

**CITY OF
CALIFORNIA CITY
ENGINEER'S ANNUAL
LEVY REPORT
ASPEN MALL LANDSCAPING
AND LIGHTING DISTRICT
FISCAL YEAR 2007/08**



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I. OVERVIEW

A. Introduction

The City of California City (“City”) annually levies and collects special assessments in order to maintain the improvements within the Aspen Mall Landscaping and Lighting District (“District”), pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code* (“Act”). The District was formed in 1995, and provides funding for services required to maintain landscaping and lighting improvements and associated appurtenances located within the District boundaries.

This Engineer’s Annual Levy Report (“Report”) describes the District, any changes to the District and the proposed assessments for Fiscal Year 2007/08. The proposed assessments are based on the estimated cost to maintain the improvements that provide a special benefit to properties within the District. The District budget identifies the estimated expenditures, deficits, surpluses, revenues, and fund balances used to calculate the annual assessment for properties within the District. Each parcel within the District is assessed proportionately for those improvements provided by the District from which the parcel receives special benefit.

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

Following consideration of public comments and written protests at a Public Hearing, the City Council (“Council”) shall review the Engineer’s Annual Levy Report and may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report, and confirmation of the assessments, the Council may order the levy and collection of assessments for Fiscal Year 2007/08 pursuant to the Act and as outlined in the approved Report. In such case, the assessment information will be submitted to the County Auditor/Controller, and included on the property tax roll for each parcel in Fiscal Year 2007/08.

B. Compliance with California Constitution

On November 5, 1996, California voters approved Proposition 218, which established specific, substantive and procedural requirements for assessments. These provisions are now defined in the California State Constitution under Article XIII D, Section 4 (“Article XIID”).

In Fiscal Year 1997/1998, the City initiated and conducted property owner protest ballot proceedings for the District in compliance with the substantive and procedural requirements of Article XIID. At the conclusion of the Public Hearing on July 1,

1997, property owner ballots returned were tabulated. The tabulation of the ballots indicated that the property owners approved the special benefit assessment for maintaining the improvements within the District. Although the actual assessment amount approved by each property owner varied with their proportionate benefits, the assessment amount approved by the property owners within the District is based on a maximum assessment rate of \$4,652.28 per Benefit Unit Factor (see Section II, Method of Apportionment, for details).

C. Description of the District and Services

In an effort to enhance and improve the properties, business opportunities, and the appearance of the area known as the Aspen Mall, the Redevelopment Agency provided funds for the renovation and capital improvement of the parking lot and landscaped areas related to this commercial business center. In conjunction with this renovation, the Aspen Mall Landscaping and Lighting District was formed to provide for and ensure the continued maintenance of the improvements after the initial installation and renovation was completed.

The District provides for the maintenance, servicing, operation and administration of landscape and lighting improvements and associated appurtenances located within the public right-of-way and dedicated easements within the District boundaries. Improvements may include but are not limited to: turf, ground cover, shrubs, trees, drainage systems, irrigation systems, lighting, hardscape, and associated appurtenances within the public right-of-ways and specific easements. These improvements include necessary service, operation, administration, and maintenance required to keep the above-mentioned improvements in satisfactory condition.

Services provided include operations, administration and maintenance, including necessary labor, material, and equipment. These services may include but are not limited to: repair, removal, or replacement of all or any part of the improvements, removal of trimmings, rubbish, debris and other solid waste, the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti, providing for the growth, health and beauty of landscaping including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or damage.

The District consists of the parcels located within the area known as the Aspen Mall, located south of California City Boulevard, north of Bay Avenue, west of 82nd Street, and east of Neuralia Road.

The parcels within the District are assessed proportionately for the costs associated with the improvements and services provided through the District that provide a special benefit to each parcel assessed, utilizing the method of apportionment described in Section II of this Report.

II. METHOD OF APPORTIONMENT

Pursuant to the Act, the costs of the District may be apportioned by any formula or method, which fairly distributes the net amount to be assessed among the assessable parcels in proportion to the estimated benefits to be received by each such parcel from the improvements. The benefit formula used for any District should reflect the composition of the parcels, and the improvements and services provided, to fairly proportion the costs based on special benefit to each parcel.

The costs associated with the improvements are equitably spread among benefiting parcels within the District utilizing the method of apportionment described in this Section. The funds collected shall be dispersed and used for only the improvements and services provided within the District.

Each parcel within the District and the businesses associated with those properties receive special and distinct benefits from the improvements and activities to be funded through the District assessments. Among the special benefits received by each assessed parcel are increased business opportunities and security, aesthetic enhancements of the area and properties, and enhanced perception by patrons.

The special benefits of lighting within the District are the convenience, safety, and security of property, improvements, and goods. Specifically:

1. Enhanced deterrence of crime and the aid to police protection.
2. Increased nighttime safety for patrons and employees.
3. Improved visibility for pedestrians and motorists.
4. Improved ingress and egress to property.
5. Reduced vandalism and other criminal acts and damage to improvements or property.
6. Enhanced aesthetic appeal of the parking area and the properties that are associated with the parking area.
7. Increased promotion of business activities and opportunities during nighttime hours.

The special benefits associated with landscaped areas within the District are specifically:

1. Improved aesthetic appeal of the parking area and nearby parcels.
2. Improved dust control.
3. Enhanced adaptation of the urban environment within the natural environment.
4. Improved traffic circulation and parking facilities.
5. A positive representation of the businesses within the District.

The preceding special benefits contribute to a special enhancement and desirability of each of the assessed parcels within the District.

It has been determined that the on-going operation and maintenance of the District improvements provide no measurable general benefit to other properties outside the District or directly to the public at large. Therefore, the District improvements and the corresponding assessments have been identified as 100% special benefit to parcels within the District in compliance with the substantive requirements of Article XIID.

The parcels assessed within the District, share in both the cost and the benefits of the improvements. A Benefit Unit Factor (BUF) is assigned to each parcel based upon three (3) criteria: current land use, location, and associated parcel acreage.

Land Use

Each parcel is given a weighting factor known as a Development Unit Factor (DUF), based on the current land use of the parcel. Within the District, four (4) different land use classifications have been identified. Table I lists the four (4) land use classifications along with the Development Unit Factor (DUF) applied to each classification:

Table I
Parcel Land Use Classifications

Land Use Classification	Total Parcels	Development Unit Factor
Commercial Developed	22	1.0000
Commercial Vacant	5	0.5000
Exempt	4	0.0000
Commercial Condominium	19	0.0526

The Development Unit Factor (DUF) for the nineteen commercial condominium units is based on $1.0 \text{ DUF} / 19 \text{ Units} = 0.0526$

Each parcel is assigned a Development Unit Factor based on the parcel's current development (land use). Similar parcels are given a similar weighting factor.

Upon review of all the properties within the District boundary, it has been determined that four (4) parcels should not be assessed and are identified as "Exempt". These four parcels (203-090-22, 203-090-30, 203-090-38, and 203-420-01) are either non-commercial properties, common areas, or possessory interests associated with other parcels within the District. It has been determined that these parcels have little or no utilization of the parking lot and the associated District improvements and do not receive the special benefits that other properties within the District receive from the improvements.

One of the parcels identified as "Exempt" (203-420-01) is a (0.29 acre) common area associated with the nineteen (19) parcels identified as commercial condominiums. These nineteen commercial condominiums actually make-up a single commercial building on the common area lot. However, when a parcel map was filed with the County, nineteen separate and distinct APNs were assigned, one for each of the original nineteen suites or units. Since the time the original APNs were assigned by the County, some of the suites (units) have

been combined, but the proportional benefit to each parcel is unchanged and property owners whose office or suite encompasses more than one APN receive multiple tax bills. Therefore, the apportionment of special benefit and assessment is based on the original APNs, not the number of actual suites constructed.

Location

In addition to the Development Unit Factor (DUF) assigned to each parcel for calculating a parcel's benefit, the location of the parcel within the District has been taken into consideration. After evaluation of the District improvements by City staff and consideration of property owner's concerns, a Location Differential Factor (LDF) has been applied to parcels based on their location and proximity to the overall improvements. Those parcels that front California City Boulevard and/or the main parking lot and landscaped areas are given a Location Differential Factor of one (1.0). The other parcels are given a twenty-five percent (25%) discount or a 0.75 Location Differential Factor based on their reduced direct visual benefit from the improvements.

Acreage

The final criteria used to calculate a parcel's benefit is the size (acreage) of the parcel. It has been determined that each parcel's overall acreage provides a fair and reasonable comparison of property benefit correlating each parcel's current and potential development, as well as the overall use and benefit from the area of improvement.

The combination of land use, location, and parcel size provides a fair and reasonable depiction of each parcel's special benefit and proportionate assessment. The following formula is used to arrive at each parcel's benefit referred to as a Benefit Unit Factor (BUF):

$$\textit{Parcel's DUF} \times \textit{Parcel's LDF} \times \textit{Parcel's Acreage} = \textit{Parcel's BUF}$$

$$\textit{Development Unit Factor} \times \textit{Location Differential Factor} \times \textit{Acreage} = \textit{Parcel's BUF}$$

The total Balance to Levy divided by the total BUF for the District is used to establish a Levy per BUF. This Levy per BUF multiplied by each parcel's individual BUF represents the parcel's levy amount (assessment). The following formulas outline the levy calculation applied to each parcel.

$$\textit{Total Balance to Levy} / \textit{Total BUF in the District} = \textit{Levy per BUF}$$

$$\textit{Parcel BUF} \times \textit{Levy per BUF} = \textit{Parcel Levy Amount}$$

The following table (Table II) provides sample levy calculations for various property types in the District based on the maximum assessment rate per BUF.

Table II
Sample Maximum Levy Calculations

Land Use Classification	Development Unit Factor (DUF)	Location Differential Factor (LDF)	Parcel Acreage	Benefit Unit Factor (BUF)	Benefit Unit Factor (BUF)	Maximum Rate	Maximum Levy Amount
Commercial Developed	1.0000	x 1.00	x 0.29	= 0.2900	0.2900	x \$4,652.28	= \$1,349.16
Commercial Developed	1.0000	x 0.75	x 0.29	= 0.2175	0.2175	x 4,652.28	= 1,011.88
Commercial Vacant	0.5000	x 1.00	x 0.29	= 0.1450	0.1450	x 4,652.28	= 674.58
Commercial Vacant	0.5000	x 0.75	x 0.29	= 0.1088	0.1088	x 4,652.28	= 506.18
Exempt	0.0000	x 1.00	x 0.29	= 0.0000	0.0000	x 4,652.28	= 0.00
Commercial Condominiums	0.0526	x 1.00	x 0.29	= 0.0153	0.0153	x 4,652.28	= 71.16

Pursuant to the provisions of the California Constitution Article XIID, a maximum assessment rate of \$4,652.28 per BUF was approved by the property owners through a protest ballot proceeding in Fiscal Year 1997/1998. The proposed assessment rate calculated each fiscal year is based on an estimated budget and the proposed rate applied each year may be less than or equal to the maximum rate. A proposed assessment rate greater than the maximum rate would be considered an increased assessment and require property owner approval through protest ballot proceedings.

III. DISTRICT BUDGET

Table III
2007/08 District Budget

	Total District
DIRECT COSTS	
Maintenance	\$23,824
Materials and Equipment	1,352
Utilities Water	1,800
Utilities Electricity	1,700
Miscellaneous Expenses	0
Capital Improvement Expenditures	<u>0</u>
<i>Direct Costs (Subtotal)</i>	\$28,676
ADMINISTRATION COSTS	
District Administration	3,100
County Administration Fee	<u>160</u>
<i>Administration Costs (Subtotal)</i>	<u>\$3,260</u>
Total Direct and Admin. Costs	\$31,936
LEVY ADJUSTMENTS	
Reserve Fund - Collection/(Transfer)	0
General Fund/Other Revenue Sources-(Contribution)	0
Loans - Repayment/(Advances)	<u>0</u>
<i>Levy Adjustment (Subtotal)</i>	\$0
Balance to Levy	\$31,936
DISTRICT STATISTICS	
Total Parcels	50
Total Parcels Levied	46
Total Acreage	14.12
Total Acreage Levied	13.41
Total Benefit Unit Factor (BUF)	6.8646
Levy Per BUF	\$4,652.28
Approved Maximum Assessment per BUF	\$4,652.28
FUND BALANCE INFORMATION	
Beginning Reserve Fund Balance	\$0
Estimated Ending Reserve Fund Balance	\$0

Appendix A — DISTRICT ASSESSMENT DIAGRAM

The supporting Assessor's Parcel Maps outlining the District boundaries are shown on the following pages. These maps in connection with the Assessment Roll in Appendix B constitute the District Assessment Diagram for Fiscal Year 2007/2008.

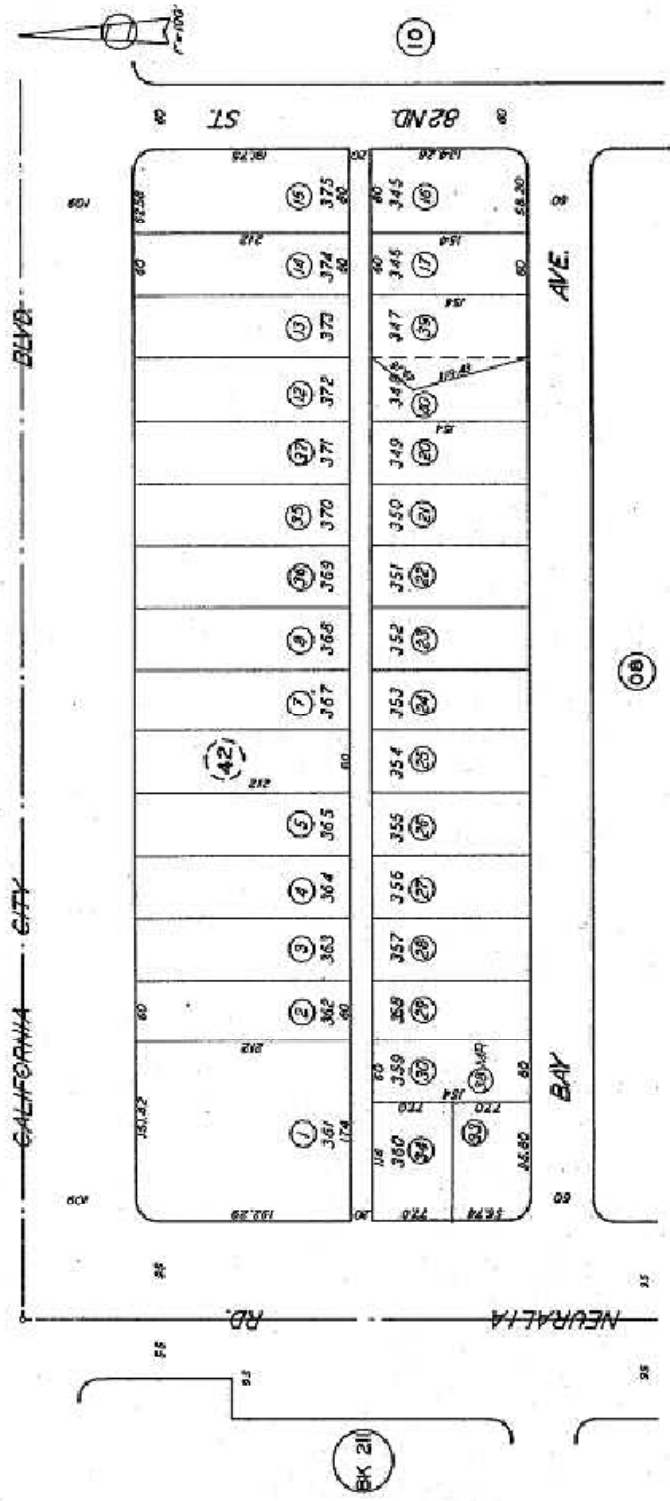
203-09

SCHOOL DIST. 11-19

TRACT 2066

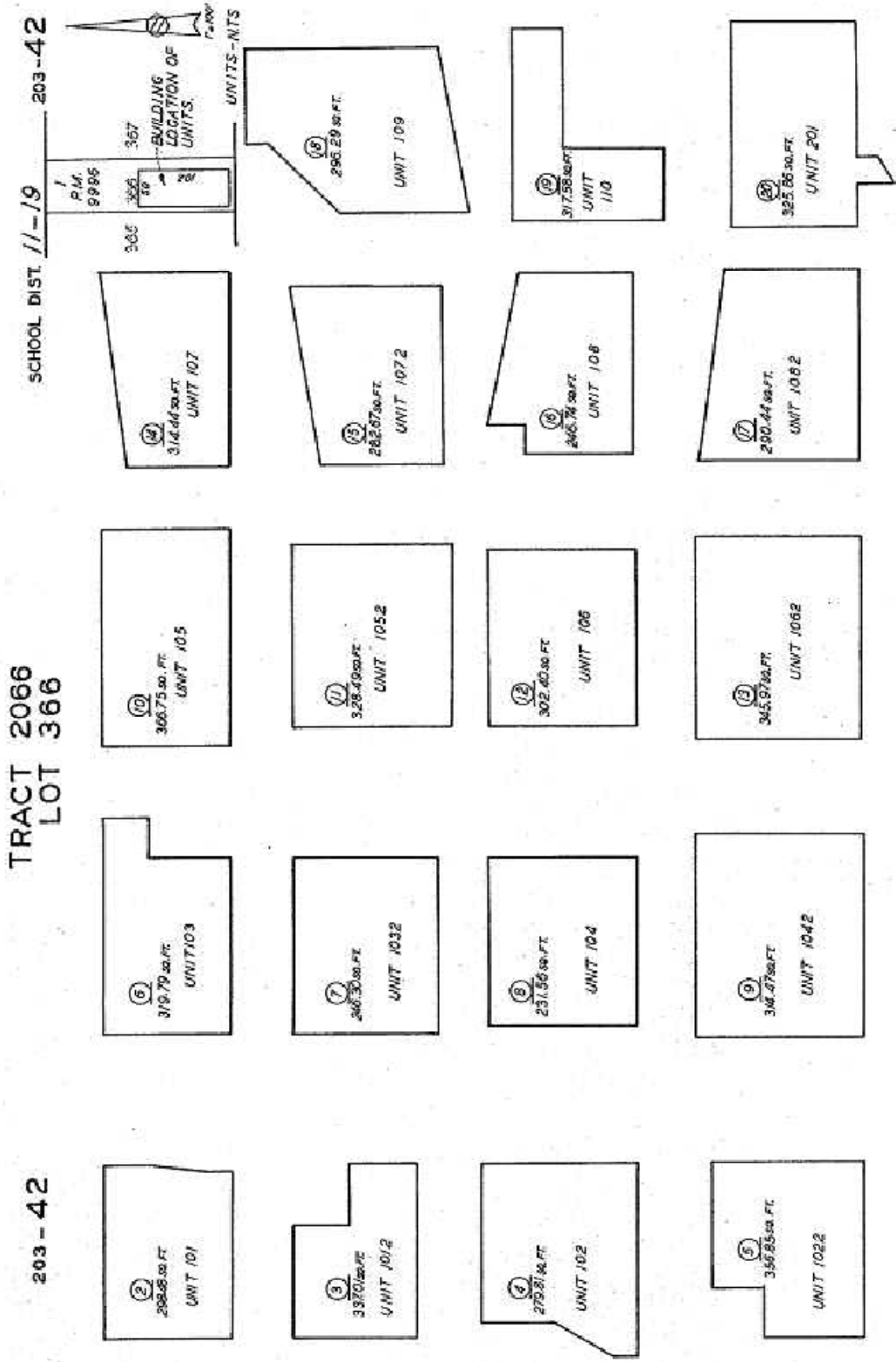
203-09

BK 213



Note: This map is for assessment purposes only and is not intended to be used for any other purpose, including but not limited to, the purposes of zoning or subdivision law.

ASSESSORS MAP NO. 203-09
 COUNTY OF KERN



Appendix B — 2007/08 COLLECTION ROLL

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the County Assessor’s Map for the year in which this Report is prepared. Non-assessable lots or parcels include parcels within the boundaries of the District that currently do not benefit from the improvements and are identified as “Exempt”. A listing of parcels within the District along with the assessment amount for Fiscal Year 2007/08 is included in the following table.

Table IV
2007/08 Assessments and Parcel Listing

APN	LAND USE	DUF	LDF	ACREAGE	BUF	LEVY
203-090-01	Commercial Developed	1.0000	1.00	0.84	0.8400	\$3,907.90
203-090-02	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-03	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-04	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-05	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-07	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-08	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-12	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-13	Vacant Commercial/Parking	0.5000	1.00	0.29	0.1450	674.58
203-090-14	Vacant Commercial/Parking	0.5000	1.00	0.29	0.1450	674.58
203-090-15	Commercial Developed	1.0000	1.00	0.38	0.3800	1,767.86
203-090-16	Commercial Developed	1.0000	0.75	0.28	0.2100	976.96
203-090-17	Commercial Developed	1.0000	0.75	0.21	0.1575	732.72
203-090-20	Commercial Developed	1.0000	0.75	0.21	0.1575	732.72
203-090-21	Commercial Developed	1.0000	0.75	0.21	0.1575	732.72
203-090-22	Exempt	0.0000	0.75	0.21	0.0000	0.00
203-090-23	Vacant Commercial	0.5000	0.75	0.21	0.0788	366.58
203-090-24	Vacant Commercial	0.5000	0.75	0.21	0.0788	366.58
203-090-28	Vacant Commercial	0.5000	0.75	0.21	0.0788	366.58
203-090-29	Commercial Developed	1.0000	0.75	0.21	0.1575	732.72
203-090-30	Exempt	0.0000	0.75	0.21	0.0000	0.00

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APN	LAND USE	DUF	LDF	ACREAGE	BUF	LEVY
203-090-33	Commercial Developed	1.0000	0.75	0.20	0.1500	697.84
203-090-34	Commercial Developed	1.0000	0.75	0.20	0.1500	697.84
203-090-35	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-36	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-37	Commercial Developed	1.0000	1.00	0.29	0.2900	1,349.16
203-090-38	Exempt	0.0000	0.75	0.00	0.0000	0.00
203-090-39	Commercial Developed	1.0000	0.75	0.32	0.2400	1,116.54
203-090-40	Commercial Developed	1.0000	0.75	0.10	0.0850	348.92
203-090-41	Commercial Developed	1.0000	0.75	0.63	0.4725	2198.20
203-420-01	Exempt	0.0000	1.00	0.29	0.0000	0.00
203-420-02	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-03	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-04	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-05	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-06	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-07	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-08	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-09	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-10	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-11	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-12	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-13	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-14	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-15	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-16	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-17	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-18	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-19	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
203-420-20	Commercial Condominium	0.0526	1.00	0.29	0.0153	71.16
Totals:					6.8646	\$31,935.48