



# Mission Oaks Recreation & Park District

## Parks and Recreation Maintenance and Improvement District Fiscal Year 2023-24 Final Engineer's Report

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June 13, 2023

Prepared by

**FRANCISCO  
AND ASSOCIATES**

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**MISSION OAKS RECREATION AND PARK DISTRICT**

**PARKS AND RECREATION MAINTENANCE  
AND IMPROVEMENT DISTRICT**

**FISCAL YEAR 2023-24**

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## ENGINEER'S REPORT

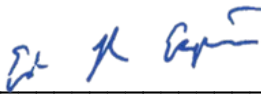
### MISSION OAKS RECREATION AND PARK DISTRICT

### PARKS AND RECREATION MAINTENANCE AND IMPROVEMENT DISTRICT

### FISCAL YEAR 2023-24

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Board.

Dated: June 5, 2023

By   
Eduardo R. Espinoza, P.E.  
RCE No. 83709

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagram thereto attached was filed with me on the 5 day of June, 2023.

Clerk of the Board  
Mission Oaks Recreation and Park District  
Sacramento County, California

By 

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagram, thereto attached, was approved and confirmed by the Advisory Board of the Mission Oaks Recreation and Park District, Sacramento, California, on the 13 day of June, 2023.

Clerk of the Board  
Mission Oaks Recreation and Park District  
Sacramento County, California

By 

## SECTION I

### INTRODUCTION

#### **BACKGROUND**

Mission Oaks Recreation and Park District (the “Park District”) is responsible for operating parks, recreation areas, recreation facilities and other public resources in the Arden-Arcade and Carmichael Communities. The Park District encompasses over 17,800 parcels of real property. The Park District currently owns, operates, and maintains eight neighborhood parks and three community parks, which are located throughout the developed areas of the Park District. The Park District maintains one storm retention basin owned by the County of Sacramento and three School Parks. The Park District also provides recreational facility programs at other public-school sites which are located within the Park District. For general locations of the Park District’s facilities, see the Diagram on file at the Park District. The Park District’s park and recreation sites are summarized below:

#### **District Parks**

- Ashton Park, (9.8 acres), 4251 Ashton Drive, Sacramento.
- Eastern Oak Park, (6.85 acres), 3127 Eastern Avenue, Sacramento.
- Gibbons Park, (17.5 acres), 4701 Gibbons Drive, Carmichael.
- Hazelwood Green Retention Basin, (1.8 acres), Hazelwood Ave, Carmichael.
- Maddox Park, (6 acres), 4821 Thor Way, Carmichael.
- Mission North Park, (12.7 acres), 3344 Mission Avenue, Carmichael.
- Oak Meadow Park, (5.5 acres), 2734 American River Drive, Sacramento.
- Orville Wright Park, (4.2 acres), 2331 St. Marks Way, Sacramento.
- Sheffield Park, (5 acres), 1849 Suffolk Way, Carmichael.
- Swanston Park, (10 acres), 2350 Northrop Avenue, Sacramento.
- Valley Oak Park, (10.2 acres), 1150 Eastern Avenue, Sacramento.
- Windemere Park, (.75 acres), Windemere Lane, Sacramento.

#### **School Parks & Recreation Sites**

- Arcade Fundamental Middle School, 3500 Edison Avenue, Sacramento.
- Choices Charter School, 4425 Laurelwood Way, Sacramento.
- Cowan School Park, (.5 acres), 3350 Becerra Way, Sacramento.
- Del Dayo Elementary School, 1301 McClaren Ave, Carmichael.
- Del Paso Manor School Park, (3 acres), 2700 Maryal Drive, Sacramento.
- El Camino Fundamental High School, 4300 El Camino Ave, Sacramento.
- Encina High School, 1400 Bell Street, Sacramento.
- Mira Loma High School, 4000 Edison Ave, Sacramento.
- Mission Avenue Elementary School, 2925 Mission Ave, Carmichael.
- Pasadena Avenue Elementary School, 4330 Pasadena Ave, Sacramento.
- Rio Americano High School, 4540 American River Drive, Sacramento.

- Starr King Elementary and Middle School, 4848 Cottage Way, Carmichael.
- Whitney Avenue Elementary School, 4248 Whitney Ave, Sacramento.
- Winston Churchill Middle School, 4900 Whitney Ave, Carmichael.

### **ASSESSMENT FORMATION**

Prior to Fiscal Year 1999-00, the Park District experienced a revenue shortfall that was primarily due to escalating costs and declining State revenues. In order to continue providing an acceptable level of park maintenance, the Park District funded its revenue shortfall with reserve funds. Due to the revenue shortfall and a lack of funding for capital improvement projects at the time, the Park District decided to ask property owners if they would support a special assessment for park maintenance and improvement. Without a new local revenue source, the park and recreation facilities in the Park District would have deteriorated.

In 1999, the Park District proposed the formation of an assessment district and the levy of an assessment. Therefore, in May and June of 1999, the Park District conducted a property owner assessment ballot proceeding, proposing an assessment at the rate of \$27 per single family equivalent (SFE) for a period of ten years. This ballot proceeding was conducted pursuant to the requirements of Article XIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act" or the "Article") and the Landscaping and Lighting Act of 1972. The proposed formation of the assessment district (the "Parks and Recreation Maintenance and Improvement District", "PRMID", or the "Improvement District") was supported by 61.9% of the ballots returned by property owners (with each ballot weighted by the financial obligation of the property for which the ballot was submitted) and was subsequently approved by the Advisory Board of Directors of the Park District (the "Board") and then an assessment was levied and collected annually commencing with Fiscal Year 1999-00.

In the first six years that the assessment was levied and collected, the costs for park maintenance, water, and utilities increased at rates higher than its revenues. In addition, the Park District proposed additional park improvements and maintenance services that could not be funded from existing revenue sources. Therefore, the Board determined in 2005 that an increase in assessment rate should be proposed to property owners in the PRMID.

In 2006, the Park District conducted another property owner assessment ballot proceeding pursuant to the requirements of the Article and the Landscaping and Lighting Act of 1972. Property owners subject to the assessment were provided with a notice and ballot for the proposed increase in assessment. A 45-day period was provided for balloting and a public hearing was conducted on April 4, 2006. This hearing was continued to May 2, 2006 to allow adequate time for the tabulation of ballots. The proposed assessment was supported by 68.8% of the ballots returned by property owners, weighted by the financial obligation of the property for which the ballot was submitted.

As a result, the Board was authorized to approve the levy of the increased assessments for Fiscal Year 2006-07 and to continue to levy the assessment in subsequent years. The authority granted by the ballot proceeding includes the potential for an annual adjustment in the maximum assessment rate equal to the annual change in the Consumer Price Index (the "CPI") for the San Francisco Bay Area as of December of each succeeding year, with the maximum annual adjustment not to exceed 3%. If the annual change in the CPI exceeds 3%, the percentage change in excess of 3% can be cumulatively reserved and can be added to the annual change in the CPI for future years in which the CPI change is less than 3%.

### **IMPROVEMENT DISTRICT ANNUAL ADMINISTRATION**

For each fiscal year in which the assessments will be levied, the Board must direct the preparation of an Engineer's Report (the "Report"), which includes the proposed budget and assessments for the upcoming fiscal year. After the Report is completed, the Board may preliminarily approve the Report and proposed assessments and establish the date for a noticed public hearing on the levy of the assessments.

This Report for FY 2023-24 includes the proposed budget associated with the improvements, installation, maintenance, and servicing costs that will be funded by the proposed FY 2023-24 assessments, determine the benefits received by property from such improvements and apportion the assessments to the benefitting lots and parcels. This Report and the proposed assessments are pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and the Article.

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

Following the publishing of the notice and the minimum 10-day time period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed levy of the assessments for the ensuing fiscal year. This public hearing is currently scheduled for June 13, 2023. At the public hearing, the Board will consider adoption of a resolution confirming the levy of the assessments for FY 2023-24. If so confirmed and approved, the assessments will be submitted to the County Auditor for inclusion on the property tax rolls for FY 2023-24.

Payment of the assessment for each parcel will be made in the same manner and at the same time as payments are made for ad-valorem property taxes. All funds generated through the levy of assessments must be placed in a special fund and can only be used for the purposes stated within this Report.

## **SECTION II**

### **ENGINEER'S REPORT PREPARED PURSUANT TO THE PROVISIONS OF LANDSCAPING AND LIGHTING ACT OF 1972 SECTION 22500 THROUGH 22679 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE**

#### **PARKS AND RECREATION MAINTENANCE AND IMPROVEMENT DISTRICT**

#### **FISCAL YEAR 2023-24**

Pursuant to the Landscaping and Lighting Act of 1972 (Part 2 Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500), and in accordance with the Resolution of Intention, being Resolution No. 2023-04 adopted by the Board of Directors of the Mission Oaks Recreation and Park District on May 9, 2023, I, Eduardo Espinoza, the duly appointed Engineer of Work, Assessment Engineer for the Parks and Recreation Maintenance and Improvement District ("PRMID") submit the following Report, consisting of Section I (Introduction), and this, Section II, which consists of five (5) parts as follows:

#### **PART A: PLANS AND SPECIFICATIONS**

This part describes the improvements maintained by the PRMID. Plans and specifications for the improvements are on file in the Office of the District Administrator of the Park District and are incorporated herein by reference.

#### **PART B: ESTIMATE OF COST**

This part contains an estimate of the cost of the proposed improvements to be maintained for FY 2023-24, including incidental costs and expenses in connection therewith. The estimate is attached hereto and is on file in the Office of the District Administrator of the Park District.



## **PART C: ASSESSMENT DISTRICT DIAGRAM**

This part incorporates a Diagram of the PRMID showing the exterior boundaries of the PRMID, the boundaries of any zones within the PRMID and the lines and dimensions of each parcel of land within the PRMID. This Diagram has been prepared by the Engineer of Work and is on file in the Office of the District Administrator of the Park District.

The lines and dimension of each parcel within the PRMID are those lines and dimensions shown on the maps of the Sacramento County Assessor for the year when this Report was prepared. The Assessor's maps and records are incorporated by reference herein and made a part of this Report.

## **PART D: METHOD OF APPORTIONMENT OF ASSESSMENTS**

This part describes the method of apportionment of assessments, based upon each parcel's land use classification within the PRMID in proportion to the estimated special benefits to be received.

## **PART E: PROPERTY OWNER LIST & ASSESSMENT ROLL**

This part contains an assessment of the estimated cost of the improvements on each benefited parcel of land within the PRMID. The Assessment Roll is filed in the Office of the District Administrator of the Park District and is incorporated in this Report. The list is keyed to the records of the Sacramento County Assessor, which are incorporated herein by reference.

## **PART A**

### **PLANS AND SPECIFICATIONS**

The work and improvements (the “Improvements”) that have been constructed within the PRMID boundaries, and those which may be subsequently constructed, operated, maintained, and serviced are generally described below:

Acquisition, installation, maintenance and servicing of public areas and public facilities, property owned or property rights, easements and/or rights of entry, leases or dedications including, but not limited to, parks, recreation areas, recreation facilities, ground cover, shrubs, trees and other vegetation, greenbelts, playground equipment, trails, utility rights-of-way, signage, entry monuments, fencing, picnic areas, restrooms, lighting, other improvements such as irrigation or drainage and land preparation on (1) real property owned by, or encumbered by property rights held by, or maintained by, the Park District; or (2) on real property owned by, or encumbered by property rights held by, or maintained by any local agency or non-profit entity within the jurisdictional area of the Park District that participates with Park District in any of the installations, maintenance and servicing described herein.

The plans and specifications for the improvements are on file in the Office of the District Administrator of the Park District.

## **PART B**

### **ESTIMATE OF COST**

The 1972 Act provides that the total cost of installation, construction, operation, maintenance and servicing of landscaping and park and recreational facilities can be recovered by the Park District. Maintenance can include the repair and replacement of existing facilities. Servicing can include water, electrical and associated costs from a public utility. Incidental expenses, including administration of the Park District, engineering fees, legal fees, printing, posting, and mailing of notices and all other costs associated with the annual collection process can also be included. The operation, maintenance, and servicing costs for FY 2023-24, as provided by the District, are summarized in the table shown on the following page.

MISSION OAKS RECREATION AND PARK DISTRICT Parks and Recreation Maintenance and Improvement District Estimate of Revenue and Costs Fiscal Year 2023-24	
<b>Revenues</b>	
Estimated Beginning Fund Balance as of July 1, 2023	\$128,260
FY 2023-24 Projected PRMID Assessment Revenue	\$1,081,805
Park District Contribution for General Benefits <sup>1</sup>	\$1,250,653
Park District Contribution for Special Benefits	<u>\$589,655</u>
<b>Total Revenues:</b>	<b>\$3,050,374</b>
<b>Expenditures</b>	
<u>Capital Improvement Projects</u>	
Eastern Oak Restroom Cleanout	\$85,000
Orville Wright Park Stripe & Slurry Adding ADA parking	\$17,000
Shelfied Park New Shade Structure	\$85,000
Replenish Playground Fiber for Various Parks	\$28,000
Plant Drought Tolerant Trees for Various Parks	\$10,000
Signange Plan for Various Parks	<u>\$200,000</u>
<b>Capital Improvement Projects Subtotal:</b>	<b>\$425,000</b>
<u>Operations and Maintenance Costs</u>	
Equipment/Vehicle Operations and Maintenance	\$80,750
Building Facilities & Restroom Maintenance	\$47,210
Park Maintenance & Landscaping Services	\$388,674
District Staffing & Overhead	\$1,470,665
Supplies & Materials	\$220,575
Utilities	\$162,000
Water	\$195,000
Incidentals <sup>2</sup>	<u>\$60,500</u>
<b>Operations and Maintenance Subtotal:</b>	<b>\$2,625,374</b>
<b>Total Expenditures:</b>	<b>\$3,050,374</b>
<b>FY 2023-24 PRMID Assessment Information</b>	
Zone A SFE Rate per Unit <sup>4</sup>	\$53.63
Zone A SFE Units <sup>3</sup>	<u>19,263.85</u>
<b>Zone A Revenue:</b>	<b>\$1,033,120</b>
Zone B SFE Rate per Unit <sup>4</sup>	\$45.05
Zone B SFE Units <sup>3</sup>	<u>1,080.70</u>
<b>Zone B Revenue:</b>	<b>48,685.35</b>
<b>Total Estimated FY 2023-24 PRMID Assessment Revenue<sup>5</sup>:</b>	<b>\$1,081,805</b>

**Notes to Estimate of Revenues and Costs Table above:**

1. As determined in the following section, at least 41% of the costs must be funded from sources other than the PRMID assessments to cover costs attributed to general benefits. The District will contribute \$1,840,308, which is in excess of the costs attributable to general benefit.
2. Incidental cost includes Assessment Engineering fees, County Collection fees, and other administrative and incidental costs.
3. The assessment rate per SFE is the total assessment amount per single family equivalent benefit unit.
4. "SFE" means single family equivalent benefit unit.
5. The assessment amounts per parcel are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the amount shown in the Estimate of Revenue and Cost included on page 8 of this Report.

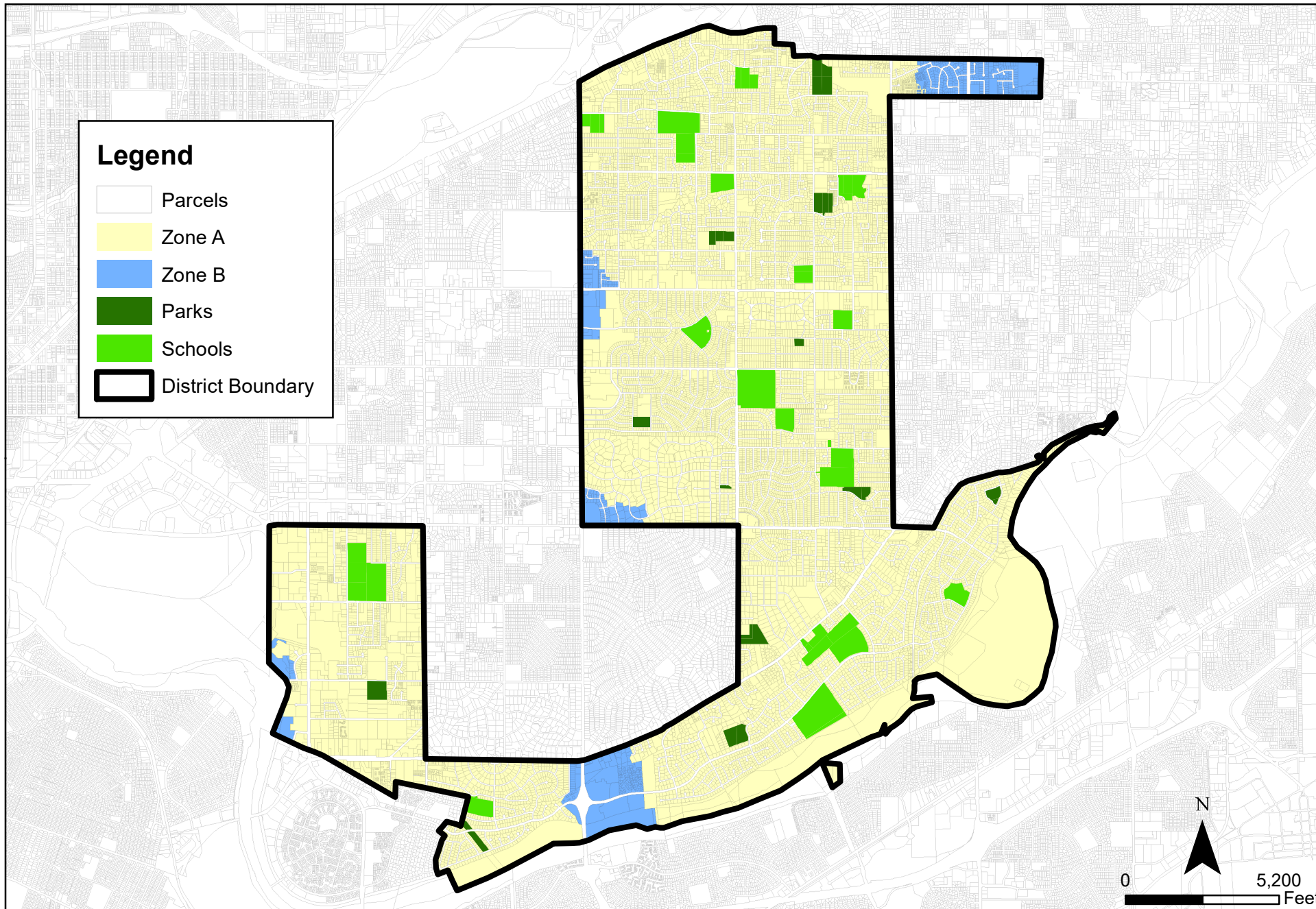
## **PART C**

### **ASSESSMENT DISTRICT DIAGRAM**

The boundaries of the Parks and Recreation Maintenance and Improvement District are contiguous with the boundaries of Park District, as defined by the Sacramento County Tax Rate Areas. The boundaries of the Parks and Recreation Maintenance and Improvement District are displayed on the Assessment Diagram on file with the Clerk of the Board. The lines and dimensions of each parcel within the Parks and Recreation Maintenance and Improvement District are those lines and dimensions shown on the maps of the Sacramento County Assessor for the year in which this Report was prepared and are incorporated by reference herein and made part of this Report.

A reduced copy of the map displaying the PRMID boundaries and Benefit Zones A and B is on the following page.

# Mission Oaks Recreation & Park District Parks and Recreation Maintenance and Improvement District Assessment Diagram



## PART D

### METHOD OF APPORTIONMENT OF ASSESSMENTS

#### GENERAL

This section of the Engineer's Report describes the special and general benefits to be derived from the Improvements to park facilities and Park District maintained property, and the methodology used to apportion the total assessment to properties within PRMID.

The Improvement District consists of all Assessor Parcels within the boundaries of the Park District. The method used for apportioning the assessment is based upon the proportional special benefits conferred to the properties over and above the general benefits conferred to real property in the Improvement District or to the public at large. Special benefit is calculated for each parcel in the Improvement District using the following process:

- 1) Identify all benefit factors derived from the improvements.
- 2) Quantify the proportion of benefits that are attributable to general benefit.
- 3) Determine the relative special benefit within different areas of the Improvement District.
- 4) Determine the relative special benefit per property type.
- 5) Calculate the specific assessment for each individual parcel based upon special vs. general benefit, location, property type, property characteristics, improvements on property and other supporting attributes.

#### DISCUSSION OF BENEFIT

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

*"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements. The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) [of the Streets and Highways Code, State of California]."*



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

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

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

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA v. SCCOSA"). The SVTA v. SCCOSA decision clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park:

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

Finally, Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Article XIID, sections 2(i) & 4(f)).

### **BENEFIT FACTORS**

The special benefits from the Improvements are listed below:

#### **EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS**

In large part because it is cost prohibitive to provide large recreational and/or usable land areas on property in the Improvement District, the residential, commercial, and other benefiting properties in the Improvement District do not have large outdoor areas and green spaces. The parks and other recreational lands funded by the assessments in the Improvement District provide these larger outdoor areas that serve as an effective extension of the land area for proximate properties because the Improvements are uniquely proximate and accessible to property in close proximity to the Improvements. The Improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties with good and close proximity to the Improvements.

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), neighborhood parks in urban areas have a service area radius of generally one-half mile and community parks have a service area radius of

approximately two miles. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within these service radii close proximity and easy walking access to such public land areas. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within this service area clearly receive a direct advantage and special benefit from the Improvements and this special benefit is not received by other properties or the public at large.

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

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

### **PROXIMITY TO IMPROVED PARKS AND RECREATIONAL FACILITIES**

As described previously, property in the Improvement District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Improvement District do not share.

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

### **ACCESS TO IMPROVED PARKS, OPEN SPACE AND RECREATIONAL AREAS**

As described previously, the parcels in the Improvement District enjoy uniquely close proximity to the Improvements. Access to the improvements is directly equated with proximity, as demonstrated by the neighborhood park service area radii, which is based on being within easy walking distance (access). Therefore, the parcels in the Improvement District also directly benefit from the unique close access to improved parks, open space and recreation areas that are provided by the Assessment.

**IMPROVED VIEWS**

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

**BENEFIT FINDING**

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

**GENERAL VERSUS SPECIAL BENEFIT**

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

In other words:

<b>Total Benefit</b>	<b>=</b>	<b>General Benefit</b>	<b>+</b>	<b>Special Benefit</b>
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There is not widely accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide “an indirect, derivative advantage” and are not necessarily proximate to the improvements.

A formula to estimate the general benefit is listed on the following page:

<b>General Benefit</b>	=	<b>Benefit to Real Property Outside the Assessment District</b>	+	<b>Benefit to Real Property Inside the Assessment District that is Indirect and Derivative</b>	+	<b>Benefit to the Public At Large</b>
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Special benefit, on the other hand, is defined in the state constitution as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it “receives a direct advantage from the improvement (e.g., proximity to a park).” For this Improvement District, as noted above, properties have close and unique proximity, views and access to the Improvements and uniquely improved desirability from the Improvements and other properties and the public at large do not receive significant benefits because they do not have proximity, access or views of the Improvements. Therefore, the overwhelming proportion of the benefits conferred to property is special and is only minimally received by property outside the Improvement District or the public at large.

On May 26, 2010, the 4th District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside (“Beutz”) appeal. The Beutz case rejected an assessment for parks in large part because the general benefits were not calculated and quantified. In its decision, the Court suggests that the use of parks located in an assessment district by people who live outside of the district likely is a general benefit. The assessments described and justified in this Engineer’s Report include a specific calculation of general benefits, as described in the following section, which is based in part on such use by people outside of the Improvement District. Moreover, the proportionality of the assessments for each parcel, based in large part on proximity is established as well. Therefore, the assessments and this Engineer’s Report are consistent with the Beutz decision.

**CALCULATING GENERAL BENEFIT**

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

**BENEFIT TO PROPERTY OUTSIDE THE IMPROVEMENT DISTRICT**

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

The properties outside the Improvement District and within the proximity radii for neighborhood parks in the Improvement District may receive benefits from the Improvements. It can be argued that any such benefits extending outside the Improvement District are offset by similar benefits from parks and recreation areas outside the Improvement District and near the borders; however, we use a more conservative approach of using the neighborhood park service area as a measure of benefits to properties outside the Improvement District. Since these properties are not assessed for their benefits because they are outside of the PRMID area that can be assessed by the Park District, this is a form of general benefit to the public at large and other property. A 50% reduction factor is applied to these properties because they are all geographically on only one side of the Improvements and are over twice the average distance from the Improvements compared to properties in the Improvement District. The general benefit to property outside of the Improvement District was calculated as follows with the parcel and data analysis performed previously by the Park District's prior assessment engineer, SCI Consulting Group.

Assumptions:

4,243 parcels outside the Improvement District but within 0.5 miles of a park within the Improvement District.

17,731 parcels in the Improvement District.

50% relative benefit for parcels outside the Improvement District as compared to parcels within the Improvement District.

**Calculation of General Benefit to Property Outside the Improvement District**

$$4,243 / (17,731 + 4,243) * 0.50 = 10\%$$

Although it can reasonably be argued that Improvements inside, but near the Park District boundaries are offset by similar park and recreational improvements provided outside, but near the Park District's boundaries, we use the more conservative approach of finding that 10% of the Improvements may be of general benefit to property outside the Improvement District.

**BENEFIT TO THE PUBLIC AT LARGE AND PROPERTY WITHIN THE IMPROVEMENT DISTRICT**

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

Nevertheless, the SVTA vs. SCCOSA decision indicates there may be general benefit “conferred on real property located in the district” A measure of the general benefits to property within the Improvement District is the percentage of land area within the Improvement District that is publicly owned and used for regional purposes such as major roads, rail lines and other regional facilities because such properties, while physically within the Improvement District, are used for regional purposes and could provide indirect benefits to the public at large. Approximately 1% of the land area within the Improvement District is used for such regional purposes, so this is a measure of the general benefits to property within the Improvement District.

The general benefit to the public at large and attributed to the Park District can be estimated by the proportionate amount of time that the Park District’s parks, and recreational facilities are used and enjoyed by individuals who are not residents, employees, customers or property owners. In order to measure the general benefits from the Improvement District, the previous assessment engineer, SCI Consulting Group, conducted a survey of the users of the parks and recreation facilities to be funded by the assessments, and of other similar parks. The field survey work found that less than 25% of the park users did not live or work within the Improvement District. Therefore, this survey found a 25% level of general benefits from the Improvement District to the public at large.

When people outside the Improvement District use parks, they diminish the availability of parks for people on property within the Improvement District. This outside use somewhat diminishes the special benefit factor of access because occupied Improvements are somewhat less accessible for property located within the Improvement District. Therefore, conservatively another 5% of general benefit is allocated for people and property within the Improvement District. This is another measure of general benefits to property within the Improvement District.

**TOTAL GENERAL BENEFITS**

Summing the four measures of general benefit described above, we find that approximately 41% of the benefits conferred by the Improvements are general in nature and should be funded by sources other than the Assessment.

General Benefit Calculation	
10%	(Outside the Assessment District)
+ 1%	(Property within the District)
+ 25%	(Public at Large)
+ 5%	(Property within the District)
= 41%	(Total General Benefit)

The PRMID FY 2023-24 budget for maintenance and improvement of the Park District’s parks and recreational facilities is \$3,050,374. Of this total budget amount, the Park District will contribute \$1,840,308 from sources other than the Improvement District’s

assessments. This contribution by the Park District equates to approximately 60.33% of the total budget for maintenance and improvements and constitutes more than the amount attributable to the general benefits from the Improvements.

### **ZONES OF BENEFIT**

As noted, community parks in urban areas have a service area radius of approximately two miles and neighborhood parks have a service area radius of approximately ½ mile. Nearly all properties in the Park District are within these standard service area radii of neighborhood and community parks that will be improved and maintained with funds from the Improvement District. There are some areas of the Improvement District that are not within a ½ mile from a neighborhood or community park (collectively “area”) and are generally less proximate to the Improvements. Therefore, this area receives relatively lesser special benefits from the Improvements than properties located within a ½ mile from a neighborhood or community park. This area of lesser benefit is defined to include all parcels within Improvement District boundaries that are located more than a ½ mile from a park. This area is hereinafter referred to as Zone of Benefit B or Zone B and is depicted on the Assessment Diagram included with this Report. All parcels within ½ mile from a park are classified into Zone of Benefit A or Zone A.

Relative proximity and access to the Improvement District’s facilities is a measure of the level of special benefit conferred by the assessments. Parcels in Zone B are determined to receive 84% the level of benefit as those within Zone A.

### **CRITERIA AND POLICIES**

This sub-section describes the criteria that shall govern the expenditure of Improvement District funds and ensure equal levels of benefit for properties of similar type. The criteria established in this Report, as finally confirmed, cannot be substantially modified; however, the Board may adopt additional criteria to further clarify certain criteria or policies established in this Report or establish additional criteria or policies that do not conflict with this Report.

### **ASSESSMENT FUNDS MUST BE EXPENDED WITHIN THE IMPROVEMENT DISTRICT**

The net available Improvement District funds, after incidental, administrative, financing, and other costs, shall be expended exclusively for Improvements within the boundaries of the Improvement District.

### **CITIZEN’S OVERSIGHT COMMITTEE**

A Citizens’ Oversight Committee (the “Citizens’ Oversight Committee”) has been established for the Improvement District. The Citizens’ Oversight Committee shall review potential projects that may be funded by the assessments and shall make recommendations on the expenditure of Improvement District funds. Members of the Citizen’s Oversight Committee are nominated by the Park District with ratification by the County Supervisor who represents the Park District. All members of the Citizens’ Oversight Committee shall own property within Park District and shall not have conflicts

of interest with the Improvement District or the Improvements and Services funded by the Assessments.

### **METHOD OF ASSESSMENT**

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

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

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

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

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. Larger properties generally support larger buildings and have higher numbers of employees, customers, and guests that would benefit from proximity and improved access to well maintained and improved parks and recreational facilities. Therefore, the potential population of employees or residents is a measure of the special benefits received by the property.



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

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

### **RESIDENTIAL PROPERTIES**

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

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units attributed to each property, the average number of people who reside in multi-family residential units versus the average number of people who reside in a single-family home, and the relative size of each type of residential dwelling unit. The population density factors for the Park District, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain residential property type in the area of the Improvement District from the 2000 Census and dividing it by the total number of such households, finds that approximately 2.60 persons occupy each single-family residence, whereas an average of 2.36 persons occupy each condominium. The ratio of 2.60 people on average for a single-family residence and 2.36 people per dwelling unit in a condominium results in a population density equivalent of .91 for condominiums. Next the relative building areas are factored into the analysis because special benefits are related to average size of a property, in addition to average population densities. For a condominium, this calculation results in an SFE factor of .63 per dwelling unit. A similar calculation is used for the SFE Rates for other residential property types as shown in the table on the following page.

**TABLE 1 – RESIDENTIAL POPULATION FACTORS**

Residential Property Type	Total Population	Occupied Households	Persons per Household	Population Density Equivalent	Sq. Ft. Factor	SFE Rate
Single Family Residential	32,227	12,415	2.60	1.00	1.00	1.00
Condominium	4,011	1,699	2.36	0.91	0.69	0.63
Multi-Family Residential (2+ Units) <sup>1</sup>	12,300	6,459	2.06	0.80	0.63	0.50
Mobile Home on Separate Lot	99	52	1.90	0.73	0.67	0.49

Source: 2000 Census, Sacramento County, Carmichael area (*the most recent data available when the Improvement District was established*), and Sacramento County Assessor

1. Multi-family dwelling units in excess of 20 units typically provide on-site recreational amenities that offset some of the benefits from the Improvement District. Therefore, multi-family properties are assessed 0.50 SFE per dwelling unit for the first 20 units and 0.10 SFE for any dwelling units in excess of 20.

**NON-RESIDENTIAL PROPERTIES**

Non-residential properties are generally open and operated for more limited times, relative to residential properties. Therefore, the relative hours of operation can be used as a measure of benefit since employee density also provides a measure of the relative benefit to property. Since non-residential properties are typically open and occupied by employees approximately one-half the time of residential properties, it is reasonable to assume that non-residential land uses receive one-half of the special benefit on a land area basis relative to single-family residential property. The average size of a single-family home in the Improvement District is 0.25 acres. Therefore, a non-residential property with 0.25 acres receives one-half the relative benefit of a single-family home, or a 0.50 SFE factor.

The SFE values for various non-residential land uses are further defined by using average employee densities because the special benefit factors described previously can be measured by the average number of people who work at non-residential properties.

To determine employee density factors, this Report utilizes the findings from the San Diego County Association of Governments Traffic Generators Study (the “SANDAG Study”) because these findings were approved by the State Legislature which determined the SANDAG Study to be a good representation of the average number of employees per acre of land area for non-residential properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24. As presented in Table 2, the SFE factors for other types of non-residential properties are determined relative to their typical employee density in relation to the average of 24 employees per acre of commercial and industrial property.

Non-residential properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, for non-residential parcels (except Self Storage or Parking Lots) with a land area in excess of 5 acres, the SFE rate is applied per quarter acre for the first 5 acres and per acre for each additional acre over 5 acres. Benefits to non-residential properties are attributed to the portion of each respective non-residential parcel that are used for such

purposes. Therefore, if a non-residential parcel includes undeveloped land area that is clearly not related to the non-residential use of the parcel, such undeveloped land area shall not be included in the SFE benefit unit calculation.

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

**TABLE 2 – NON-RESIDENTIAL DENSITY AND ASSESSMENT FACTORS**

Type of Commercial/Industrial Land Use	Average Employees per Acre <sup>1</sup>	SFE Units per Fraction Acre <sup>2</sup>	SFE Units per Acre After 5
Commercial	24	0.500	0.500
Office	68	1.420	1.420
Shopping Center	24	0.500	0.500
Industrial	24	0.500	0.500
Self Storage or Parking Lot	1	0.021	

1. Source: San Diego Association of Governments Traffic Generators Study.
2. The SFE factors for non-residential parcels are applied by the quarter acre of non-residential parcel area or portion thereof. Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.

**VACANT/UNDEVELOPED PROPERTIES**

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of improvements on the property. A measure of the benefits attributed to the underlying land is determined by the ratio of average value of land in relation to average value of improvements for developed property. Based on this ratio, it is estimated that approximately 25% of the benefits are related to the underlying land and 75% are related to the improvements and the day-to-day use of the property. Therefore, the SFE rate for vacant parcels is 0.25 per parcel.

**OTHER PROPERTIES**

Article XIID, Section 4 of the California Constitution states that publicly owned properties shall not be exempt from assessment unless there is clear and convincing evidence that those properties receive no special benefit.

All public properties that are specially benefited are assessed. Publicly owned property that is used for purposes similar to private residential, commercial, industrial, institutional, or office uses is benefited and assessed at the same rate as such privately owned property. Public right-of-way parcels, well, reservoir or other water rights parcels that cannot be developed into other improved uses do not generate employees, residents, customers, or guests. Moreover, many of these parcels have limited economic value and,

therefore, do not benefit from specific enhancement of property value. Such parcels are, therefore, not specially benefited and are not assessed.

Other properties such as parks, open space, watershed, greenbelt lands without improvements, and common areas typically offer open space, public resource and/or recreational facilities on the property that serve to offset the benefits from the Improvement District. Therefore, these parcels receive minimal benefit and are assessed an SFE factor of 0. If such parcels are converted to an assessable residential or non-residential land use, they shall be classified to such new category and shall be assessed as previously described in this Report.

### **MAXIMUM AND APPLIED ASSESSMENT RATES**

The maximum assessment rate is subject to an annual adjustment tied to the change in the Consumer Price Index-All Urban Consumers for the San Francisco Bay Area (the "CPI") from December to December, with a maximum annual adjustment not to exceed 3.00%. Any change in the annual CPI in excess of 3.00% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in future years for which the CPI is less than 3.00%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of 1) 3% or 2) the change in the CPI plus any Unused CPI as described above.

The change in the CPI from December 2021 to December 2022 was 4.88%. There is an Unused CPI balance available of 1.85% in FY 2023-24. Since the current change in CPI is above 3.00%, the 1.88% amount over 3.00% will be added to the Unused CPI to be used in years where the CPI is less than 3.00%. Therefore, the Unused CPI will be increased to a balance of 3.73% for FY 2024-25.

The maximum assessment rate for Fiscal Year 2023-24 is increased by 3.00% over the maximum assessment rate for Fiscal Year 2022-23. The maximum assessment rate for Fiscal Year 2022-23 was \$59.51 which equates the maximum assessment rate for Fiscal Year 2023-24 to \$61.30 per single-family equivalent benefit unit. The cost estimate in this Engineer's Report proposes an applied assessment rate of \$53.63 for Fiscal Year 2023-24, which is a 3.00% increase over the FY 2022-23 applied assessment rate. The FY 2023-24 proposed applied rate is below the current maximum authorized assessment rate stated above.

### **APPEALS OF ASSESSMENTS LEVIED TO PROPERTY**

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment may file a written appeal with the District Administrator of the Park District or his or her designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the District Administrator or his or her designee will promptly review the appeal and any information provided by the property owner. If the District Administrator or his or her designee finds that the

assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the District Administrator or his or her designee is authorized to refund the property owner the amount of any approved reduction. Any dispute over the decision of the District Administrator or his or her designee shall be referred to the Advisory Board and the decision of the Board shall be final.

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## PART E

### PROPERTY OWNER LIST & ASSESSMENT ROLL

A list of names and addresses of the owners of all parcels, and the description of each parcel within the Park District is shown on the last equalized Secured Property Tax Roll of the Sacramento County Assessor, which by reference is hereby made a part of this Report.

This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll, which includes the proposed assessment amounts for Fiscal Year 2023-24 apportioned to each parcel. The Assessment Roll is on file in the Office of the District Administrator of the Park District and is shown in this Report as Appendix "A".

The total proposed assessment for Fiscal Year 2023-24 is \$1,081,642.26.

**APPENDIX "A"**  
**ASSESSMENT ROLL**

**(on file with the Clerk of the Board)**