



DOWNTOWN RICHMOND PROPERTY AND BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN AND ENGINEER'S REPORT

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

February 27, 2017

CONTENTS

I.	Overview.....	1
II.	Background.....	2
III.	Accomplishments.....	3
IV.	Boundaries.....	4
V.	Service Plan & Budget.....	5
A.	Services.....	5
B.	Budget Guidelines.....	6
C.	Assessment Budget.....	6
D.	Annual Maximum Assessment Budget.....	7
VI.	Governance.....	8
A.	Owners' Association.....	8
B.	Brown Act & Public Records Act Compliance.....	8
C.	Annual Report.....	8
VII.	Engineer's Report.....	9
A.	Separation of General and Special Benefits.....	9
B.	Assessment Methodology.....	16
C.	Assessment Notice.....	19
D.	Time and Manner for Collecting Assessments.....	19
E.	Engineer's Certification.....	19
	Appendix 1 – Maximum Annual Assessment Rates.....	20
	Appendix 2 – PBID law.....	21
	Appendix 3 – Map.....	32
	Appendix 4 – Parcel Assessment Calculations.....	33

Prepared by Civitas



www.civitasadvisors.com

(800)999-7781

I. OVERVIEW

The Downtown Richmond Property and Business Improvement District (DRPBID) is a benefit assessment district whose purpose is to provide improvements and activities that constitute and convey a special benefit to assessed parcels. As required by state law, property owners have created this Management District Plan (Plan) to renew the DRPBID.

- Location:** The DRPBID generally includes parcels along portions of Macdonald Avenue from 6th Street (in the west) to the BART tracks (in the east); portions of 8th Street and Harbour Way from Barrett Avenue (in the north) to Bissell Avenue (in the south); portions of Marina Way from Nevin Avenue (in the north) to Bissell Avenue (in the south); and portions of 16th Street from Macdonald Avenue (in the north) to Bissell Avenue (in the south), as shown on the map in Section IV.
- Purpose:** The purpose of the DRPBID is to provide activities and improvements which constitute and convey a special benefit to assessed parcels. The DRPBID will provide Maintenance, Safety and Nuisance Abatement; Marketing, Promotions and Business Development; Capital Improvements; and related administration directly and only to assessed parcels within its boundaries.
- Budget:** The DRPBID annual assessment budget for the initial year of its five-year operation is anticipated to be \$199,869.53. The annual budget may be subject to an increase in assessment rates of no more than three percent (3%) per year. The assessment funds will be supplemented by non-assessment funds (such as grants and event income), so that the total budget for the initial year is estimated at \$212,317.68.
- Cost:** The assessment rate (cost to the parcel owner) is based on parcel type and square footage. The initial annual assessment rate applied to commercial parcels is \$0.13 per square foot per year, and applied to non-profit housing parcels is \$0.06 per square foot per year. Assessment rates may be subject to an increase of no more than three percent (3%) per year.
- Renewal:** DRPBID renewal requires submittal of petitions from property owners representing more than 50% of the total assessment. The California Constitution also requires a ballot vote in which more than 50% of ballots returned, weighted by assessment, support the DRPBID.
- Duration:** The renewed DRPBID will have a five-year-life beginning January 1, 2018 through December 31, 2022. Near the end of the term, the petition, ballot, and City Council hearing processes must be repeated for the DRPBID to be renewed.
- Management:** Richmond Main Street Initiative (RMSI) will continue to serve as the Owners' Association for the DRPBID.

II. BACKGROUND

The International Downtown Association estimates that more than 1,500 Property and Business Improvement Districts (PBIDs) currently operate throughout the United States and Canada. PBIDs are a time-tested tool for property owners who wish to come together and obtain collective services which benefit their properties.

PBIDs provide supplemental services in addition to those provided by local government. They may also finance physical and capital improvements. These improvements and activities are concentrated within a distinct geographic area and are funded by a special parcel assessment. Services and improvements are only provided to those who pay the assessment.

Although funds are collected by the local government, they are then directed to a private nonprofit. The nonprofit implements services and provides day-to-day oversight. The nonprofit is managed by a Board of Directors representing those who pay the assessment, to help ensure the services meet the needs of property owners and are responsive to changing conditions within the PBID.

PBIDs all over the globe have been proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values, lease rates, occupancy rates, and sales volumes.

The DRPBID will be renewed pursuant to a state law that took effect in January of 1995. The “Property and Business Improvement District Law of 1994,” which was signed into law by Governor Pete Wilson, ushered in a new generation of Property and Business Improvement Districts in California. Key provisions of the law include:

- Allows a wide variety of services which are tailored to meet specific needs of assessed properties in each individual PBID;
- Requires property owner input and support throughout the renewal process;
- Requires written support from property owners on both a petition and ballot;
- Allows for a designated, private nonprofit corporation to manage funds, implement programs, and submit an annual prospective service plan and budget, with oversight from property owners and the City;
- Requires limits for assessment rates to ensure that they do not exceed the amount owners are willing to pay; and
- Requires the PBID expire after a certain time period, upon which it can be renewed - making it accountable to property owners.

The “Property and Business Improvement Business District Law of 1994” is provided in Appendix 1 of this document.

III. ACCOMPLISHMENTS

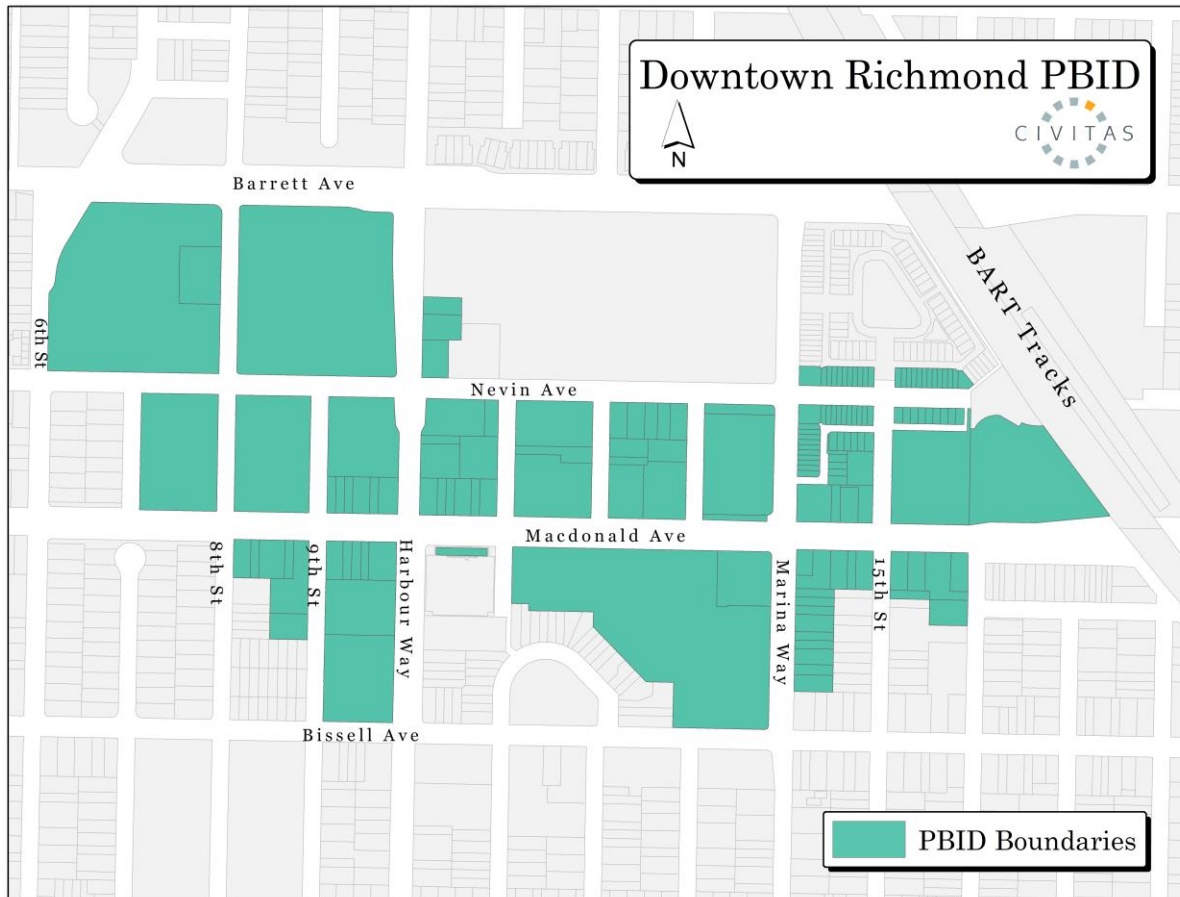
From 2012 to 2015 the RMSI accomplished significant efforts within the DRPBID, including:

- Hired Safety1st to manage community liaisons:
 - 10,938 hospitality and maintenance service hours
 - 3,324 bag of trash and debris removed
 - 312 cases of graffiti abatement
 - 258 visitor and homeless “touches”
- 27 businesses opened or expanded
- 74 jobs created
- 780 hours of business assistance provided
 - 33 workshops, total attendance 1773
- 5,546 paid training and work hours for 52 youth
- Leveraged \$50 million in public and private investments of physical improvements made in the DRPBID
- 14,981 visits to community, healthy village, arts and entertainment events
- 8,204 attended free fitness classes such as Zumba and Martial Arts
- 2,262 volunteer hours contributed
- Established seasonal farmers’ markets that attracted 39,810 shoppers



IV. BOUNDARIES

The district includes approximately 150 parcels with 68 parcel owners. The DRPBID boundary is illustrated by the map below. This plan, including a copy of this map is on file with the Richmond City Clerk. A larger map is available on request by calling (916)437-4300 or (800)999-7781.



V. SERVICE PLAN & BUDGET

A. Services

DRPBID services will be provided to assessed parcels based on the amount paid into the DRPBID.

1. Maintenance, Safety, and Nuisance Abatement

The maintenance program will make Downtown Richmond cleaner, more accessible, and more attractive to potential tenants and customers. Maintenance services may include litter and graffiti removal, sidewalk pressure washing, weed abatement, median maintenance, and communicating code violations by absentee property owners to the City. Safety services will focus on making Downtown Richmond a safer place to do business. Safety services may include security patrols, coordination with the police department and private security agencies operating within the District, space management improvements to encourage safety on assessed parcels, and dissemination of safety information to property owners and tenants. Nuisance abatement services will be deployed throughout the District to increase the usability of assessed parcels and address issues that discourage property owners, tenants, and customers from visiting assessed parcels within the District. Nuisance abatement services may include: an ambassador to provide additional services to mitigate the negative impacts of homeless individuals on assessed properties; establishment and maintenance of a radio network to ensure quick response times to incidents; working with property owners and local agencies to address blighted areas; and enhanced lighting and linkages to decrease that likelihood of nuisance activities from occurring.

2. Marketing, Promotions, and Business Development

The District will have a unified marketing and promotions program that will collaborate with District businesses to market and promote the District to the public as a single destination with a rich collection of attractions, businesses, events and services. The marketing and promotions program may include the use of pole banners, wayfinding signage, visitor guides, press releases, e-newsletters, e-calendars, a District website, marketing research, special events, and other similar projects to increase visitation and commerce on assessed parcels. Business development programs will seek to attract and retain tenants for the assessed parcels. The business development program may include retail and business recruitment activities to encourage businesses to locate on assessed parcels; market research and maintenance of a business databases; advocacy for business-friendly policies on behalf of assessed parcels; providing staff who will serve as a liaison between property owners, brokers, tenants, businesses, and government agencies to facilitate growth and retail development on assessed parcels; and creating an active evening and weekend environment to increase commerce on assessed parcels.

3. Capital Improvements

The capital improvements program will use a multi-faceted approach to planning, design and management of public spaces in the District. District funds will be leveraged to create a unique sense of place. Capital improvements may include wayfinding signage/banners, seasonal banners and lighting, trash receptacles, and other public space improvements.

4. Administration

The administration portion of the budget will be utilized for administrative costs associated with providing the activities and improvements. Those costs may include rent, telephone charges,

legal fees, accounting fees, postage, administrative staff, insurance, and other general office expenses.

5. Contingency/Reserve

The budget includes a contingency line item to account for unanticipated program costs and uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of RMSI. Reserve funds may be used for program costs in any proportion deemed appropriate by RMSI. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of money from the reserve fund shall be set by RMSI.

6. Collection Fees

The budget includes a collection fees line item to account for City and County administrative fees for levying, collecting, forwarding the assessment to the Owners' Association and accounting.

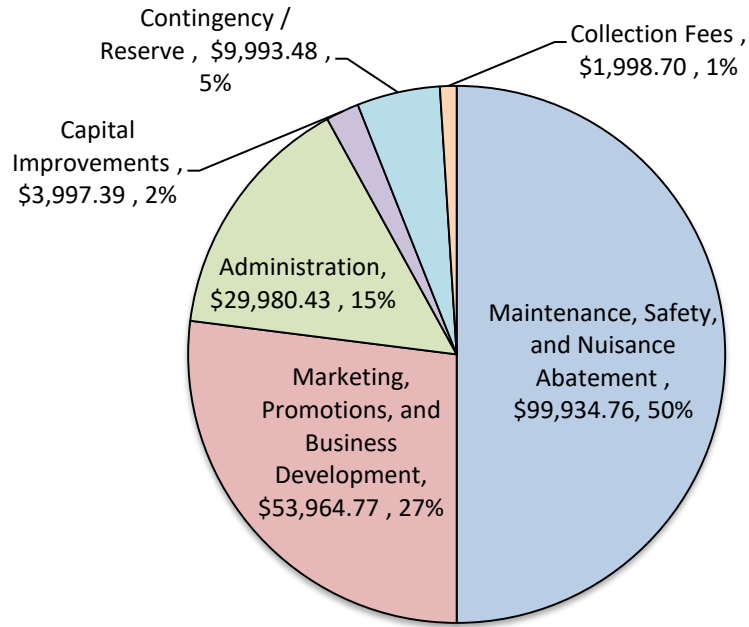
B. Budget Guidelines

A projected five-year budget for the DRPBID follows. The overall budget shall remain consistent with this Plan. In the event of a legal challenge, any and all assessment funds may be used to defend the DRPBID. The annual budget is based on the following assumptions and guidelines:

1. The cost of providing improvements and activities may vary depending upon the market cost for those improvements and activities. Expenditures may require adjustment up or down to continue the intended level of improvements and activities. RMSI shall annually have the ability to re-allocate up to fifteen percent (15%) of the budget allocation by line item within the budgeted categories. Any change will be approved by RMSI and submitted with the Annual Report.
2. Funds not spent in any given year may be rolled over to the next year.
3. The assessment rate may be subject to annual increases that will not exceed three percent per year. Increases will be determined by RMSI and will vary each year.
4. Each budget category includes all costs related to providing that activity or improvement, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the maintenance budget includes the cost of staff time dedicated to overseeing and implementing the maintenance program. Staff time dedicated purely to administrative tasks is allocated to the administration portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by RMSI on an as-needed basis.

C. Assessment Budget

The total improvement and activity budget for 2018 that is funded by property assessments is \$199,869.53. In addition to the assessment revenue, the programs will be supplemented by non-assessment funds. The total of non-assessment and assessment funds, and the determination of special and general benefits, are included in the Engineer's Report. Following is a table of the estimated total assessment budget allocations for each category for the next five years.



D. Annual Maximum Assessment Budget

The budget below assumes the maximum annual increase of three percent is enacted and that there are no changes to the categorical budget allocations.

	2018	2019	2020	2021	2022
Maintenance, Safety & Nuisance Abatement	\$99,934.76	\$102,932.80	\$106,020.79	\$109,201.41	\$112,477.45
Marketing, Promotions & Business Development	\$53,964.77	\$55,583.71	\$57,251.22	\$58,968.76	\$60,737.82
Capital Improvements	\$3,997.39	\$4,117.31	\$4,240.83	\$4,368.06	\$4,499.10
Administration	\$29,980.43	\$30,879.84	\$31,806.24	\$32,760.43	\$33,743.24
Contingency / Reserve	\$9,993.48	\$10,293.28	\$10,602.08	\$10,920.15	\$11,247.75
Collection Fees	\$1,998.70	\$2,058.66	\$2,120.42	\$2,184.03	\$2,249.55
Total	\$199,869.53	\$205,865.62	\$212,041.58	\$218,402.83	\$224,954.92

VI. GOVERNANCE

A. Owners' Association

The District shall be governed by Richmond Main Street Initiative (RMSI), with oversight from the Richmond City Council. RMSI shall serve as the Owners' Association described in Streets and Highways Code §36651. The Board of Directors of RMSI and its staff are charged with the day-to-day operations of the DRPBID.

A majority of the Board of Directors of RMSI must be parcel owners paying the assessment. In addition, the Board of Directors must represent a variety of interests within the DRPBID and respond to the needs of all properties within the DRPBID.

The Board of Directors shall act in the best interests of all the properties within the DRPBID. The City Council or Board of Directors reserves the right to amend or modify the composition of the Board by a separate resolution without amending this Management District Plan.

B. Brown Act & Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association must act as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of RMSI Board of Directors and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

C. Annual Report

RMSI shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report is a prospective report for the upcoming year and must include:

1. Any proposed changes in the boundaries of the DRPBID or in any benefit zones or classification of property within the district;
2. The improvements, maintenance, and activities to be provided for that fiscal year;
3. The estimated cost of providing the improvements, maintenance, and activities to be provided for that fiscal year;
4. The method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year;
5. The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
6. The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this Plan.

VII. ENGINEER'S REPORT

The District's parcel assessments will be imposed in accordance with the provisions of Article XIII D of the California Constitution. Article XIII D provides that "only special benefits are assessable,"¹ and requires the City "separate the general benefits from the special benefits conferred on a parcel."² Special benefits are a "particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public-at-large."³ Conversely, a general benefit is "conferred on real property located in the district or to the public-at-large."⁴ Assessment law also mandates that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."⁵

The Engineer determined the total cost of the improvements and activities, quantified the general benefit accruing to the public-at-large and parcels adjacent to and within the District, and separated that amount from the special benefit accruing to the assessed parcels. Then, the Engineer determined the proportionate special benefit derived by each parcel and allocated the cost of the improvements and activities accordingly. The Engineer's determinations and detailed calculations are summarized in this report.

A. Separation of General and Special Benefits

Each of the improvements and activities, and the associated costs and assessments within the District, were reviewed, identified, and allocated based on special and general benefits pursuant to Article XIII D of the California Constitution. The assessment has been apportioned based on the proportional special benefits conferred to the assessed parcels located within the District boundaries as determined below.

1. General Benefits

Unlike special benefits, which are conferred directly and only upon assessed parcels, a general benefit is conferred on the general public or non-assessed parcels. Existing City and other public services, which are provided to every person and parcel, everywhere within the City, are an example of a general benefit. Although the District's boundaries have been narrowly drawn and programs have been carefully designed to provide special benefits, and activities and improvements will only be provided directly to assessed parcels, it is acknowledged that there will be general benefits as a result of the District's activities and improvements.

The California Constitution mandates that "only special benefits are assessable, and an agency shall separate the general benefits from the special benefits."⁶ "Generally, this separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits."⁷ The first step that must be undertaken to separate general and special benefits provided by the District's activities and improvements is to identify and quantify the general benefits. There are two bodies who can receive general benefits: the public-at-large within the District, and non-assessed parcels within and surrounding the District.

¹ Cal. Const., art. XIII D, §4(a)

² Cal. Const., art. XIII D, §4(a)

³ Id., §2(i)

⁴ Cal. Const., art. XIII D §2(i)

⁵ Cal. Const., art. XIII D, §4(a)

⁶ Cal. Const., art. XIII D §4(a)

⁷ *Golden Hill Neighborhood Association v. City of San Diego* (2011) 199 Cal.App.4th 416

General Benefit to the Public-at-Large

Although the programs are narrowly designed and carefully implemented to benefit the assessed parcels, and only provided directly to assessed parcels, they will generate a general benefit to the public-at-large within the District. State law indicates that “Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed.”⁸ However, “the mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.”⁹ Further, “the value of any incidental or collateral effects that arise from the improvements, maintenance or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.”¹⁰ Thus, although there may be some incidental benefit to persons using the assessed parcels, that incidental benefit is not considered general benefit because it is inherently produced by improvements and activities that provide special benefits to the assessed parcels.

Surveys conducted in other districts have found that approximately 98.2% of pedestrian traffic within PBID boundaries is engaged in business on assessed parcels within the District, while approximately 1.8% is simply passing through¹¹. The 1.8% of traffic passing through does not have any connection to the assessed parcels, and therefore does not represent a special benefit to the assessed parcels. The 1.8% will, however, receive a derivative and indirect general benefit as a result of the activities and improvements being provided in the District that they are passing through. Therefore, it is estimated that 1.8% of the benefit created by the District’s services is provided to the public-at-large. To ensure that the assessment dollars do not fund general benefits to the public-at-large, that portion of the cost of activities and improvements will be paid for with funds not obtained through assessments. Using the 1.8% figure, based on the initial year budget, the value of this general benefit to the public-at-large is \$3,821.72 ($\$212,317.68 \times 0.018$).

Total General Benefit to the Public at Large

To ensure that the assessment dollars do not fund general benefits to the public at large, that portion of the cost of activities and improvements attributable to general benefit to the public will be paid for with funds not obtained through assessments.

General Benefit to Non-Assessed Parcels

Although they are only provided directly to the assessed parcels, the District’s activities and improvements may confer general benefits upon non-assessed parcels within and surrounding the District. One study examining property values in PBID areas found “no evidence of spill-over impacts (either good or bad) on commercial properties located just outside the BID’s boundaries;”¹² however, the California Court of Appeals has stated that “services specifically intended for assessed parcels concomitantly confer collateral general benefits to surrounding properties.”¹³ It is reasonable to conclude that increased maintenance, safety and nuisance abatement; marketing, promotions, and

⁸ Streets and Highways Code section 36601(h)(2)

⁹ Ibid

¹⁰ Streets and Highways Code Section 36622(k)(2)

¹¹ Surveys conducted in: Mack Road, Sacramento (July 2014) and Florin Road, Sacramento (January 2017)

¹² Furman Center for Real Estate & Urban Policy; The Impact of Business Improvement Districts on Property Values: Evidence from New York City (2007) p. 4

¹³ Beutz v. Riverside (2010) 184 Cal.App.4th 1516

business development; capital improvements; and related administration programs within the District will have an impact on non-assessed parcels immediately adjacent to or within the District boundaries. Although the legislature has indicated that “the value of any incidental or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall *not* be deducted from the entirety of the cost of any special benefit,”¹⁴ the California Court of Appeals has noted that “the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement...or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement.” Those derivative and indirect impacts are considered general benefits and will be quantified and separated.¹⁵ In this Engineer’s opinion, because activities and improvements are provided only within the District and on its perimeter, parcels separated from the District by at least one intervening parcel will not receive spill over benefits. Parcels separated by at least one intervening parcel will not benefit because they are physically removed from the actual location of services provided, and do not face serviced parcels.

As mentioned above, the total District service budget for the first year is \$212,317.68. After reducing the budget by the general benefit to the public (\$3,821.72), the remaining benefit to parcels is \$208,495.96. All parcels within and adjacent to the District have been assigned a benefit factor to mathematically represent the proportional special and general benefit and quantify the value of each. Since all assessed parcels within the District benefit from and receive all of the District’s services, they have been assigned a benefit factor of 1.0. Parcels adjacent to the District have been assigned benefit factors as described in detail below. Because the activities and improvements affect parcels as a whole, parcel square footage is an appropriate measure of the relative general benefit received by adjacent parcels and will be used in the below calculations by category for all parcels.

There are sixty-eight (68) parcels within the District boundaries that are not assessed. Non-assessed parcels are described in Section B paragraph 5. These parcels have been assigned a benefit factor as defined in each category of improvement and activity.

Maintenance, Safety & Nuisance Abatement

Maintenance, safety and nuisance abatement activities and improvements will be provided directly and only to assessed parcels. Within the District boundaries, activities will be provided along both sides of each street, with parcels along each side receiving 50% of the benefit provided by the activities. Along the District perimeter, activities will only be provided to the side of the street that fronts assessed parcels within the District boundaries. It is, however, reasonable to conclude that parcels abutting the non-serviced side of the street will receive spill-over benefits.

To determine the amount of general benefit to non-assessed parcels, we begin with the 50/50 standard ratio of benefit to each side of the street. Because the non-assessed side of the street will not be serviced, it will receive less than the standard 50% benefit. We estimate that one-half (50%) of the benefit to each side of the street is the services themselves, while the other half (50%) is as-a-result of the services. Further, we estimate that because the perimeter parcels will not be directly serviced, their benefit as a result of the services will be approximately one-half (50%) of that received by serviced parcels. It is therefore our professional estimation that the non-assessed side of the street will receive twelve and one half percent (12.5%) of the standard benefit, created by these services provided to the perimeter of each zone (one-half of the 25% of the benefit as-a-result of the services).

¹⁴ Streets and Highways Code section 36622(k)(2)

¹⁵ Tiburon v. Bonander (2009) 180 Cal.App.4th 1057, 1077

The following table calculates the amount of benefit provided to parcels by the District maintenance, security and nuisance abatement activities and improvements and separates that benefit value between special benefits provided to the assessed parcels and general benefits indirectly received by adjacent parcels.

Maintenance, Safety & Nuisance Abatement

Location & Use	Parcel Linear Footage¹	Benefit Factor²	Benefit Units³	Benefit Percent⁴	Benefit Value⁵	Special Benefit	General Benefit
Inside Commercial	15,170	1.000	15,170.000	83.5%	\$87,312.69	\$87,312.69	\$0.00
Inside Non-Profit Housing	2,193	1.000	2,193.000	12.1%	\$12,622.07	\$12,622.07	\$0.00
Inside Non-Assessed*	854	0.125	106.750	0.6%	\$614.41	\$0.00	\$614.41
Adjacent Commercial	2,644	0.125	330.500	1.8%	\$1,902.23	\$0.00	\$1,902.23
Adjacent Non-Profit Housing	737	0.125	92.125	0.5%	\$530.24	\$0.00	\$530.24
Adjacent Non-Assessed*	2,200	0.125	275.000	1.5%	\$1,582.79	\$0.00	\$1,582.79
Subtotal	23,798		18167.375	100.0%	\$104,564.43	\$99,934.76	\$4,629.67
¹ Parcel Linear Footage = the total linear footage for each parcel location & use along serviced streets. ² Benefit Factor = The benefit ratio described in the paragraph above for each parcel location & use ³ Benefit Units = The square footage multiplied by the benefit factor for each parcel location & use ⁴ Benefit Percentage = The benefit units for each parcel location & use divided by the total benefit units for the District ⁵ Benefit Value = The total Maintenance, Safety & Nuisance Abatement budget less General Benefit to the Public-at-Large multiplied by the benefit percentage for each parcel location & use *Single family residential with 1-4 units; residential common areas; residential vacant lots; residential planned unit development; residential condominiums							

Marketing, Promotions & Business Development

Unlike maintenance, safety and nuisance abatement, marketing, promotions and business development activities are not provided via physical patrols or improvement within the District. Rather, the marketing, promotions, and business development activities are focused on increasing business sales, in an effort to increase occupancy and rental rates. Although the programs will only feature assessed parcels, it is reasonable to conclude that there will be a minor, derivative and indirect benefit to parcels adjacent to any non-assessed parcels inside the District. Because these services are highly focused, and are not physically provided along streets, it is our estimation that the adjacent and non-assessed inside parcels will receive a general benefit equal to ten percent (10%) of the standard benefit. Based on this estimation, adjacent and non-assessed inside parcels would have a benefit factor of 0.10 (1.00 x 10%).

The following table calculates the amount of benefit provided to parcels by the District marketing, promotions and business development activities and separates that benefit value between special benefits provided to the assessed parcels and general benefits indirectly received by non-assessed parcels.

Marketing, Promotions & Business Development

Location & Use	Parcel Linear Footage¹	Benefit Factor²	Benefit Units³	Benefit Percent⁴	Benefit Value⁵	Special Benefit	General Benefit
Inside Commercial	15,170	1.000	15170.000	84.2%	\$47,148.85	\$47,148.85	\$0.00
Inside Non-Profit Housing	2,193	1.000	2193.000	12.2%	\$6,815.92	\$6,815.92	\$0.00
Inside Non-Assessed*	854	0.100	85.400	0.5%	\$265.43	\$0.00	\$265.43

Adjacent Commercial	2,644	0.100	264.400	1.5%	\$821.76	\$0.00	\$821.76
Adjacent Non-Profit Housing	737	0.100	73.7000	0.4%	\$229.06	\$0.00	\$229.06
Adjacent Non-Assessed*	2,200	0.100	220.000	1.2%	\$683.77	\$0.00	\$683.77
Subtotal	23,798		18006.500	100.0%	\$55,964.79	\$53,964.77	\$2,000.02

¹ Parcel Linear Footage = the total linear footage for each parcel location & use along serviced streets.

² Benefit Factor = The benefit ratio described in the paragraph above for each parcel location & use

³ Benefit Units = The square footage multiplied by the benefit factor for each parcel location & use

⁴ Benefit Percentage = The benefit units for each parcel location & use divided by the total benefit units for the District

⁵ Benefit Value = The total Marketing, Promotions & Business Development budget less General Benefit to the Public-at-Large multiplied by the benefit percentage for each parcel location & use

*Single family residential with 1-4 units; residential common areas; residential vacant lots; residential planned unit development; residential condominiums

Capital Improvements

Capital improvements will be provided directly and only to assessed parcels. Within the District boundaries, improvements will be provided along both sides of each street, with parcels along each side receiving 50% of the benefit provided. Along the District perimeter, improvements will only be provided to the side of the street that fronts assessed parcels within the District boundaries. It is, however, reasonable to conclude that parcels abutting the non-serviced side of the street will receive spill-over benefits.

To determine the amount of general benefit to non-assessed parcels, we begin with the 50/50 standard ratio of benefit to each side of the street. Because the non-assessed side of the street will not be improved, it will receive less than the standard 50% benefit. We estimate that one-half (50%) of the benefit to each side of the street is the improvements themselves, while the other half (50%) is as-a-result of the improvements. Further, we estimate that because the perimeter parcels will not be directly improved, their benefit as a result of the improvements will be approximately one-half (50%) of that received by improved parcels. It is therefore our professional estimation that the non-assessed side of the street will receive twelve and one half percent (12.5%) of the standard benefit, created by these improvements provided to the perimeter of each zone (one-half of the 25% of the benefit as-a-result of the improvements).

The following table calculates the amount of benefit provided to parcels by the District capital improvements and separates that benefit value between special benefits provided to the assessed parcels and general benefits indirectly received by non-assessed parcels.

Capital Improvements

<u>Location & Use</u>	<u>Parcel Linear Footage¹</u>	<u>Benefit Factor²</u>	<u>Benefit Units³</u>	<u>Benefit Percent⁴</u>	<u>Benefit Value⁵</u>	<u>Special Benefit</u>	<u>General Benefit</u>
Inside Commercial	15,170	1.000	15170.000	83.5%	\$3,492.51	\$3,492.51	\$0.00
Inside Non-Profit Housing	2,193	1.000	2193.000	12.1%	\$504.88	\$504.88	\$0.00
Inside Non-Assessed*	854	0.125	106.750	0.6%	\$24.58	\$0.00	\$24.58
Adjacent Commercial	2,644	0.125	330.500	1.8%	\$76.09	\$0.00	\$76.09
Adjacent Non-Profit Housing	737	0.125	92.125	0.5%	\$21.21	\$0.00	\$21.21
Adjacent Non-Assessed*	2,200	0.125	275.000	1.5%	\$63.31	\$0.00	\$63.31
Subtotal	23,798		18167.375	100.0%	\$4,182.58	\$3,997.39	\$185.19

¹ Parcel Linear Footage = the total linear footage for each parcel location & use along serviced streets.

² Benefit Factor = The benefit ratio described in the paragraph above for each parcel location & use

³ Benefit Units = The square footage multiplied by the benefit factor for each parcel location & use

⁴ Benefit Percentage = The benefit units for each parcel location & use divided by the total benefit units for the District

⁵ Benefit Value = The total Capital Improvements budget less General Benefit to the Public-at-Large multiplied by the benefit percentage for each parcel location & use
 *Single family residential with 1-4 units; residential common areas; residential vacant lots; residential planned unit development; residential condominiums

Administration

The administration budget item relates to the activities and improvements to be provided. These costs have been allocated proportionally based upon the special and general benefit provided by each category, as detailed in the table on the following page.

Administration

Service Provided	Special Benefit Value to Parcels	General Benefit Value to Parcels	Total Benefit to Parcels
Maintenance, Safety & Nuisance	\$99,934.76	\$4,629.67	\$104,564.43
Marketing, Promotions & Business Development	\$53,964.77	\$2,000.02	\$55,964.79
Capital Improvements	\$3,997.39	\$185.19	\$4,182.58
TOTAL	\$157,896.92	\$6,814.88	\$164,711.80
% of Benefit to Parcels	95.86%	4.14%	100.00%
Administration Budget	\$29,980.43	\$1,293.96	\$31,274.39

Collection Fees

The collection fees budget item relates to the activities and improvements to be provided. These costs have been allocated proportionally based upon the special and general benefit provided by each category, as detailed in the table below.

Collection Fees

Service Provided	Special Benefit Value to Parcels	General Benefit Value to Parcels	Total Benefit to Parcels
Maintenance, Safety & Nuisance	\$99,934.76	\$4,629.67	\$104,564.43
Marketing, Promotions & Business Development	\$53,964.77	\$2,000.02	\$55,964.79
Capital Improvements	\$3,997.39	\$185.19	\$4,182.58
Administration	\$29,980.43	\$1,293.96	\$31,274.39
TOTAL	\$187,877.35	\$8,108.84	\$195,986.19
% of Benefit to Parcels	95.86%	4.14%	100.00%
Collection Fees Budget	\$9,993.48	\$431.32	\$10,424.80

Total General Benefit to Parcels

Based upon the foregoing evaluations, the total value of the general benefit provided to non-assessed parcels adjacent to and within the District is shown on the following page.

TOTAL GENERAL BENEFITS TO PARCELS

Service Provided	General Benefit to Parcels
Maintenance, Safety & Nuisance	\$4,629.67
Marketing, Promotions & Business Development	\$2,000.02
Capital Improvements	\$185.19
Administration	\$1,293.96
Contingency / Reserve	\$431.32
Collection Fees	\$86.26
TOTAL	\$8,626.43

Total General Benefit

Based upon the foregoing evaluations, in this Engineer's professional estimation, the total value of the general benefit provided to the public-at-large, adjacent parcels, and non-assessed parcels within the District is shown below.

TOTAL GENERAL BENEFITS

Service Provided	General Benefit to Public	General Benefit to Parcels	Total General Benefit
Maintenance, Safety & Nuisance	\$2,051.06	\$4,629.67	\$6,680.73
Marketing, Promotions & Business Development	\$886.06	\$2,000.02	\$2,886.08
Capital Improvements	\$82.04	\$185.19	\$267.23
Administration	\$573.26	\$1,293.96	\$1,867.22
Contingency / Reserve	\$191.09	\$431.32	\$622.41
Collection Fees	\$38.22	\$86.26	\$124.48
TOTAL	\$3,821.72	\$8,626.43	\$12,448.15

Non-Assessment Funding

The programs funded by the District receive additional non-assessment funding in the form of grants, corporate sponsorships, event income, and other miscellaneous funds. These funding sources are anticipated to equal or exceed the amount of general benefit conferred annually by the District's activities and improvements, \$12,448.15. These non-assessment funds will be used to pay for the general benefit provided by the District's activities and improvements, ensuring that parcel assessments will only be used to provide special benefits and "any additional costs of providing general benefits [are] not included in the amounts assessed."¹⁶

2. Special Benefit

The activities and improvements to be provided by the District constitute and convey special benefits directly to the assessed parcels. Assessment law requires that "the proportionate special benefit

¹⁶ Streets and Highways Code section 36632(a)

derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided.”¹⁷ Further, “no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”¹⁸ Special benefit “includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed.”¹⁹

To determine the total special benefit value to be conveyed to the assessed parcels, we deduct the general benefit value (\$12,448.15) from the total value of the activities and improvements (\$212,317.68). The remaining \$199,869.53 is considered the special benefit to assessed parcels (the “Total Assessment”). The Total Assessment represents the total value of the special benefit to be provided by the activities and improvements. The Total Assessment has been proportionally divided among the assessed parcels so that no assessment exceeds the reasonable cost of the proportional special benefit conferred on a parcel. The assessment rate has been designed to ensure that “properties that receive the same proportionate special benefit pay the same assessment.”²⁰

Service Provided	Total Benefit Value	General Benefit Value to Public	Benefit Value to Parcels (Special & General)	Special Benefit to Assessed Parcels
Maintenance, Safety & Nuisance	\$106,615.49	\$2,051.06	\$104,564.43	\$99,934.76
Marketing, Promotions & Business Development	\$56,850.85	\$886.06	\$55,964.79	\$53,964.77
Capital Improvements	\$4,264.62	\$82.04	\$4,182.58	\$3,997.39
Administration	\$31,847.65	\$573.26	\$31,274.39	\$29,980.43
Contingency / Reserve	\$10,615.89	\$191.09	\$10,424.80	\$9,993.48
Collection Fees	\$2,123.18	\$38.22	\$2,084.96	\$1,998.70
TOTAL	\$212,317.68	\$3,821.72	\$208,495.96	\$199,869.53

B. Assessment Methodology

1. Base Formula

Each parcel will be assessed based on proportional special benefits received. The variables used for the annual assessment formula are parcel type and parcel square footage. These variables are both appropriate measures of the proportional special benefit because the need for services, level of services, and quantity of services are all relative to these variables; thus the special benefit provided to each parcel by the services can be proportionally measured using these variables.

Determination of Assessment Rates

“Because not all parcels in the district are identical in size...some will receive more special benefit than others.”²¹ Each of the variables used relates directly to the service level and special benefit provided to each parcel. Parcel square footage is the size of the parcel, measured in square feet. Size

¹⁷ Cal. Const., art XIII D §4(a)

¹⁸ *Ibid*

¹⁹ Streets and Highways Code section 36615.5

²⁰ *Tiburon v. Bonander* (2009) 180 Cal.App.4th 1057

²¹ *Dahms v. Downtown Pomona* (2009) 174 Cal.App.4th 708

is an appropriate measure of proportional special benefit because it relates directly to the quantity of services provided to the parcel, the highest and best use of a parcel, and reflects the long-term value implications of the District. The larger a parcel, the more services and benefit the parcel will receive.

Because not all parcels in the District are identical in use, some will receive more special benefit than others. For example, a non-profit housing parcel will benefit to a lesser degree than a commercial parcel, because it will not enjoy the benefits of increased commerce resulting from the services. Further detail on the benefit to each parcel type is in the following pages. To determine the assessment rates, the assessed parcels were classified by the estimated benefit each type of parcel receives, the estimated special benefit value of the activities and improvements provided to each type was determined based on the activities and improvements to be provided, and an assessment rate that is proportional to the estimated proportional benefit received by each parcel type was determined.

To determine the assessment rates, the estimated special benefit value for each parcel type was divided by the total assessable parcel square footage and parcel type, as shown in the tables below.

Parcel Type

Parcel types were categorized based on their typical use. Commercial parcels will receive the highest level of services because their owners aim to benefit from tenant rents, increased customers, or increased use by visitors. Non-profit housing parcels will receive the lowest level of services because they do not have a commercial component. The approximate cost of services by parcel type was determined. Then, the cost of services by type was divided by the square footage of those parcels to determine the assessment rates.

Lot Size

The District's services will benefit each assessed parcel as a whole and will be provided along serviced streets within the District. The service budget which, in this Engineer's estimation, represents special benefits to the parcels, has been allocated based on parcel size.

Parcel Type	Initial Parcel Size Budget	Parcel Square Footage	Initial Parcel Assessment Rate (\$/sqft/yr)
Commercial	\$184,194.53 ÷	1,416,881 =	\$ 0.13
Non-profit Housing	\$15,675.00 ÷	261,250 =	\$ 0.06

Summary of Assessment Rates

Therefore, for the initial year, the maximum annual assessment rates to parcels are as shown below and in Appendix 1. Maximum annual assessment rates may be subject to an increase of no more than three (3%) percent per year as shown in Appendix 1.

Parcel Type	Assessment Rate (sq. ft.)
Commercial	\$0.13
Non-profit Housing	\$0.06

Sample assessment calculations are shown in Appendix 3.

2. Commercial Parcels

Commercial parcels will receive and benefit from all District services, which are aimed to attract and

increase customers and visitors to assessed parcels. These parcels have a commercial component because their owners aim to benefit from tenant rents, increased customers, or increased use by visitors.

3. Non-Profit Housing Parcels

Parcels owned and operated by non-profit housing agencies will receive and benefit from a portion of the District's services. They will not, however, receive the same degree of special benefit that is received by commercial parcels as they are not used for commercial purposes. These parcels will receive and benefit from a portion of the District's cleaning and maintenance programs. They will not receive nor benefit from marketing, promotions and business attraction services. Due to their lower pedestrian traffic and non-commercial nature, these parcels have a lower need for services; therefore, they will receive services less frequently and less intensively than commercial parcels. Thus, non-profit housing parcels will be assessed at a rate commensurate with the degree of special benefit as shown in the assessment rate table on page 17.

4. Government-Owned Parcels

The California Constitution, in Article XIII D, provides that "parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." No public agency owning parcels in the district has made such a demonstration. Government-owned parcels within the District will receive special benefit from the full range of District services and will therefore be assessed at the full commercial rate, commensurate with the degree of special benefit.

5. Non-Assessed Parcels

There are sixty-eight (68) parcels within the District that will not be assessed. These parcels are neither commercial or parking parcels and will not specially benefit from or directly receive the District's activities and improvements. These parcels are accounted for in the analysis of general benefit provided to non-assessed parcels within the District. These parcels have the following use:

- Residential Parcels: The state legislature has determined that "properties zoned exclusively for residential use...are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessment."²² The activities and improvements to be provided are designed to specially benefit commercial and parking parcels via increased commerce, occupancy, and lease rates. None of these benefits apply to residential parcels, which will not be serviced or benefit from the District's activities. Residential parcels are those parcels with four family units or less, residential common areas, residential vacant lots, residential planned unit development, and residential condominiums. There are sixty-eight (68) residential parcels within the District that will not be assessed.

6. Changes in Data

It is the intent of this Plan and Engineer's Report that each parcel included in the District can be clearly identified. Every effort has been made to ensure that all parcels included in the District are consistent in the boundary map and the assessment calculation table. However, if inconsistencies arise, the order of precedence shall be: 1) the assessment calculation table, and 2) the boundary map.

If the parcel size or type changes during the term of this District, the assessment calculation may be modified accordingly.

²² Streets and Highways Code § 36632(c)

C. Assessment Notice

During the hearing process, an Assessment Ballot will be sent to owners of each parcel in the DRPBID. The Assessment Ballot provides an estimated assessment. The final individual assessment for any particular parcel may change, up or down, if the parcel square footage or type differ from those used to calculate the amount shown on the notice, which can be found in Appendix 3.

D. Time and Manner for Collecting Assessments

As provided by State Law, the DRPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Contra Costa. Alternatively, the DRPBID assessment may be collected by the City of Richmond if needed. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Contra Costa and City of Richmond shall distribute funds collected to RMSI. Existing laws for enforcement and appeal of property taxes, including penalties and interest, apply to the DRPBID assessments.

E. Engineer's Certification

I hereby certify, to the best of my knowledge and experience, that each of the identified assessed parcels located within the Downtown Richmond Property and Business Improvement District will receive a special benefit over and above the general benefits conferred and that the amount of the assessment is no greater than the proportional special benefits conferred on each parcel, as described in this Engineer's Report.

Review of this Downtown Richmond Property and Business Improvement District Management District Plan and preparation of the Engineer's Report was completed by:

Ross Peabody
State of California

Date

This Engineer's Report is intended to be distributed as part of the Management District Plan in its entirety, including the Assessment Calculation Table (Appendix 3) and the Boundary Map. Reproduction and distribution of only Section VII of this Management District Plan violates the intent of this stamp and signature.

APPENDIX 1 – MAXIMUM ANNUAL ASSESSMENT RATES

The table below illustrates the maximum annual assessment rate with the assumption that the rates will be increased annually by three percent (3%) with approval of the RMSI Board. The maximum rates listed are a required disclosure and not the anticipated course of action.

Parcel Assessment Rates		
Year	Commercial	Non-profit Housing
2018	\$0.1300	\$0.0600
2019	\$0.1339	\$0.0618
2020	\$0.1379	\$0.0637
2021	\$0.1421	\$0.0656
2022	\$0.1463	\$0.0675

APPENDIX 2 – PBID LAW

*** This document is current through the 2017 Supplement ***
(All 2016 legislation)

STREETS AND HIGHWAYS CODE
Division 18. Parking
Part 7. Property and Business Improvement District Law of 1994

Cal Sts & Hy Code Div. 18, Pt. 7 (2017)

CHAPTER 1. General Provisions [36600 - 36617]

ARTICLE 1. Declarations [36600 - 36604]

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
 - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
 - (2) Job creation.
 - (3) Business attraction.
 - (4) Business retention.
 - (5) Economic growth.
 - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
 - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions [36606 - 36616]

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law [36617- 36617.]

36617. Alternate method of financing certain improvements and activities; Effect on other provision

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment [36620 - 36630]

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceeding; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
 - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
- (f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.
- (h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
- (i) The proposed time for implementation and completion of the management district plan.

- (j) Any proposed rules and regulations to be applicable to the district.
- (k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
 (2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
- (o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.
- (c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforMSI with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments [36631 - 36637]

36631. Time and manner of collection of assessment; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adopting of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing [36640- 36640.]

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance [36650 - 36651]

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business

improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used. (b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
- (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal [36660- 36660.]

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

- (a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
- (b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
- (c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment [36670 - 36671]

36670. Circumstances permitting disestablishment of district; Procedure

- (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:
 - (1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.
 - (2) During the operation of the district, there shall be a 30-day period each year in which assesseees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two

years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 3 – MAP

[MAP BOOK TO BE PROVIDED]

APPENDIX 4 – PARCEL ASSESSMENT CALCULATIONS

MAP KEY	APN	LOT SIZE	ASSESSMENT	TYPE
2	538131016	81,598	\$10,607.74	COM
3	538142016	76,702	\$9,971.26	COM
4	538111001	223,462	\$29,050.06	COM
5	540091012	2,710	\$352.30	COM
6	540140005	5,625	\$731.25	COM
7	540140004	2,812	\$365.56	COM
8	540140003	5,625	\$731.25	COM
9	540480134	3,310	\$430.30	COM
10	540091008	4,300	\$559.00	COM
11	540091019	18,755	\$2,438.15	COM
12	540480135	1,655	\$215.15	COM
13	540480133	3,310	\$430.30	COM
14	540140002	7,500	\$975.00	COM
15	538260007	32,390	\$4,210.70	COM
16	540140021	3,390	\$0.00	NARES
17	540140023	2,825	\$0.00	NARES
18	540140020	5,650	\$0.00	NARES
19	540082033	62,525	\$8,128.25	COM
20	540062012	92,489	\$12,023.57	COM
21	540072018	5,387	\$700.31	COM
22	540091016	5,400	\$702.00	COM
23	540091018	2,812	\$365.56	COM
24	540091011	5,420	\$704.60	COM
25	540091017	11,250	\$1,462.50	COM
26	540460008	3,376	\$438.88	COM
27	540420003	8,250	\$610.50	NPH*
28	540420004	8,437	\$1,096.81	COM
29	540420005	5,625	\$731.25	COM
30	540140025	5,625	\$731.25	COM
31	538260013	52,110	\$6,774.30	COM
32	538440002	21,450	\$2,788.50	COM
33	538260009	9,135	\$1,187.55	COM
34	538250004	2,812	\$365.56	COM
35	538250002	2,812	\$365.56	COM
36	538250001	5,625	\$731.25	COM

MAP KEY	APN	LOT SIZE	ASSESSMENT	TYPE
37	538132005	6,124	\$796.12	COM
38	538132006	2,710	\$352.30	COM
39	538132009	2,710	\$352.30	COM
40	538132010	2,710	\$352.30	COM
41	540081026	15,849	\$2,060.37	COM
42	540081020	21,758	\$2,828.54	COM
43	540092016	36,087	\$4,691.31	COM
44	540081021	6,795	\$883.35	COM
45	540081024	5,906	\$767.78	COM
46	540081005	5,375	\$698.75	COM
47	540081004	4,031	\$524.03	COM
48	540081003	4,031	\$524.03	COM
49	540081002	5,375	\$698.75	COM
50	540081001	5,375	\$698.75	COM
51	538132011	2,710	\$352.30	COM
52	540140026	2,812	\$365.56	COM
53	538260004	2,437	\$316.81	COM
54	538260003	3,187	\$414.31	COM
55	540140027	2,812	\$365.56	COM
56	540140028	2,817	\$366.21	COM
57	540150029	11,249	\$1,462.37	COM
58	540140024	2,812	\$0.00	NARES
59	540150008	8,437	\$1,096.81	COM
60	540460048	241,279	\$31,366.27	COM
61	540150026	2,812	\$365.56	COM
62	540150002	5,625	\$731.25	COM
63	540150001	5,625	\$731.25	COM
64	538250014	16,875	\$2,193.75	COM
65	538250008	8,437	\$1,096.81	COM
66	540460049	25,090	\$3,261.70	COM
67	540091013	5,420	\$704.60	COM
68	538132013	46,950	\$6,103.50	COM
69	540092017	29,774	\$3,870.62	COM
70	538260002	2,817	\$366.21	COM
71	538260001	5,625	\$731.25	COM
82	540140001	3,750	\$487.50	COM
93	540150006	5,625	\$731.25	COM
94	540082030	1,054	\$137.02	COM

MAP KEY	APN	LOT SIZE	ASSESSMENT	TYPE
95	540071016	5,213	\$677.69	COM
96	540071018	5,084	\$660.92	COM
97	540071011	2,710	\$352.30	COM
98	540071017	13,340	\$1,734.20	COM
99	538132014	5,420	\$704.60	COM
100	540081025	2,531	\$329.03	COM
101	540092018	6,756	\$878.28	COM
102	540091010	14,063	\$1,828.19	COM
103	540082032	6,168	\$801.84	COM
105	538440001	254,650	\$15,279.00	NPH
106	540140022	5,040	\$0.00	NARES
107	538250003	8,437	\$1,096.81	COM
108	540091014	2,700	\$351.00	COM
109	540091015	2,710	\$352.30	COM
110	540480024	1,278	\$0.00	NARES
111	540480025	1,100	\$0.00	NARES
112	540480026	1,100	\$0.00	NARES
113	540480027	1,100	\$0.00	NARES
114	540480028	1,100	\$0.00	NARES
115	540480029	1,498	\$0.00	NARES
116	540480030	1,278	\$0.00	NARES
117	540480031	1,100	\$0.00	NARES
118	540480032	1,100	\$0.00	NARES
119	540480033	1,416	\$0.00	NARES
120	540480056	1,063	\$0.00	NARES
121	540480057	964	\$0.00	NARES
122	540480058	964	\$0.00	NARES
123	540480059	964	\$0.00	NARES
124	540480060	964	\$0.00	NARES
125	540480061	964	\$0.00	NARES
126	540480062	964	\$0.00	NARES
127	540480063	964	\$0.00	NARES
128	540480064	964	\$0.00	NARES
129	540480065	1,173	\$0.00	NARES
130	540480066	1,040	\$0.00	NARES
131	540480067	855	\$0.00	NARES
132	540480068	855	\$0.00	NARES
133	540480069	855	\$0.00	NARES

MAP KEY	APN	LOT SIZE	ASSESSMENT	TYPE
134	540480070	855	\$0.00	NARES
135	540480071	855	\$0.00	NARES
136	540480072	855	\$0.00	NARES
137	540480073	855	\$0.00	NARES
138	540480074	855	\$0.00	NARES
139	540480075	855	\$0.00	NARES
140	540480076	855	\$0.00	NARES
141	540480077	847	\$0.00	NARES
142	540480083	849	\$0.00	NARES
143	540480084	859	\$0.00	NARES
144	540480085	859	\$0.00	NARES
145	540480086	859	\$0.00	NARES
146	540480087	859	\$0.00	NARES
147	540480088	859	\$0.00	NARES
148	540480089	859	\$0.00	NARES
149	540480090	859	\$0.00	NARES
150	540480091	859	\$0.00	NARES
151	540480092	1,045	\$0.00	NARES
152	540480093	900	\$0.00	NARES
153	540480094	900	\$0.00	NARES
154	540480095	900	\$0.00	NARES
155	540480096	900	\$0.00	NARES
156	540480097	900	\$0.00	NARES
157	540480098	900	\$0.00	NARES
158	540480099	900	\$0.00	NARES
159	540480100	900	\$0.00	NARES
160	540480101	900	\$0.00	NARES
161	540480102	900	\$0.00	NARES
162	540480124	1,191	\$0.00	NARES
163	540480125	1,027	\$0.00	NARES
164	540480126	1,027	\$0.00	NARES
165	540480127	1,027	\$0.00	NARES
166	540480128	1,027	\$0.00	NARES
167	540480129	1,027	\$0.00	NARES
168	540480130	1,027	\$0.00	NARES
169	540480131	1,027	\$0.00	NARES
170	540480132	1,191	\$0.00	NARES
171	540480138	4,603	\$0.00	NARES

MAP KEY	APN	LOT SIZE	ASSESSMENT	TYPE
172	540480144	871	\$0.00	NARES
Total	150	1,763,114	\$199,869.53	

COM: Commercial
NPH: Non-Profit Housing
NARES: Non-Assessed Residential

* Mixed Used Parcel