane wooden bridge (currently gated) at the north end of Llano Road to provide access between Santa Lucia Road and Llano Road properties. Some improvements would be needed to utilize this existing bridge, but detour times were significantly less than other options such as using Balboa Road. Council agreed with the above detour option which allows the bridge to be demolished and constructed in a single stage, reducing project costs and schedule.

Project Status and Schedule:

Santa Lucia Road and Via Avenue bridges are currently in the final environmental approval stages. CEQA documents have been prepared and are currently in a 30-day public comment period. It is anticipated that CEQA documents will be revised as necessary and completed by August 2018. Both projects have been determined to be Mitigated Negative Declaration (MND) under CEQA.

Beginning in mid-2018 through late 2019, work to complete final bridge designs, permitting, and right-of-way acquisitions and agreements will occur. Needed permits include a 401 Certification from the Regional Water Quality Control Board, a Lake and

Streambed Alteration Agreement (LSAA) from the California Department of Fish and Wildlife, and a Section 404 Permit from the US Army Corps of Engineers.

City staff recently solicited and received proposals for right-of-way appraisal and acquisition services. The consulting firm, Hamner, Jewell and Associates of Arroyo Grande, was selected for this work and is anticipated to begin in June 2018. Work includes appraisals and negotiation for right-of-way purchases of small portions of four residential parcels adjacent to the Santa Lucia Bridge, and small portions of two industrial parcels adjacent to Via Avenue Bridge. The work will also require appraisals and negotiation for Temporary Construction Easements (TCE) for both bridge locations. City staff initiated contact with all affected adjacent property owners in 2016 and does not expect complications with the right-of-way process at this time. Once appraisals and negotiations have been completed, formal offers will be prepared and staff will submit another report to Council for approval. This is expected to occur in mid to late 2019. All costs associated with right-of-way acquisition and TCE's for the bridges is an allowable expense under the HBRRP Program.

Final construction documents will be completed and publicly bid in late 2019/early 2020 after utility coordination, permitting, and right-of-way acquisition is finalized. Construction is expected to begin in spring 2020 and be completed within a single construction season. The bridges were previously proposed to be constructed in separate years (2019 and 2020); but with both projects tracking concurrently, staff now recommends constructing the bridges at the same time to gain efficiency, reduce consultant fees, and entice lower construction costs from bidders.

Bridge Railing Options:

One of the remaining “details” for each bridge is to select a bridge railing design. While these options are limited to Caltrans standards, a bridge’s railing is one of the details that gives a bridge aesthetic character. The primary railing options involve height, material type, and style; with colors, patterns, and special treatments as secondary options. A discussion of railing options is included below.

Height: Two standard railing heights are available: 2'-8" and 3'-6" tall, measured from the deck surface to the top of the railing. The taller railings are required to be used on bridges where sidewalks are included, while the shorter railings can be used elsewhere.

Material Type: Railings are commonly constructed of concrete and/or steel. Concrete railings tend to be more durable and require less maintenance than steel railings. Furthermore, vehicle impacts to the steel railings will likely result in replacement versus no or minor repair to concrete railings.

Style: Various styles are available for bridge railings including concrete K-rails, concrete post and beam, steel post fence, and a combination of concrete base with steel uppers.

Secondary Options: Secondary options can be somewhat unlimited but typically include choosing railing colors, patterns, and special treatments. These options almost always increase cost and require increased maintenance. In addition, substantial costs from vehicle impacts may occur and it is likely resulting repairs will not match original construction.

Standard Caltrans railing options are attached to this report for reference (Attachment 3).

At the Santa Lucia Bridge meeting on March 3, 2018, City staff provided project updates and solicited neighborhood input on the bridge railing options available. The approximately 25 residents who attended the meeting showed an overall support of the project and indicated a preference for Caltrans Concrete Barrier Type 80 (2'-8" high). There continues to be an emphasis, from the residents, on the potential of keeping the Llano Road Bridge open after construction is complete as an emergency egress.

The Via Avenue Bridge meeting occurred on May 7, 2018 and was attended by approximately 10 individuals, although the City was also contacted by three individuals prior to the meeting who were unable to attend. Concerns raised at the meeting were primarily with regard to increased traffic speeds upon removal of the stop signs and roadway realignment. Attendees somewhat preferred Caltrans Barrier Type 60 (similar to Lewis Avenue Bridge).

Recommendations: Staff is recommending the following bridge railing options:

Santa Lucia Road Bridge: Caltrans Concrete Barrier Type 80 (2'-8" high)
Via Avenue Bridge: Caltrans Concrete Barrier Type 80 with steel railing (3'-6" high).

The preliminary plans show the above recommendations. Staff does not recommend any elaborate secondary treatment to the standard railings due to ongoing maintenance costs and issues with repairs from vehicular collisions. City Council may wish to consider a natural-colored guardrail such as sand or brown.

FISCAL IMPACT:

No fiscal impact is related to staff recommendations. Fiscal impacts, related to increased consultant fees, are likely if Council desires alternative preliminary designs, such as reconfiguring bridge alignments, or reconsidering detour options. Additionally, the City's share of bridge construction costs could increase if enhanced aesthetic details were desired for bridge railings beyond that allotted by Caltrans and HBRRP guidelines.

ATTACHMENTS:

1. Via Avenue Bridge Preliminary Design Sheets
2. Santa Lucia Bridge Preliminary Design Sheets
3. Caltrans Bridge Railing Options

Dist	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	ATASCADERO CREEK BRIDGE AT VIA AVENUE	1	36



CITY OF ATASCADERO
 DEPARTMENT OF PUBLIC WORKS
**PROJECT PLANS FOR CONSTRUCTION ON
 ATASCADERO CREEK BRIDGE AT VIA AVENUE**

LOCATED Approx 1.4 MILES EAST
 OF ROUTE 101 ON VIA AVENUE

BRIDGE No. 49C-0483
 FEDERAL AID BRIDGE
 REPLACEMENT PROJECT No. BRLS-5423(032)

TO BE SUPPLEMENTED BY STATE OF CALIFORNIA, STANDARD PLANS DATED 2015

INDEX OF PLANS

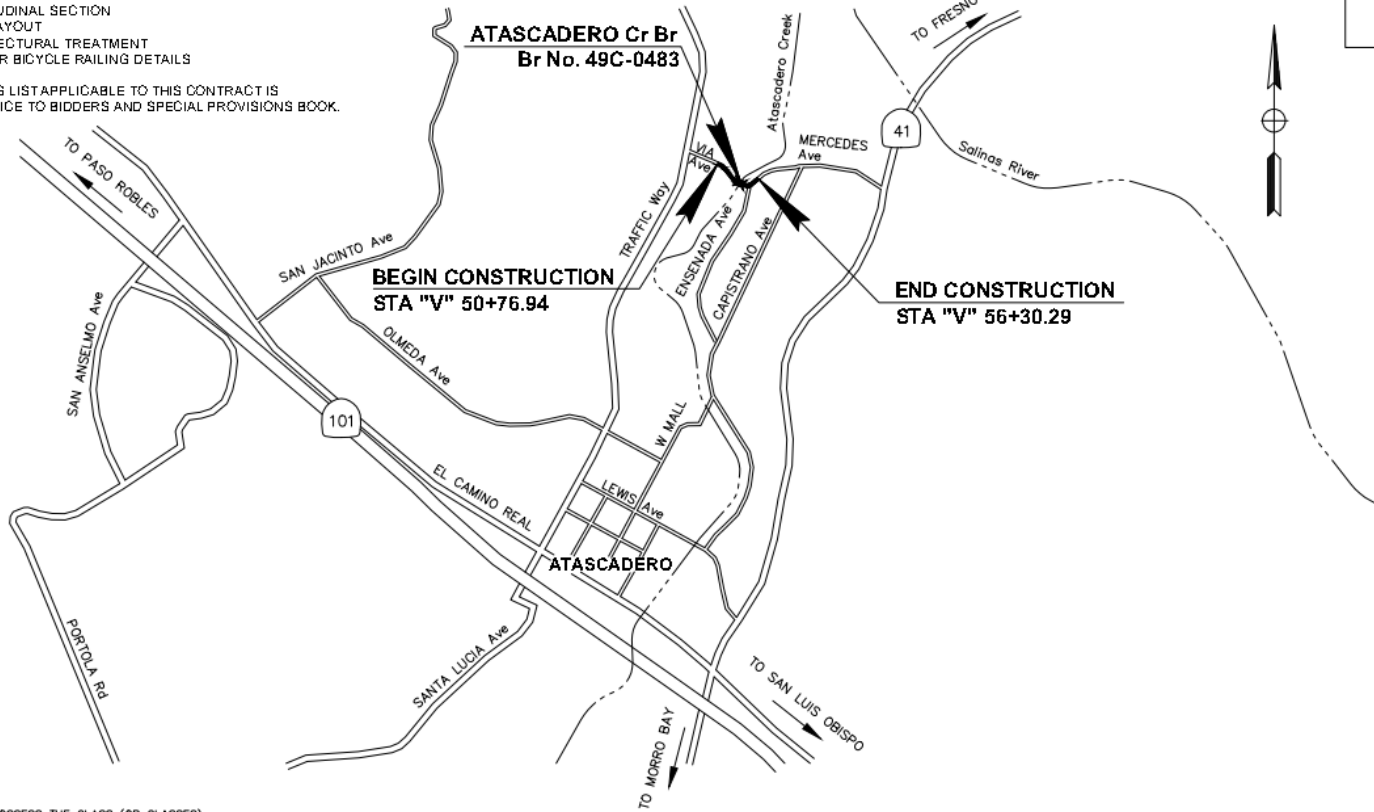
SHEET No. ROADWAY

- 1 TITLE SHEET
- 2-3 TYPICAL SECTIONS
- 4 PLAN
- 5 PROFILE & SUPERELEVATION
- 6-12 CONSTRUCTION DETAILS
- 13 TEMPORARY CREEK DIVERSION
- 14 EROSION CONTROL PLAN
- 15 DRAINAGE PLAN
- 16 DRAINAGE PROFILES
- 17-18 DRAINAGE DETAILS
- 19-21 UTILITY PLAN
- 22 DETOUR PLAN
- 23 DETOUR SIGN DETAILS
- 24 PAVEMENT DELINEATION
- 25 SUMMARY OF QUANTITIES

STRUCTURE PLANS

- 26 GENERAL PLAN
- 27 DECK CONTOURS
- 28 FOUNDATION PLAN
- 29 ABUTMENT 1 LAYOUT
- 30 ABUTMENT 2 LAYOUT
- 31 ABUTMENT DETAILS
- 32 TYPICAL SECTION
- 33 LONGITUDINAL SECTION
- 34 DECK LAYOUT
- 35 ARCHITECTURAL TREATMENT
- 36 TUBULAR BICYCLE RAILING DETAILS

THE STANDARD PLANS LIST APPLICABLE TO THIS CONTRACT IS INCLUDED IN THE NOTICE TO BIDDERS AND SPECIAL PROVISIONS BOOK.



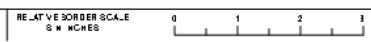
CITY OF ATASCADERO - DEPARTMENT OF PUBLIC WORKS
 CONSULTANT/FUNCTIONAL SUPERVISOR
 MARK RENO
 ATASCADERO CREEK BRIDGE AT VIA AVENUE
 CITY PROJECT ENGINEER/REGISTERED PROFESSIONAL ENGINEER
 RYAN HAYES

DATE PLOTTED: 06/12/18 09:48 AM
 USER: mark.reno

PROJECT ENGINEER: MARK RENO, No. C47796, REGISTERED CIVIL ENGINEER, STATE OF CALIFORNIA
 DATE: _____
65% SUBMITTAL
 PLANS APPROVAL DATE: _____
 THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING
 1017 COSS, BROCK DR VE SUITE 100
 RANCHO COBONA, CA 95070
 P 925 368 9181
 CITY OF ATASCADERO DEPARTMENT OF PUBLIC WORKS 6500
 PALMA AVENUE ATASCADERO CA 93422
 P 805 461 9000

CONTRACT No.	—
PROJECT ID	C2015B02



BORDER LAST REVISED: 7/22/2010

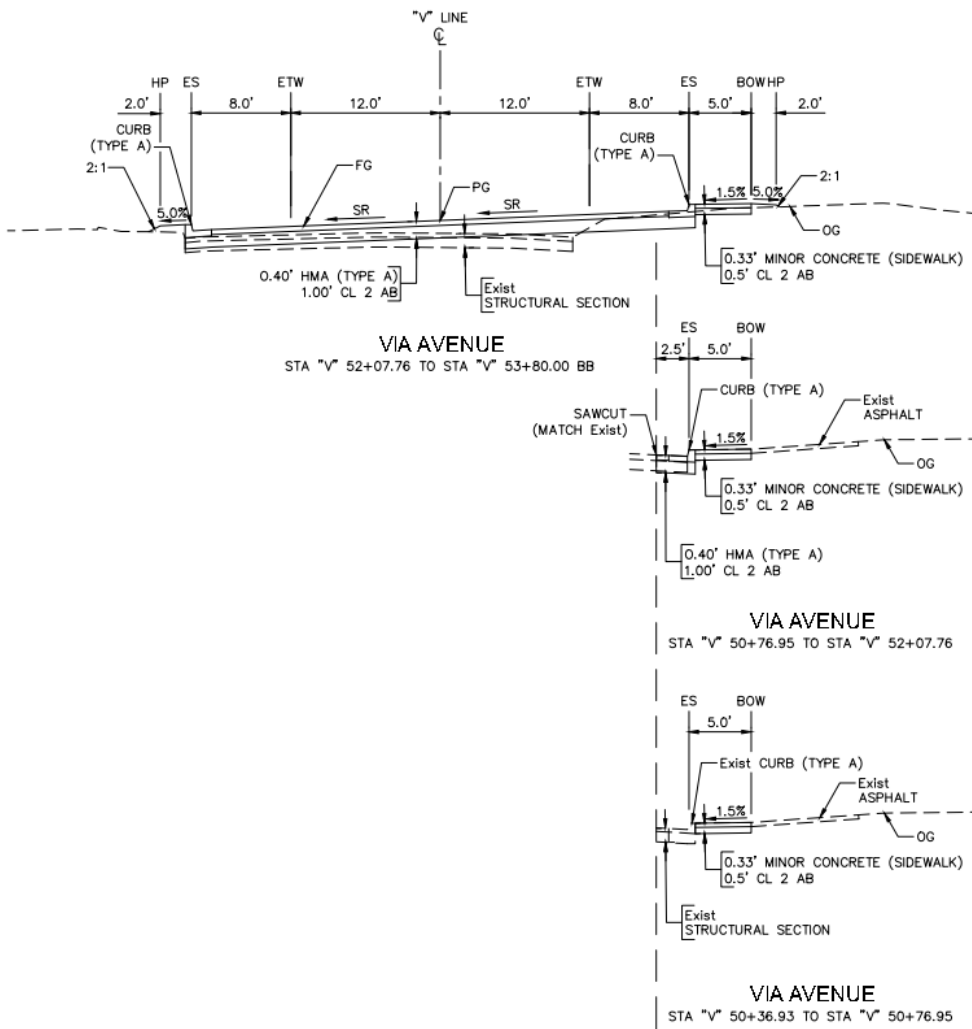
USER NAME: Andrew
 DWG FILE: E:\SICent\Atascadero\446-200 Via Avenue\500-Design\505 - CAD File\CAD 2015\462015b01.dwg

UNIT UNIT PROJECT NUMBER & PHASE: 06-200 - PRELIMINARY

NOTES:
 1. DIMENSIONS OF THE PAVEMENT STRUCTURES (STRUCTURAL SECTIONS) ARE SUBJECT TO TOLERANCES SPECIFIED IN THE STANDARD SPECIFICATIONS.

LEGEND:
 SR - SUPERELEVATION
 BOW - BACK OF SIDEWALK

DESIGN DATA: VIA AVENUE
 V = 35 MPH
 ADT (2016) = 2,607
 ADT (2039) = 3,277
 R = 26
 TI = 8.0



DIST	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	ATASCADERO CREEK BRIDGE AT VIA AVENUE	2	36

65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE _____
 CORNELL McLaughlin No. C67667
 CIVIL ENGINEER STATE OF CALIFORNIA

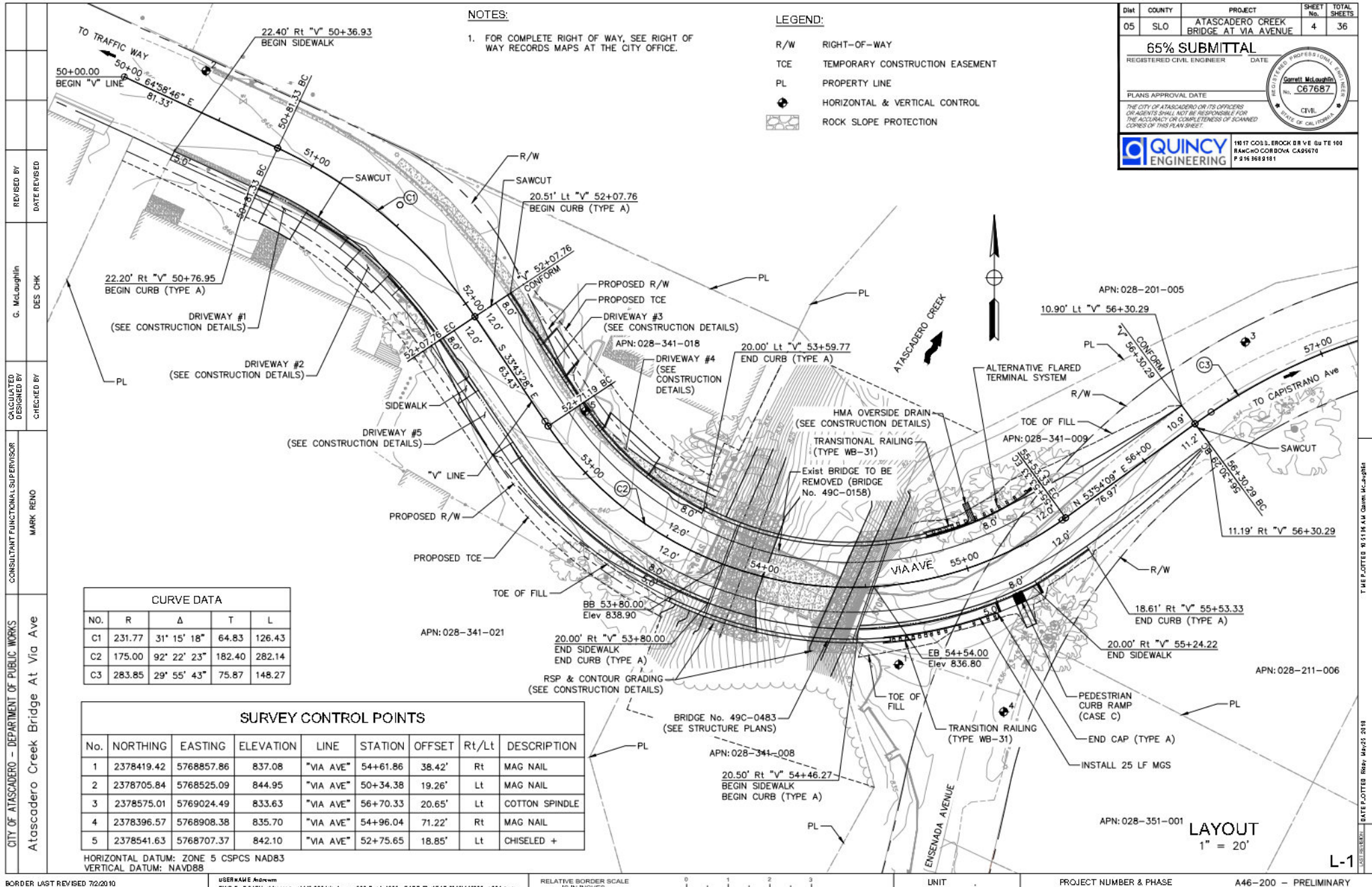
PLANS APPROVAL DATE _____
 THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING
 18117 COSB. EROCK DR VE SUITE 100
 RANCHO CORBONA CA 95970
 P 916 3638181

REVISOR: [] DATE: []
 DESIGNED BY: G. McLaughlin
 CHECKED BY: []
 CONSULTANT FUNCTIONAL SUPERVISOR: []
 MARK: RENO
 CITY OF ATASCADERO - DEPARTMENT OF PUBLIC WORKS
 Atascadero Creek Bridge At Via Ave

TYPICAL SECTIONS
 1" = 20'

X-1



NOTES:

- FOR COMPLETE RIGHT OF WAY, SEE RIGHT OF WAY RECORDS MAPS AT THE CITY OFFICE.

LEGEND:

- R/W RIGHT-OF-WAY
- TCE TEMPORARY CONSTRUCTION EASEMENT
- PL PROPERTY LINE
- HORIZONTAL & VERTICAL CONTROL
- ROCK SLOPE PROTECTION

Dist	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	ATASCADERO CREEK BRIDGE AT VIA AVENUE	4	36

65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE
 CORRETT McLaughlin No. C67667
 CIVIL
 STATE OF CALIFORNIA

PLANS APPROVAL DATE
 THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 1817 COSO, ERICK BR'VE Su TE 100 RANCHO CORONA, CA 92570 P 916 3682131

CURVE DATA

NO.	R	Δ	T	L
C1	231.77	31° 15' 18"	64.83	126.43
C2	175.00	92° 22' 23"	182.40	282.14
C3	283.85	29° 55' 43"	75.87	148.27

SURVEY CONTROL POINTS

No.	NORTHING	EASTING	ELEVATION	LINE	STATION	OFFSET	Rt/Lt	DESCRIPTION
1	2378419.42	5768857.86	837.08	"VIA AVE"	54+61.86	38.42'	Rt	MAG NAIL
2	2378705.84	5768525.09	844.95	"VIA AVE"	50+34.38	19.26'	Lt	MAG NAIL
3	2378575.01	5769024.49	833.63	"VIA AVE"	56+70.33	20.65'	Lt	COTTON SPINDLE
4	2378396.57	5768908.38	835.70	"VIA AVE"	54+96.04	71.22'	Rt	MAG NAIL
5	2378541.63	5768707.37	842.10	"VIA AVE"	52+75.65	18.85'	Lt	CHISELED +

HORIZONTAL DATUM: ZONE 5 CSPCS NAD83
 VERTICAL DATUM: NAVD88

USERNAME Andrew
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RELATIVE BORDER SCALE IS IN INCHES



UNIT

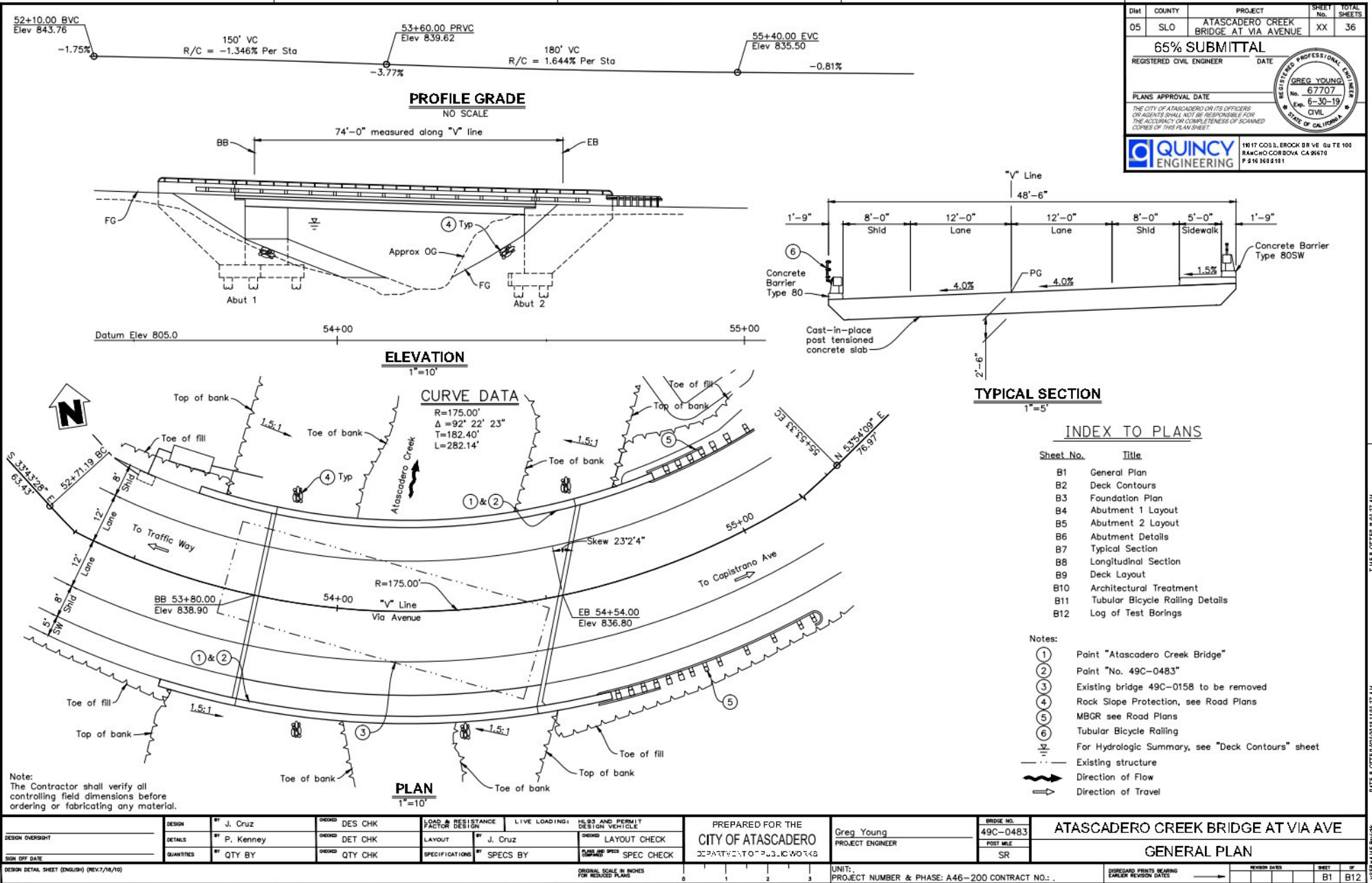
PROJECT NUMBER & PHASE

A46-200 - PRELIMINARY

REVISOR: C. McLaughlin
 DESIGNED BY: C. McLaughlin
 CHECKED BY:
 CONSULTANT SUPERVISOR:
 MARK RENO
 DEPARTMENT OF PUBLIC WORKS
 Atascadero Creek Bridge At Via Ave

DATE PLOTTED: 06/12/18 11:14:41 AM User: k-c-jghlin

L-1



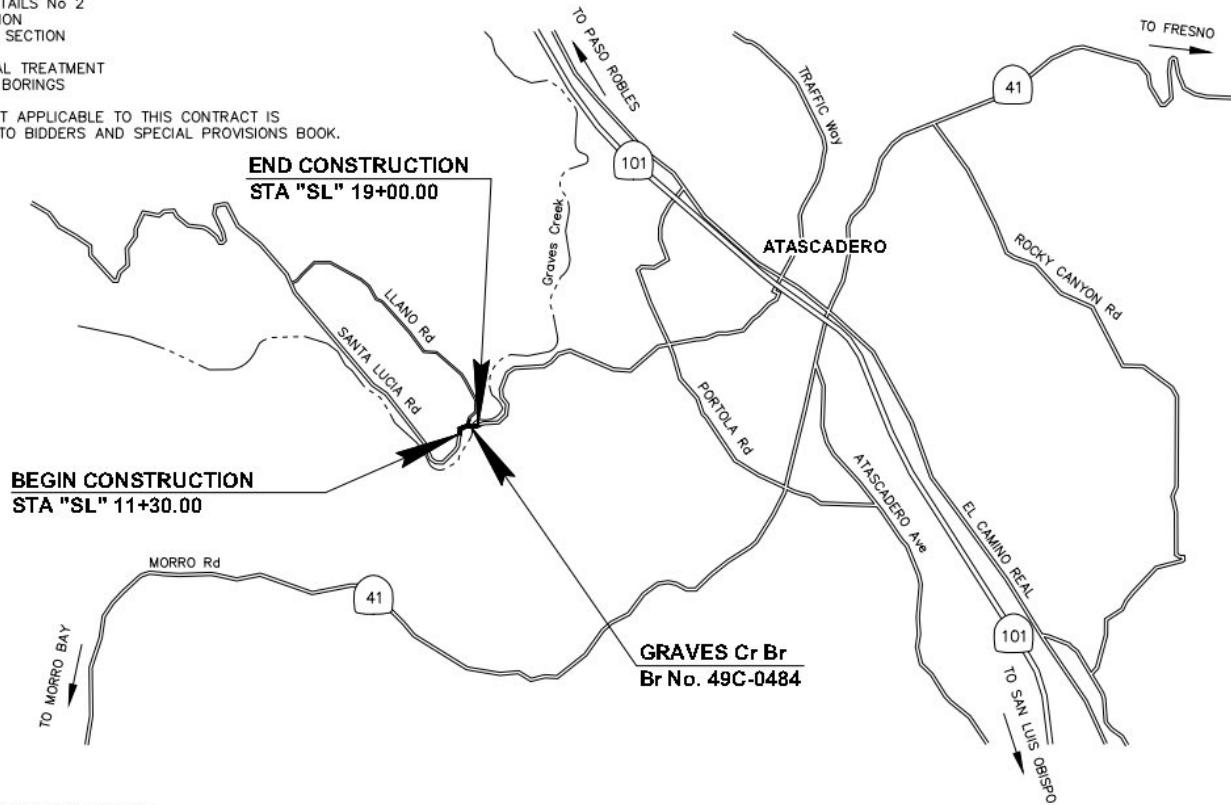
INDEX OF PLANS

SHEET No.	ROADWAY
1	TITLE SHEET
2-3	TYPICAL SECTIONS
4-5	LAYOUT
6-8	PROFILE & SUPERELEVATION
9-15	CONSTRUCTION DETAILS
16	TEMPORARY CREEK DIVERSION
17-18	EROSION CONTROL PLAN
19-20	UTILITY PLAN
21	UTILITY DETAILS
22	STAGE CONSTRUCTION
23-26	TRAFFIC HANDLING PLAN
27	TRAFFIC HANDLING DETAILS
28	TRAFFIC HANDLING QUANTITIES
29	PAVEMENT DELINEATION PLAN
30	SUMMARY OF QUANTITIES

STRUCTURE PLANS

31	GENERAL PLAN
32	DECK CONTOURS
33	FOUNDATION PLAN
34	ABUTMENT 1 LAYOUT
35	ABUTMENT 2 LAYOUT
36	ABUTMENT DETAILS No 1
37	ABUTMENT DETAILS No 2
38	TYPICAL SECTION
39	LONGITUDINAL SECTION
40	DECK LAYOUT
41	ARCHITECTURAL TREATMENT
42	LOG OF TEST BORINGS

THE STANDARD PLANS LIST APPLICABLE TO THIS CONTRACT IS INCLUDED IN THE NOTICE TO BIDDERS AND SPECIAL PROVISIONS BOOK.



CITY OF ATASCADERO
 DEPARTMENT OF PUBLIC WORKS
**PROJECT PLANS FOR CONSTRUCTION ON
 GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD**
 LOCATED Approx 2.6 MILES WEST
 OF ROUTE 101 ON SANTA LUCIA ROAD
 EXISTING BRIDGE No. 49C-0164
 NEW BRIDGE No. 49C-0484
 FEDERAL AID BRIDGE
 REPLACEMENT PROJECT No. BRLO-5423(029)
 TO BE SUPPLEMENTED BY STATE OF CALIFORNIA, STANDARD PLANS DATED 2015



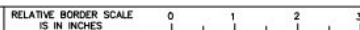
CITY PROJECT ENGINEER OVERSIGHT APPROVAL
 RYAN HAYES

CONSULTANT FUNCTIONAL SUPERVISOR
 MARK RENO

CITY OF ATASCADERO - DEPARTMENT OF PUBLIC WORKS
 GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD

THE CONTRACTOR SHALL POSSESS THE CLASS (OR CLASSES) OF LICENSE AS SPECIFIED IN THE "NOTICE TO BIDDERS."

BORDER LAST REVISED 4/18/2017



USERNAME: Andream
 DWG FILE S:\Client\Atascadero\A46-300 Santa Lucia Road\500-Design\505 - CADD

UNIT UNIT PROJECT NUMBER & PHASE: 300 - PRELIMINARY

PROJECT MANAGER REGISTERED CIVIL ENGINEER DATE
65% SUBMITTAL
 PLANS APPROVAL DATE

REGISTERED PROFESSIONAL ENGINEER
 Mark L. Reno
 No. C47756
 CIVIL
 STATE OF CALIFORNIA

THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 11017 COBBLEROCK DRIVE, SUITE 100 RANCHO CORDOVA, CA 95670
 P: 916.368.9181

CITY OF ATASCADERO, DEPARTMENT OF PUBLIC WORKS
 6500 PALMA AVENUE, ATASCADERO, CA 93422
 P: 805.461.5000

CONTRACT No.	--
PROJECT ID	C2015B03

DATE PLOTTED: Wednesday, October 25, 2017
 TIME PLOTTED: 4:27:48 PM, Patrick Kenney

Dist	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD	2	40

65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE
 REGISTERED PROFESSIONAL ENGINEER
 No. C67687
 CIVIL
 STATE OF CALIFORNIA

PLANS APPROVAL DATE

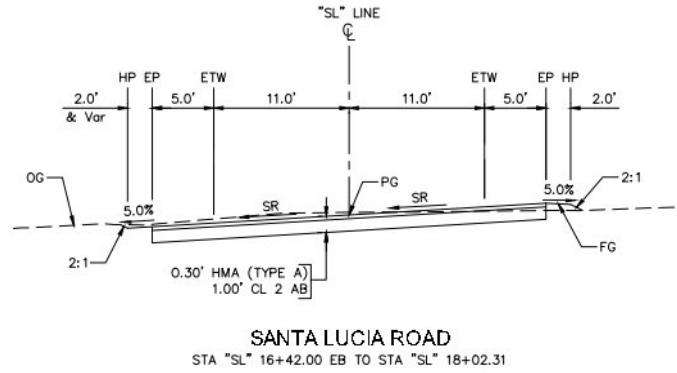
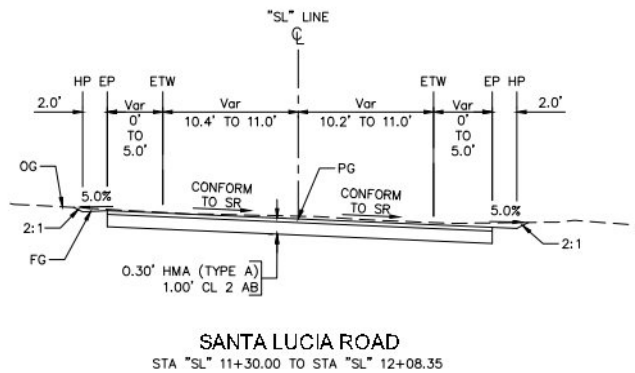
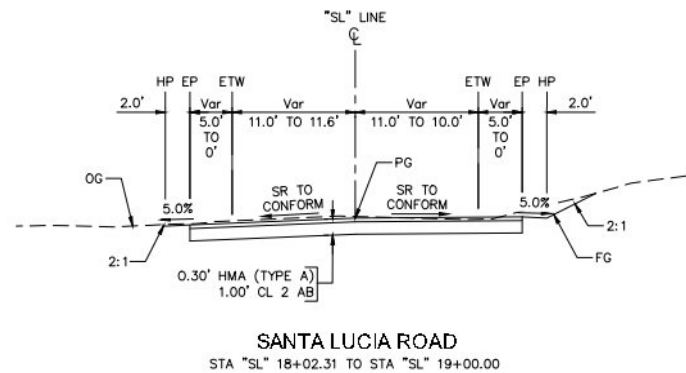
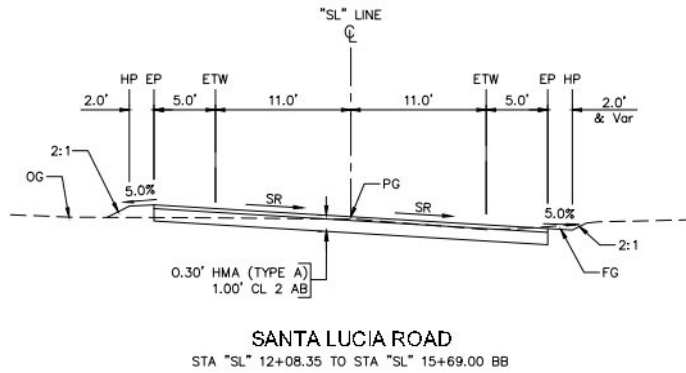
THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 11017 COBBLEROCK DRIVE, SUITE 100
 RANCHO CORDOVA, CA 95670
 P: 916.368.9181

NOTES:
 1. DIMENSIONS OF THE PAVEMENT STRUCTURES (STRUCTURAL SECTIONS) ARE SUBJECT TO TOLERANCES SPECIFIED IN THE STANDARD SPECIFICATIONS.
 2. CL 2 AB TO EXTEND AT SAME DEPTH UNDER APPROACH SLAB.

LEGEND:
 SR - SUPERELEVATION

DESIGN DATA: SANTA LUCIA ROAD
 V = 45 MPH
 ADT (2016) = 1,084
 ADT (2039) = 1,362
 R = 23
 TI = 7.0



TYPICAL SECTIONS
 AS SHOWN

DESIGN DATA: LLANO ROAD

V	=	25 MPH
ADT (2017)	=	389
ADT (2039)	=	484
R	=	23
TI	=	7.0

DIST	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD	3	40

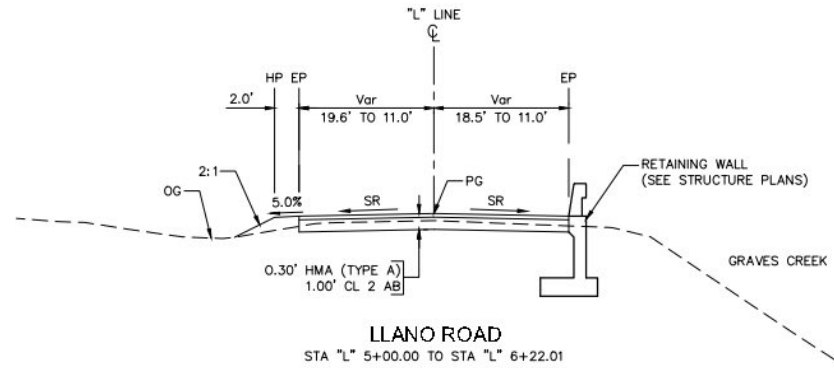
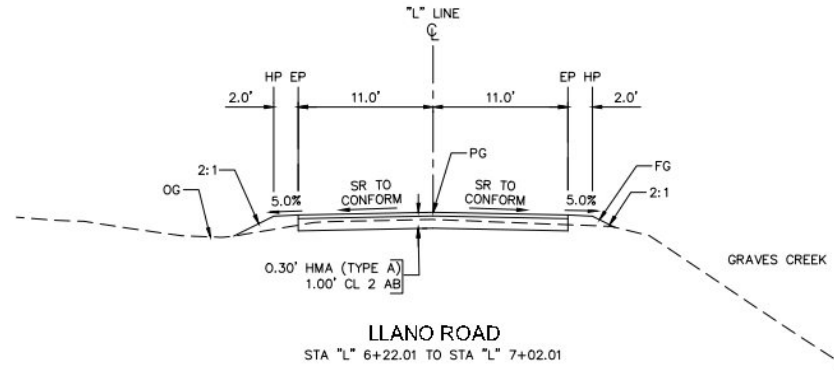
65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE

PLANS APPROVAL DATE

THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 11017 COBBLE ROCK DRIVE, SUITE 100
 RANCHO CORDOVA, CA 95670
 P: 916.368.9181

- NOTES:
- DIMENSIONS OF THE PAVEMENT STRUCTURES (STRUCTURAL SECTIONS) ARE SUBJECT TO TOLERANCES SPECIFIED IN THE STANDARD SPECIFICATIONS.
 - CL 2 AB TO EXTEND AT SAME DEPTH UNDER APPROACH SLAB.



TYPICAL SECTIONS
 AS SHOWN

X-2

REVISIONS	REVISOR	DATE

TIME PLOTTED: 9:10:26 AM, Andrew Mitchell DATE PLOTTED: Tuesday, September 19, 2017

REVISOR: []
 DATE: []
 DESIGNED BY: G. McLaughlin
 CHECKED BY: []
 CALCULATED BY: []
 DESIGNED BY: []
 CONSULTANT: G. McLaughlin
 SUPERVISOR: []
 MARK: RENO
 WORKS: DEPARTMENT OF PUBLIC WORKS
 PROJECT: GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD

LEGEND:
 R/W RIGHT-OF-WAY
 TCE TEMPORARY CONSTRUCTION EASEMENT
 PL PROPERTY LINE
 CP CONTROL POINT

DIST	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD	4	40

65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE
 CORNELL McLaughlin
 No. C67687
 CIVIL
 STATE OF CALIFORNIA

PLANS APPROVAL DATE
 THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 11017 COBBLEBROOK DRIVE, SUITE 100
 RANCHO CORDOVA, CA 95670
 P: 916.368.9181

- NOTES:**
- FOR COMPLETE RIGHT OF WAY, SEE RIGHT OF WAY RECORDS MAPS AT THE CITY OFFICE.
 - SURVEY MONUMENT AND MONUMENT WELL TO BE RESET BY A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF CALIFORNIA PER CITY OF ATASCADERO STANDARD STREET MONUMENT DETAIL AND THE CALIFORNIA PROFESSIONAL LAND SURVEYORS ACT.

SURVEY CONTROL POINTS (NAVD 88, ZONE 5 CSPC NAD 83)

No.	NORTHING	EASTING	ELEVATION	LINE	STATION	OFFSET	Rt/Lt	DESCRIPTION
CP-2	2370237.10	5755581.80	963.62	"L"	6+88.75	8.90'	Lt	MAGNAIL
CP-3	2370172.52	5755567.43	963.81	"L"	6+22.60	8.52'	Lt	MAGNAIL
CP-4	2370109.20	5755550.75	964.93	"L"	5+57.16	10.65'	Lt	MAGNAIL
CP-7	2370060.26	5755797.63	964.96	"SL"	17+85.78	20.95'	Lt	PK NAIL
CP-8	2370013.49	5755421.44	966.83	"SL"	13+88.60	18.04'	Rt	PK NAIL
CP-9	2369812.98	5755280.75	970.61	"SL"	11+28.51	16.31'	Rt	SPIKE
CP-11	2370098.37	5755740.18	965.08	"SL"	17+27.40	68.77'	Lt	MAG NAIL
CP-12	2370117.11	5756140.68	961.84	"SL"	21+35.22	23.24'	Rt	SPIKE
CP-17	2369888.36	5755302.56	968.30	"SL"	12+05.50	4.01'	Lt	1" IP IN MON WELL
CP-213	2370367.81	5755620.28	964.59	"L"	8+17.45	16.66'	Lt	1" IP LS #5571
CP-214	2370052.15	5755540.79	965.65	"SL"	15+20.66	0.09'	Rt	2" BC IN MON WELL, RCE #14994
CP-215	2370054.96	5755521.25	965.39	"SL"	15+00.98	0.94'	Lt	1" IP IN MON WELL

CURVED DATA

NO.	R	Δ	T	L
C1	210.00	92° 08' 20"	217.99	337.71

LAYOUT
 1" = 20'

TIME PLOTTED: 9:22:14 AM, Andrew Mitchell
 DATE PLOTTED: Tuesday, September 19, 2017
 LAST USER: Andrew Mitchell

CITY OF ATASCADERO - DEPARTMENT OF PUBLIC WORKS
 GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD

REVISIONS:

REVISION NO.	DATE	BY	DESCRIPTION

DESIGNED BY: G. McLaughlin
 CHECKED BY: DES CHK
 CALCULATED/DESIGNED BY: G. McLaughlin
 CHECKED BY: DES CHK
 CONSULTANT FUNCTIONAL SUPERVISOR: MARK RENO
 MARK RENO

NOTES:

- FOR COMPLETE RIGHT OF WAY, SEE RIGHT OF WAY RECORDS MAPS AT THE CITY OFFICE.
- SURVEY MONUMENT AND MONUMENT WELL TO BE RESET BY A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF CALIFORNIA PER CITY OF ATASCADERO STANDARD STREET MONUMENT DETAIL AND THE CALIFORNIA PROFESSIONAL LAND SURVEYORS ACT.

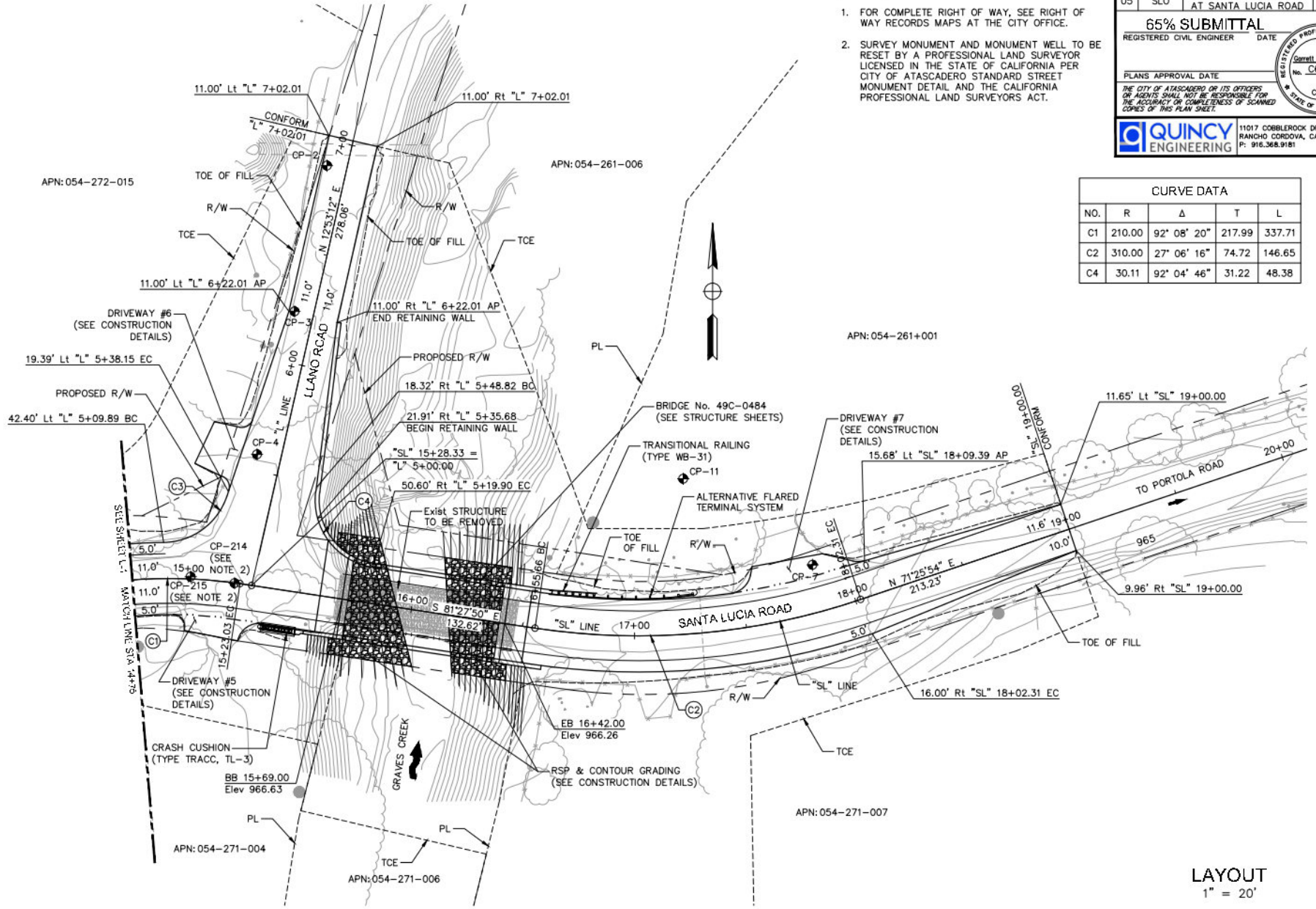
Dist	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD	5	40

65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE _____
 REGISTERED PROFESSIONAL ENGINEER
 Garrett McLaughlin
 No. C67687
 CIVIL
 STATE OF CALIFORNIA

PLANS APPROVAL DATE _____
 THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 11017 COBBLEROCK DRIVE, SUITE 100
 RANCHO CORDOVA, CA 95670
 P: 916.368.9181

CURVE DATA				
NO.	R	Δ	T	L
C1	210.00	92° 08' 20"	217.99	337.71
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LAYOUT
 1" = 20'





DATE PLOTTED: Tuesday, October 03, 2017 TIME PLOTTED: 11:27:44 AM Andrew Michael

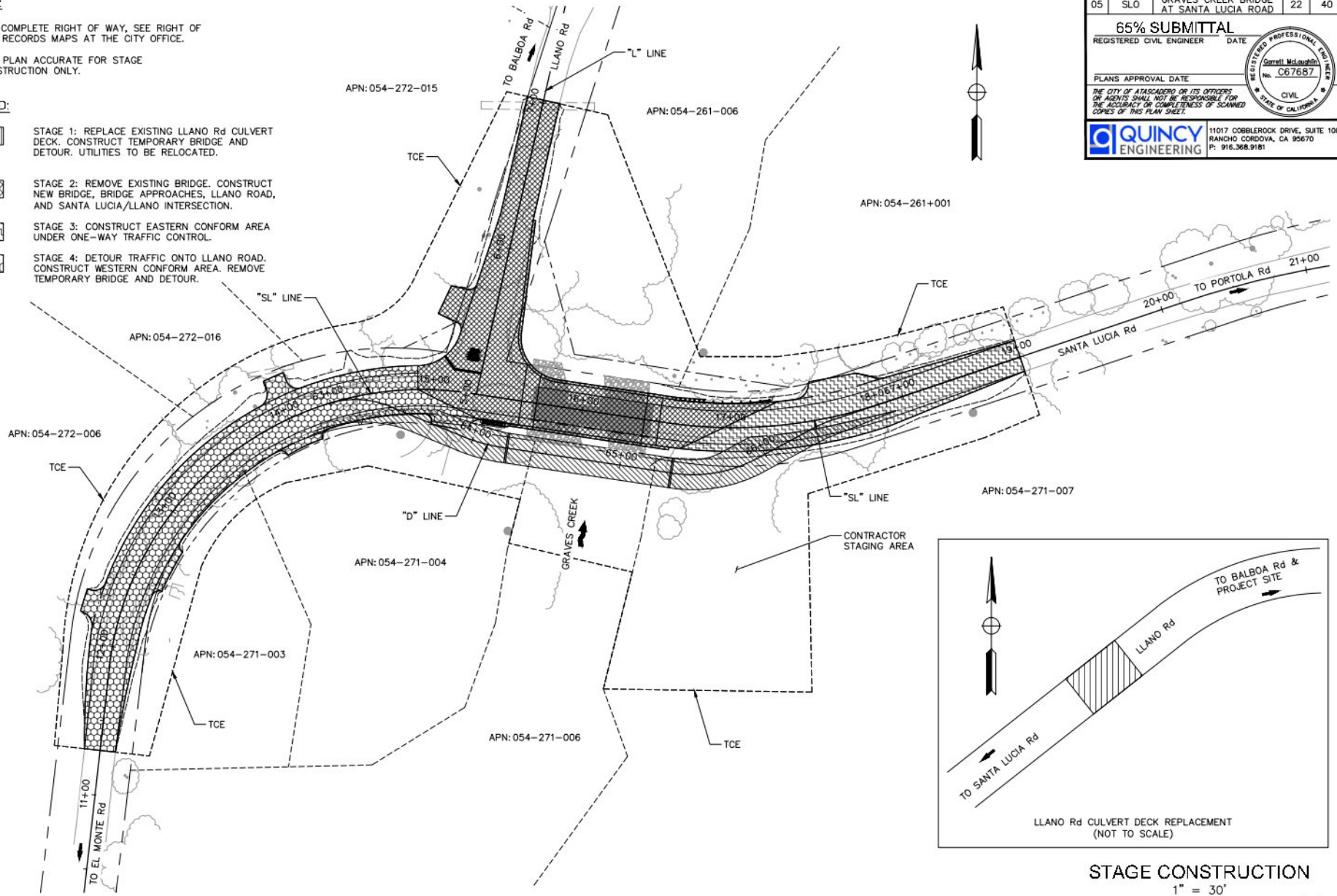
REMOVED BY	DATE REVISED
G. McLaughlin	DES. CHK.
CALCULATED/DESIGNED BY	CHECKED BY
CONSULTANT FUNCTIONAL SUPERVISOR	MARK RENO
CITY OF ATASCADERO - DEPARTMENT OF PUBLIC WORKS	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD

NOTES:

- FOR COMPLETE RIGHT OF WAY, SEE RIGHT OF WAY RECORDS MAPS AT THE CITY OFFICE.
- THIS PLAN ACCURATE FOR STAGE CONSTRUCTION ONLY.

LEGEND:

-  STAGE 1: REPLACE EXISTING LLANO Rd CULVERT DECK. CONSTRUCT TEMPORARY BRIDGE AND DETOUR. UTILITIES TO BE RELOCATED.
-  STAGE 2: REMOVE EXISTING BRIDGE. CONSTRUCT NEW BRIDGE, BRIDGE APPROACHES, LLANO ROAD, AND SANTA LUCIA/LLANO INTERSECTION.
-  STAGE 3: CONSTRUCT EASTERN CONFORM AREA UNDER ONE-WAY TRAFFIC CONTROL.
-  STAGE 4: DETOUR TRAFFIC ONTO LLANO ROAD. CONSTRUCT WESTERN CONFORM AREA. REMOVE TEMPORARY BRIDGE AND DETOUR.



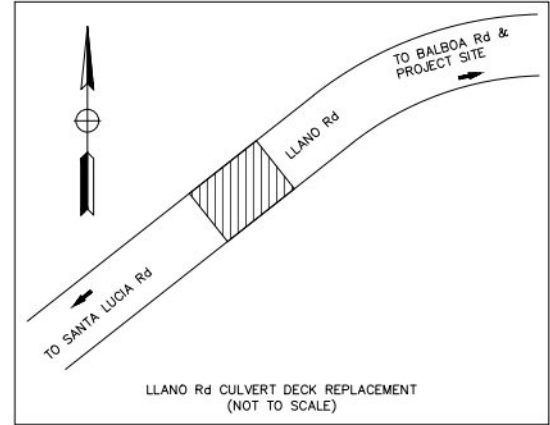
Dist	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD	22	40

65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE _____
 PLANS APPROVAL DATE _____

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QUINCY ENGINEERING 11017 COBBLEROCK DRIVE, SUITE 100
 RANCHO CORDOVA, CA 95670
 P: 916.368.9181

REGISTERED PROFESSIONAL ENGINEER
 Garrett McLaughlin
 No. C67687
 CIVIL
 STATE OF CALIFORNIA



STAGE CONSTRUCTION
 1" = 30'

DATE PLOTTED: Tuesday, October 03, 2017 TIME PLOTTED: 11:09:22 AM Andrew Mitchell

INDEX TO PLANS

Sheet No.	Title
B1	General Plan
B2	Deck Contours
B3	Foundation Plan
B4	Abutment 1 Layout
B5	Abutment 2 Layout
B6	Abutment Details No. 1
B7	Abutment Details No. 2
B8	Typical Section
B9	Longitudinal Section
B10	Deck Layout
B11	Architectural Treatment
B12	Log of Test Borings

Dist	COUNTY	PROJECT	SHEET No.	TOTAL SHEETS
05	SLO	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD	31	42

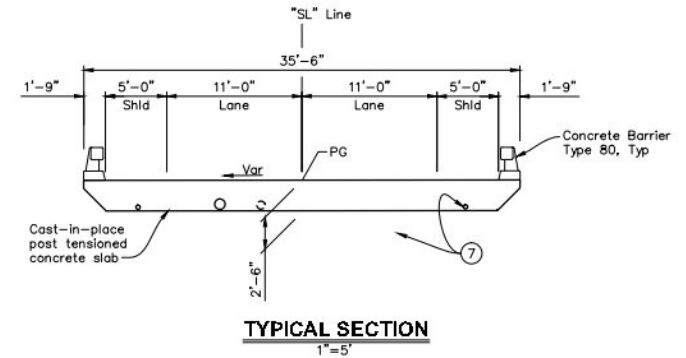
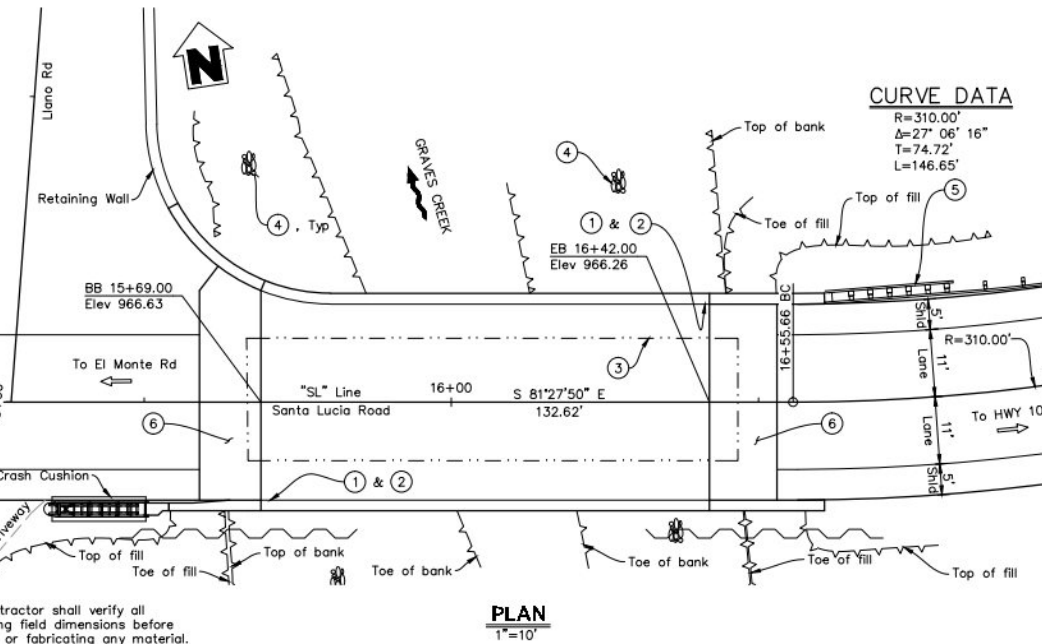
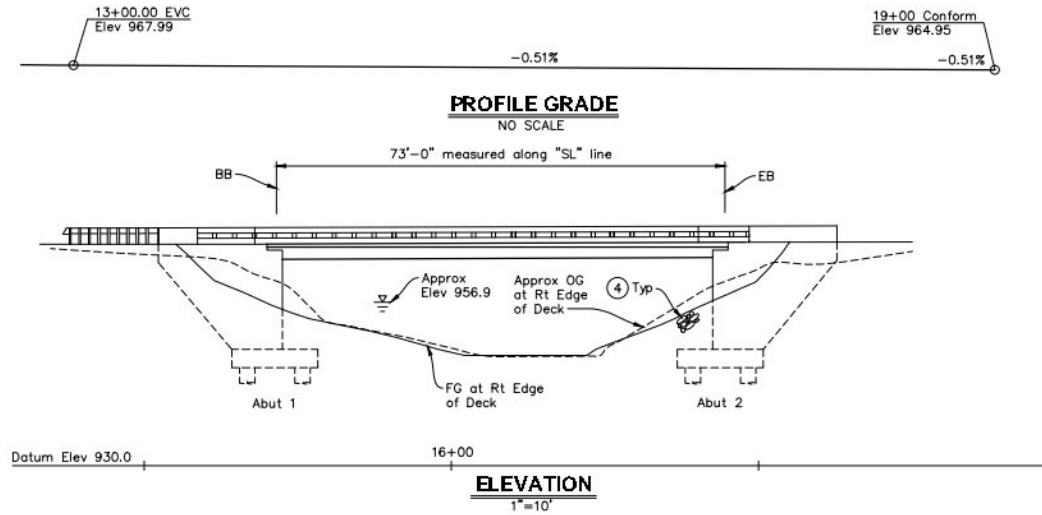
65% SUBMITTAL
 REGISTERED CIVIL ENGINEER DATE

PLANS APPROVAL DATE

THE CITY OF ATASCADERO OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

QUINCY ENGINEERING 11017 COBBLEROCK DRIVE, SUITE 100 RANCHO CORDOVA, CA 95670 P: 916.368.9181

REGISTERED PROFESSIONAL ENGINEER
 Greg Young
 No. 67707
 Exp. 6/30/17
 CIVIL
 STATE OF CALIFORNIA



- Legend:
- ① Paint "Graves Creek Bridge"
 - ② Paint "No. 49C-0484"
 - ③ Existing bridge 49C-0164 to be removed
 - ④ Rock Slope Protection, see Road Plans
 - ⑤ MBGR, see Road Plans
 - ⑥ Structure Approach Type EQ (10)
 - ⑦ Utility openings, see "Typical Section" sheet
 - High Water Elevation (100 year)
 - Existing structure
 - Direction of Flow
 - Direction of Travel
 - Indicates Temporary Shoring as required for bridge removal and construction. Actual shoring locations and design are the responsibility of the Contractor.

- Notes:
- For General Notes, Standard Plans, and Quantities, see "Deck Contours" sheet.
 - For Hydraulic Summary, see "Foundation Plan" sheet.

DESIGN OVERSIGHT	DESIGN BY N. PIATKOFF	CHECKED DES CHK	LOAD & RESISTANCE FACTOR DESIGN	LIVE LOADING: HL93 AND PERMIT DESIGN VEHICLE	PREPARED FOR THE CITY OF ATASCADERO	BRIDGE NO. 49C-0484	GRAVES CREEK BRIDGE AT SANTA LUCIA ROAD
DETAILS	BY P. KENNEY	CHECKED DET CHK	LAYOUT	BY G. Young/A. Mitchell	CHECKED LAYOUT CHECK	POST MILE N/A	GENERAL PLAN
QUANTITIES	BY QTY BY	CHECKED QTY CHK	SPECIFICATIONS	BY SPECS BY	CHECKED SPEC CHECK		

DESIGN DETAIL SHEET (ENGLISH) (REV.7/16/10)

ORIGINAL SCALE IN INCHES FOR REDUCED PLANS

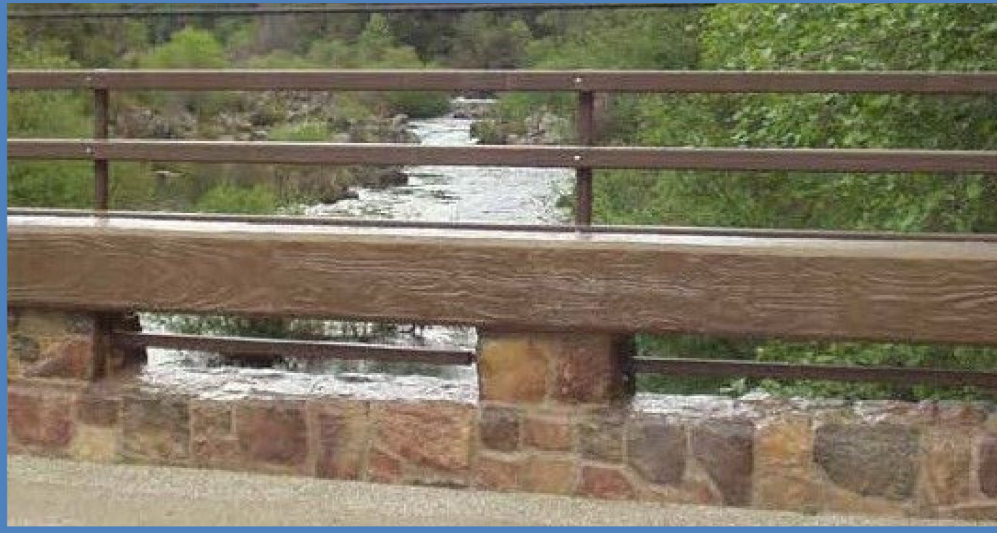
UNIT: PROJECT NUMBER & PHASE: A46-300 CONTRACT NO.: UNIT

FILE: S:\Client\Atascadero\A46-300 Santa Lucia Road\500-Design\505 - CAD Files\CAD 2015\A46300a-a-gp01.dwg

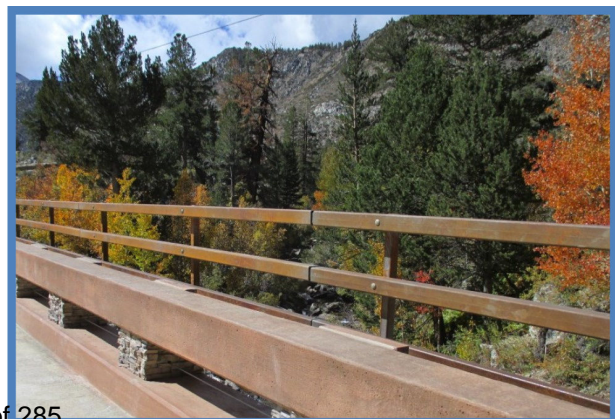
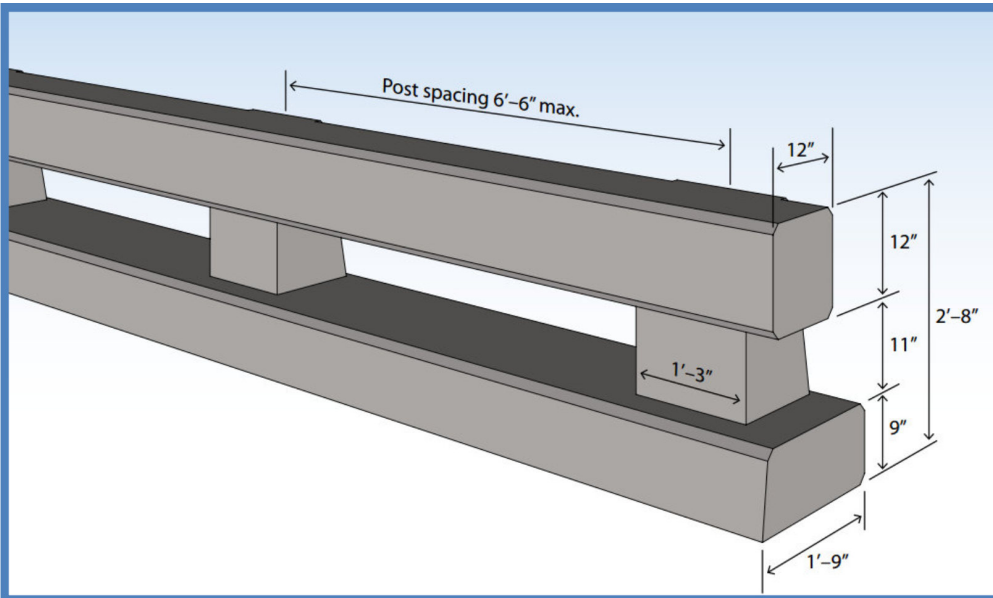
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USERNAME: P01038

CONCRETE BARRIER TYPE 80



STICKERS



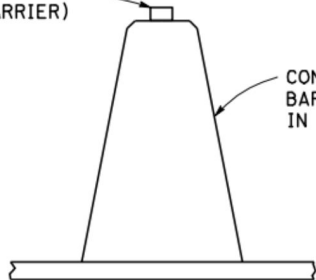
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STICKERS



BARRIER MARKER
(CEMENTED TO BARRIER)



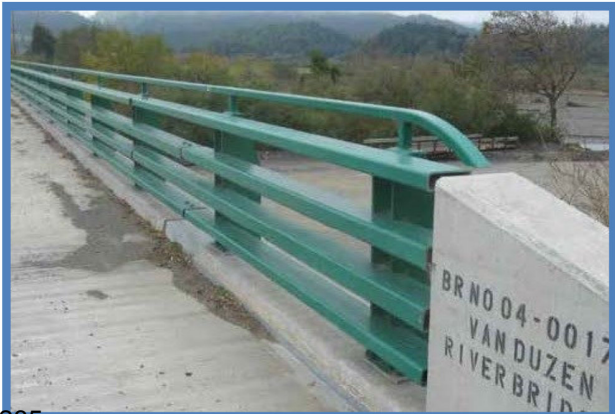
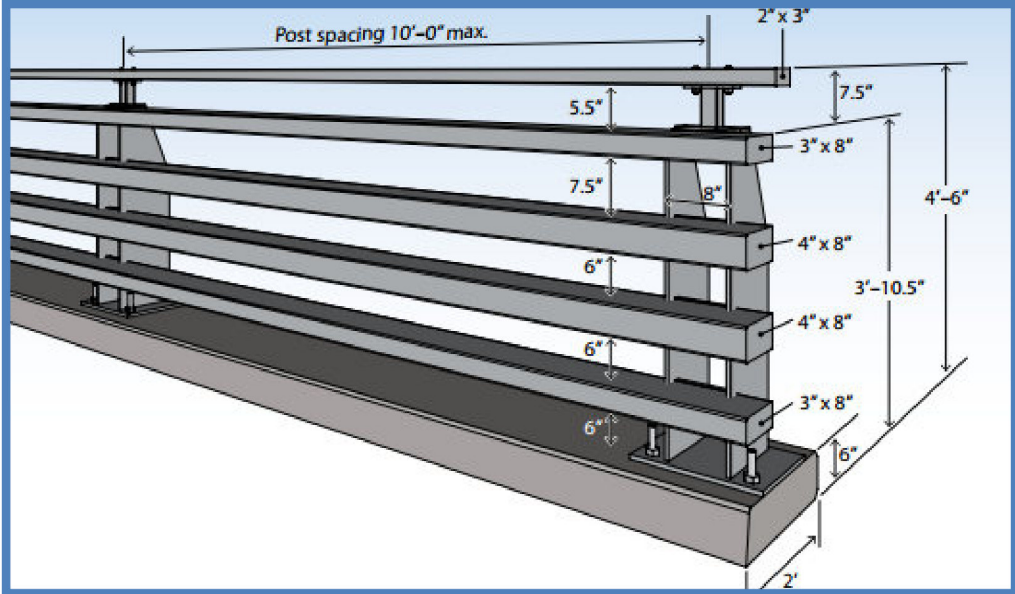
CONCRETE
BARRIER
IN MEDIAN



CALIFORNIA ST-20S BRIDGE RAIL



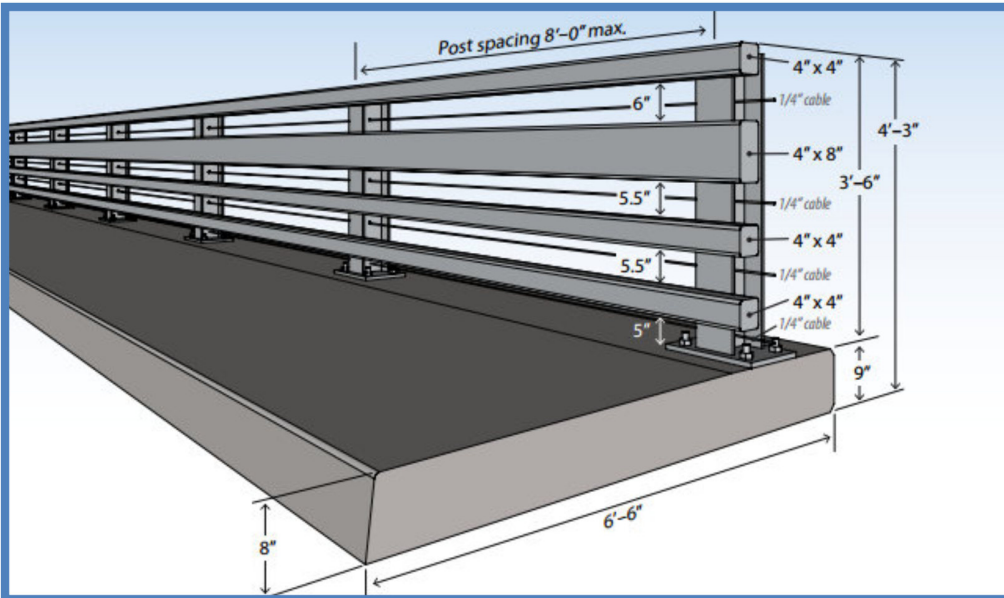
STICKERS



CALIFORNIA ST-40 BRIDGE RAIL



STICKERS





Atascadero City Council

Staff Report – Community Development Department

Sustainable Transportation Planning Grant El Camino Corridor Study Professional Services Award

RECOMMENDATIONS:

Council:

1. Authorize the City Manager to execute a contract with PlaceWorks, in the amount of \$174,905, to provide professional services for the El Camino Real Corridor Study, funded by the Caltrans planning grant.
2. Authorize the Director of Administrative Services to appropriate up to \$25,000 from the City's General Fund Reserves to complete a Market Assessment which will identify economic opportunities and quantify market potential within the City's commercial sector.

REPORT IN BRIEF:

Staff is requesting that the City Council authorize a contract with PlaceWorks to provide professional services for the El Camino Real on the Go! Corridor Study. The study is being funded by a Caltrans planning grant in the amount of \$176,800. The final Corridor Plan is intended to serve as a blueprint or master plan for future improvements and land uses along the El Camino Real corridor. City staff has developed a scope of work for the Study which focuses attention on the land use and transportation issues along the El Camino Real Corridor, particularly at locations with commercial development potential. City staff is also recommending that Council appropriate funds in an amount up to \$25,000 to complete a Market Assessment in conjunction with the Corridor Study. The Market Assessment would identify economic opportunities and analyze commercial land use potential in the City, and would serve as a basis for making land use planning decisions along the corridor.

DISCUSSION:

Background:

The City of Atascadero has been awarded a Caltrans Sustainable Transportation Planning Grant to complete a conceptual land use and transportation plan for the El Camino Real corridor. The Atascadero City Council accepted the Caltrans planning

grant by resolution in November 2017. Caltrans will be contributing up to \$176,800 in grant funds to pay for a consultant to develop the Corridor Plan along with City staff assistance. The Corridor Study is expected to be completed by spring 2019.

The El Camino Real Corridor is the City's primary economic and transportation hub. Approximately 7-miles in length, the former state highway still struggles to recover from its highway's past and lacks a cohesive pattern both in land uses and transportation nodes. Currently, the El Camino Real Corridor operates under the following conditions:

- A recent increase in collisions between pedestrians, bicycles and, vehicles along the corridor with no reported fatalities. However, injuries have led residents and business owners to express concern over the safety of the corridor.
- A lack of multi-modal connectivity that links active transportation networks (bicycle/walking) with existing regional transit service, limiting opportunities for Vehicle Miles Traveled (VMT) reduction within the City.
- A land use framework that does not integrate good transportation options with a sustainable, economic hub capable of generating jobs and economic development for the City.
- The corridor lacks a sense of place and does not have the characteristics of a "Destination".

The El Camino Real Corridor Plan will provide the City with tools to transform its existing auto-oriented, regional corridor into a multi-modal economic hub. The bulk of the work developing the plan will be completed by a third-party consultant, with City staff acting as the project manager for the Corridor Plan. The City has participated in a recent but different corridor study (Highway 41 / Morro Road) that focused mainly on roadway design and improvements, but that study did not involve a land use inventory or zoning analysis. Although there have been academic studies of the Corridor and preliminary vacancy studies done by City staff, this is the first time that the City will oversee a "comprehensive" corridor study since incorporation. This study will not examine the Downtown zone between Hwy 41 and Rosario since that area is already being evaluated by a different consulting team as part of the traffic calming study.

Analysis:

The purpose of the El Camino Real Corridor Study is to promote long-term fiscal sustainability for the community by formulating transportation and land use strategies that will attract economic development. The final Corridor Plan is intended to serve as a blueprint or master plan for future improvements and land uses along the El Camino Real corridor.

The El Camino Real Corridor Study, includes the following objectives:

- Review existing land use patterns and provide strategies for a better jobs/housing balance, thereby reducing Vehicle Miles Traveled VMT and Greenhouse Gas (GHG) emissions
- Focus transportation improvements around commercial and residential nodes to foster both residential protection and economic development
- Improve bicycle lanes as an active transportation alternative
- Improve and enhance pedestrian circulation and walkability
- Improve safety at key intersections with traffic calming strategies

- Apply “green streets” approach such as bio-swales, filtration, and other water capture concepts to enhance ground water supplies
- Provide conceptual street design that takes into account transit use, especially within ¼ mile of park & ride lots, and proposed commercial nodes
- Ensure sufficient vehicular traffic capacity that aids in reduction or nullifies any impact to mainline Highway 101

Scope of Work:

In order to define a study area that could be analyzed with the grant fund amount provided by Caltrans, City staff has refined the focus area of this plan to include El Camino Real from the intersection with Santa Rosa Road to the intersection of San Benito Road to the north. The goal is to strengthen transportation connections that will foster commercial nodes and help enhance commercial development opportunities. The City’s key commercial nodes exist in locations where Highway 101 interchanges interact with El Camino Real and at points in between these locations.

Strategies developed in the Study for the focus areas can also be applied to other portions of El Camino Real and incorporated into the next General Plan update. The scope of work excludes areas south of Santa Rosa, which are predominantly residential. The downtown area is not included in the Corridor Plan workscope as it is undergoing its own focused traffic calming study. The corridor north of San Benito Road, through Del Rio road and northward Del Rio Road is also excluded as the Del Rio Specific Plan identifies land use and transportation concepts for this portion of the corridor.

The Consultant, in concert with City staff, will evaluate the existing transportation and land use conditions of the corridor, and through a comprehensive public outreach effort, develop concepts for both land use and transportation strategies that serve the four focus area commercial nodes. Existing land uses and zoning along the corridor will be analyzed and recommendations provided to enhance key commercial areas and complimentary adjacent uses. By improving transportation options and facilitating commercial growth, the City hopes to grow the employment and economic base with a goal of acquiring a healthier jobs to housing balance and reducing regional trips on Highway 101.

The El Camino Real Corridor Plan will be an all-inclusive effort incorporating feedback from residents, business owners, City staff and the City Council. The scope of work includes the following tasks:

- Base mapping and traffic data
- Opportunities & challenges mapping
- Existing Conditions Report
- Strategic Stakeholder partnerships meeting with organizations such as the Chamber of Commerce, North County Bike Coalition, and downtown merchants
- Two (2) public engagement sessions for the residents, business owners, and other interested stakeholders to provide input
- Preliminary concepts: multi-modal streetscape concepts and two (2) land use plan alternatives
- Corridor Plan

The Corridor Plan is a conceptual design and will not include construction level documents. With a vision plan in place, the City will begin implementing and developing the plan through exploration of additional funds and programming improvements based on the strategies and measures vetted. The plan will also be a catalyst for a future Citywide General Plan Update.

Consultant Selection

Staff solicited proposals from qualified firms in January 2018 and received two proposals by the March 5, 2018, due date. Proposals were evaluated and ranked by a selection team, comprised of Public Works and Planning staff, who considered the applicants experience with similar projects, understanding of the work involved to coordinate public and stakeholder input, local knowledge of the area, and other factors. There was consensus that the proposal submitted by PlaceWorks was the top proposal. Staff discussed and refined the scope of work with PlaceWorks to ensure that project goals would be met.

Staff is recommending that PlaceWorks be selected to perform the professional services for the El Camino Real Corridor Project. Staff was in agreement that the team of PlaceWorks and their subconsultant (W-Trans) are the most qualified, with particular strengths that best fit this project. These strengths include strong technical expertise, experience on similar projects, and an ability to prepare an executable aesthetic vision for the corridor.

Market Analysis

In their proposal, PlaceWorks recommended one optional task that was not originally identified in the El Camino Real RFP. PlaceWorks suggested that a Market Assessment be completed to identify economic opportunities and quantify market potential along the El Camino Real corridor. A Market Assessment would look at how the corridor functions on an economic level and would help to identify Atascadero's role and potential as a commercial destination. The study would identify and analyze households in the community's drive-time trade area, and take into consideration lifestyle and purchasing behavior. The Market Assessment would:

- Quantify the market potential for commercial businesses by types and supportable amount of building space at buildout, for each node.
- Identify possible niches that each node could capitalize on to become a distinct destination.
- Provide recommendations for land use and development in the areas between nodes.
- Describe strategies and funding mechanisms to support existing business and attract new businesses.

In recent months, City staff has met with two other economic firms, in addition to PlaceWorks, which also advised that a Market Analysis would be a great benefit to the City's economic development efforts. In order to know which types of businesses and commercial uses to focus on bringing to Atascadero, we need to know where the gaps are, where the retail leakage is occurring, and where there may be overconcentration of particular commercial uses. By understanding what the local economy can support, the City can target those business types identified in the Market Assessment as being underserved in the community. The last time the City of Atascadero completed an economic analysis study like this was a Community ID report prepared by Buxton in

2004. Given the major changes in retail markets and the shifts in consumer spending that took place before and after the recession, the timing is right to now take a fresh look at the trade area research to help focus efforts on attracting retailers and businesses that are needed in this community.

The Market Assessment is an economic study, and therefore it is not the type of work that can be covered under the Caltrans Sustainable Planning grant. However, having an economic analysis as a basis for making land use and transportation decisions would be a significant tool to inform the community and decision makers about what types of uses would be economically feasible along the corridor. It would help to create a land use and transportation plan that is based on economic development and what business types the corridor can support. If the Council chooses to add the optional task to the scope of work for the project, it would be up to City to fund this portion of work. City staff is recommending that Council authorize up to \$25,000 to be spent on an economic study, and staff would evaluate proposals from PlaceWorks as well as other economic consultants that could work with the City to supplement the corridor plan. Based on proposals, City staff would choose the best option to complete the economic portion of the project within the maximum \$25,000 budget for the task.

FISCAL IMPACT:

PlaceWorks’s negotiated fee is time and material basis for a contract amount of \$174,905, which is fully covered by the Caltrans planning grant. Staff recommends that Council appropriate up to \$25,000 in General Fund Reserves to fund a Market Assessment which will act as an economic basis for developing the land use and transportation corridor plan.

The grant is supported by in-kind staff work, which will result in short-term costs to oversee the grant and assist with planning and preparation of the concept plan. The in-kind match of staff time equates to approximately \$79,944 for the duration of the corridor plan identified in the grant. The in-kind match consists of City staff time, to administer, and perform tasks related to the grant such as facilitating meetings, review of documents, attendance at workshops, and managing the consultant. The in-kind match will not be paid through F-14 sales tax funds. No other City funds other than the optional market analysis tasks, are being requested for this activity.

PROPOSED FUNDING USES	
PlaceWorks Professional Services	\$ 174,905
City Staff Time	79,944
Total Estimated Costs	\$ 254,849

ESTIMATED FUNDING SOURCES	
Cal Trans State Highway Account Funds	\$ 176,800
Local In Kind Match- Staff Time	79,944
Total Funding Sources	\$ 256,744

PROJECT FUNDING SURPLUS/(SHORTFALL)	\$ 1,895
--	-----------------

Optional Market Assessment	
Consultant Professional Services - costs not to exceed	\$ 25,000
Total Estimated Costs	\$ 25,000

ALTERNATIVES:

Council could elect to modify the scope of work for this project. The Consultant has also suggested the corridor plan be supplemented with a marketing/economic study which would have a cost up to \$25,000 and is not covered under the Caltrans grant. The Council may choose not to add the optional Market Assessment task to the scope of work for the Corridor Plan. However, an economic study is the perfect complement to the corridor plan which would help the City understand existing and potential economic conditions in concert with the land use and transportation study. It could help the City plan future transportation and zoning improvements for the corridor that would facilitate economic development. Staff is currently evaluating whether the economic portion is best accommodated by Placeworks or an alternative consultant that could work with the City to supplement the corridor plan. If the Council authorizes funds to complete a Market Assessment, staff will solicit proposals from qualified firms and chose a consultant to complete the study in conjunction with the El Camino Real Corridor Study.

ATTACHMENTS:

None.