

TO: BOARD OF DIRECTORS  
FROM: LISA BOGNUDA   
DATE: NOVEMBER 13, 2009

**AGENDA ITEM  
E-1  
NOVEMBER 18, 2009**

**PARK MAINTENANCE DISTRICT NO. 1 ASSESSMENT**

**ITEM**

Consider a "YES" or "NO" vote on Park Maintenance District No. 1 Assessment

**BACKGROUND**

Nipomo Community Services District has received conditional approval from LAFCO to operate and maintain parks within the current NCSD boundary. Additionally, NCSD has negotiated a Memorandum of Understanding (MOU) with the County of SLO to transfer property, at no charge, to build a Park at the northeast corner of Carrillo and West Tefft Streets, to the NCSD upon successful formation of an Assessment District to partially fund the operations and maintenance of the proposed park. If successful, the proposed Assessment District satisfies the conditions of the NCSD's MOU with the County and LAFCO's conditional approval for the NCSD to operate parks.

The purpose of the proposed Assessment District is to provide an appropriate revenue source to partially fund the on-going annual operation and maintenance costs of the proposed park.

NCSD owns to parcels within the proposed Zone of Benefit:

APN 090-142-006	148 South Wilson Street (NCSD Office)
APN 090-441-020	West Price Street (Savage Well Site)

**FISCAL IMPACT**

Annual Assessment for two parcels \$102.18 (\$89.69 + \$12.49) plus annual inflation adjustment applicable to future assessments based on the Consumer Price Index.

**RECOMMENDATION**

Staff recommends the Board of Directors direct Staff to cast either a "Yes" or "No" Vote on each ballot and authorize the President of the Board to sign the ballots.

**ATTACHMENTS**

- Copy of Ballots and information included with the Ballots

PARK MAINTENANCE DISTRICT NO. 1  
NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO

**IMPORTANT - OFFICIAL PROPERTY OWNER ASSESSMENT BALLOT**

This ballot is for the use of the property owner(s) or the authorized representative of the property owner(s) of the parcel identified below, which parcel is located within the proposed PRIMARY Zone of the Park Maintenance District No. 1 of the Nipomo Community Services District (NCSD). Please advise Wallace Group, Attention: Kari Wagner, P.E., Assessment Engineer for the NCSD, at (805) 544-4011 if the name set forth below is incorrect or if you are no longer an owner or the authorized representative of an owner of the parcel.

This ballot may be used to express either support for or opposition to the proposed assessment district. In order to be counted, this ballot must be marked below with an "X" next to either "Yes" or "No," signed by an owner, or if none of the owners is an individual, by an authorized representative of an owner. The ballot must then be delivered to the NCSD Secretary/Clerk, either by mail or in person, as follows:

Mail Delivery: If by mail, place in the self-addressed pre-stamped return envelope provided, and place in the mail no later than one calendar week prior to December 16, 2009. Mailing later than this deadline creates the risk that the ballot may not be received in time to be counted.

Personal Delivery: If in person, deliver to the NCSD Secretary/Clerk up to the close of public comment during the protest hearing, which will start at 9:00 a.m., on December 16, 2009, at the regular Meeting Room at the Nipomo Community Services District, located at 148 South Wilson Street, Nipomo, California.

**TO CAST THIS BALLOT, MARK EITHER "YES" OR "NO" ON THE ATTACHED BALLOT, WHERE INDICATED, FILL IN THE DATE, SIGN YOUR SIGNATURE, PRINT YOUR NAME AND THEN PLEASE FOLD THE BALLOT, REMOVE THE STICKY TAPE, SEAL THE BALLOT, AND INSERT IT IN AN ENVELOPE TO CONCEAL ITS CONTENTS BEFORE SUBMITTING IT TO THE NCSD SECRETARY/CLERK**



PARK MAINTENANCE DISTRICT NO. 1  
NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO

**IMPORTANT - OFFICIAL PROPERTY OWNER ASSESSMENT BALLOT**

This ballot is for the use of the property owner(s) or the authorized representative of the property owner(s) of the parcel identified below, which parcel is located within the proposed SECONDARY Zone of the Park Maintenance District No. 1 of the Nipomo Community Services District (NCSD). Please advise Wallace Group, Attention: Kari Wagner, P.E., Assessment Engineer for the NCSD, at (805) 544-4011 if the name set forth below is incorrect or if you are no longer an owner or the authorized representative of an owner of the parcel.

This ballot may be used to express either support for or opposition to the proposed assessment district. In order to be counted, this ballot must be marked below with an "X" next to either "Yes" or "No," signed by an owner, or if none of the owners is an individual, by an authorized representative of an owner. The ballot must then be delivered to the NCSD Secretary/Clerk, either by mail or in person, as follows:

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**TO CAST THIS BALLOT, MARK EITHER "YES" OR "NO" ON THE ATTACHED BALLOT, WHERE INDICATED, FILL IN THE DATE, SIGN YOUR SIGNATURE, PRINT YOUR NAME AND THEN PLEASE FOLD THE BALLOT, REMOVE THE STICKY TAPE, SEAL THE BALLOT, AND INSERT IT IN AN ENVELOPE TO CONCEAL ITS CONTENTS BEFORE SUBMITTING IT TO THE NCSD SECRETARY/CLERK**

**NOTICE OF PUBLIC HEARING AND ASSESSMENT BALLOT  
PROCEDURES  
FOR  
PARK MAINTENANCE DISTRICT NO. 1  
NIPOMO COMMUNITY SERVICES DISTRICT  
COUNTY OF SAN LUIS OBISPO**

ATTACHMENTS:

- SECTION II, PART D OF THE ENGINEER'S REPORT
- BALLOT
- SELF ADDRESSED PRE-STAMPED ENVELOPE FOR MAILING BALLOT

**Purpose of this Notice**

The purpose of this notice, which includes both this document and the accompanying Assessment Ballot is:

- to provide information to affected record owners of property regarding proceedings being undertaken by the Nipomo Community Services District (NCSD) to create an Assessment District (NCSD Park Maintenance District No. 1) that would impose assessments on properties within the Assessment District to partially fund the operation and maintenance of park facilities for the proposed "Miller Park" located on the northeast corner of Carrillo and West Tefft Streets.
- to transmit the Assessment Ballot to the owner or owners of each property within Park Maintenance District No. 1 to enable such owner or owners to express support for, or opposition to the levy of the proposed annual assessment on the property of such owner or owners by completing and returning the Assessment Ballot;
- to identify the time and place of the scheduled public hearing on these matters and to provide instructions to the owner or owners to assist in the completion of the Assessment Ballot and returning it to the NCSD; and
- to notify property owners that the following documents are available for review at the NCSD's office located at 148 South Wilson Street, Nipomo, California or on the NCSD's webpage <http://www.ncsd.ca.gov/cm/Home.html>.
  - Local Agency Formation Commission (LAFCO) conditional approval for the NCSD to operate parks within its boundaries.
  - The County Memorandum of Understanding (MOU).
  - Complete Assessment Engineer's Report.
  - The NCSD's Procedures Applicable to the Completion, Return, and Tabulation of the Assessment Ballots.

**RECEIVED**

**NOV 02 2009**

**NIPOMO COMMUNITY  
SERVICES DISTRICT**



**Reason for the Assessment District and Assessments**

The NCSD has received conditional approval from the Local Agency Formation Commission (LAFCO) to operate and maintain parks within the current NCSD boundary. Additionally, NCSD has negotiated a Memorandum of Understanding (MOU) with the County of San Luis Obispo to transfer property, at no charge, to build a Park at the northeast corner of Carrillo and West Tefft Streets, to the NCSD upon successful formation of an Assessment District to partially fund the operations and maintenance of the proposed Park. If successful, the proposed Assessment District satisfies the conditions of the NCSD’s MOU with the County and LAFCO’s conditional approval for the NCSD to operate parks.

The purpose of the proposed Assessment District and the new assessments is to provide an appropriate revenue source to partially fund the ongoing annual operation and maintenance costs for the proposed Park, which includes the costs associated with:

- **Operation and Maintenance:** The estimated annual costs to provide ongoing operation and maintenance of the proposed Park.
- **Facility Replacement:** The estimated cost to replace the Park facilities spread out over 30 years. Some facilities were anticipated to be replaced using funds from other sources.

The engineer’s estimate of probable costs for the annual operation and maintenance is \$20,766. A summary of the costs are provided in Table 1 below.

**Table 1. Summary of Annual Operation and Maintenance Costs**

	Capital Costs	O&M Monthly Costs	O&M Yearly Costs	Replacement Costs over 30 years	Pro-Rated Costs Per Annum
Landscape Maintenance	\$25,000	\$800	\$9,600	\$833	
Pole Barn	\$98,000	\$100	\$1,200	\$0	
Restroom	\$72,000	\$250	\$3,000	\$2,400	
Gazebo	\$65,000	\$100	\$1,200	\$0	
Fence	\$19,000	\$75	\$900	\$633	
Insurance			\$1,000		
		<b>Total</b>	<b>\$16,900</b>	<b>\$3,866</b>	<b>\$20,766</b>

**The Total Annual Assessment Proposed to be Charged to Park Maintenance District No. 1 is \$12,459 per Year. Calculated as follows:**

The \$20,766 annual operation and maintenance cost will be paid by the NCSD's Property Tax Fund, the Primary Benefit Area within the proposed Assessment District, and the Secondary Benefit Area within the proposed Assessment District as follows:

- The Property Tax Fund will contribute to 40% of the annual operation and maintenance costs.
- The Primary Benefit Area will contribute to 40% of the annual operation and maintenance costs.
- The Secondary Benefit Area will contribute to 20% of the annual operation and maintenance costs.

Table 2 below provides a summary of the funding apportionment.

**Table 2. Funding Apportionment for Operations & Maintenance**

		<b>Apportioned Per Annum Cost</b>
Total O&M Costs	100.00%	\$20,766
Property Tax Fund	40.00%	\$8,306
Primary District	40.00%	\$8,306
Secondary District	20.00%	\$4,153

As referenced in Section II, Part D of the Engineer's Report, and based on accessibility to the proposed Park, Park Maintenance District No.1 is divided into two areas a Primary Benefit Area and a Secondary Benefit Area. The estimated cost of the proposed improvements is \$8,306 for the Primary Benefit Area and \$4,153 for the Secondary Benefit Area. Dividing the estimated project costs by the total number of Benefit Units in the Primary Benefit Area sets the assessment rate at **\$35.45 per Benefit Unit per year** ( $\$8,306 / 234.28 \text{ BUs} = \$35.45 \text{ per BU per year}$ ). Dividing the estimated project costs by the total number of Benefit Units in the Secondary Benefit Area sets the assessment rate at **\$12.49 per Benefit Unit per year** ( $\$4,153 / 332.50 \text{ BUs} = \$12.49 \text{ per BU per year}$ ).

## **Assessment Proposed to be Levied on Your Property**

Your property is located within the **SECONDARY Zone** and will be assigned **1 benefit unit(s)** per Section II, Part D of the Engineer's Report (attached). The amount of your maximum assessment proposed to be levied against the property for which this notice is given is **\$12.49 per year** as set forth on the accompanying Assessment Ballot. This assessment amount is your parcel's proportional assessment of the estimated annual amount to adequately fund ongoing operation and maintenance costs for the proposed Park. Your parcel's actual maximum assessment for subsequent years would be subject to an inflationary adjustment which is explained below.

## **Basis upon which the Proposed Assessments are Calculated**

The Assessment Engineer estimated how much it will cost the NCS D to provide annual operation and maintenance services for the proposed Park and the annual replacement value of the structures. The assessments are spread to developable parcels within Park Maintenance District No. 1 based on the proportion of benefit received. The formulas used for calculating assessments are generally:

$$\text{Annual Assessment} \div \text{Number of Benefiting Units} = \text{Levy per Benefit Unit}$$

A more detailed description of the basis upon which the amount of the proposed assessments has been calculated is described in Section II, Part D – Method of Apportionment of Assessment of the Engineer's Report of which is attached. The complete Engineer's Report is available at the NCS D office located at 148 South Wilson Street, Nipomo, CA 93444 during normal business hours or available on the NCS D website, <http://www.ncsd.ca.gov/cm/Home.html>.

## **Inflationary Adjustment**

Because the costs of operating and maintaining the Park Facilities are impacted by inflation over time, the proposed assessment rate and corresponding parcel assessments include an annual inflationary adjustment based upon the Consumer Price Index, All Urban Consumers, for the Los Angeles-Riverside-Orange County Area ("CPI"), as determined by the United States Department of Labor, Bureau of Labor Statistics, or its successor. As part your support for or opposition to the proposed assessment described in this notice and presented on the accompanying Assessment Ballot, you are also indicating your support for or opposition to an annual inflationary adjustment that may be applied to your proposed assessment in future years.

Commencing fiscal year 2010/2011, and each fiscal year thereafter the NCS D Board of Directors would be authorized (but not required) to increase the assessment to reflect the increase in costs for operation and maintenance pursuant to the above inflationary adjustment. Decisions to increase the annual assessment will be based on an engineer's

estimate of operation and maintenance cost for the succeeding fiscal year. The engineer's estimate would be presented at a duly notice public hearing where you would be given the opportunity to provide testimony and comment as part of the Board of Directors consideration of any proposed CPI increase.

### **Duration of the Assessments**

If approved, the proposed assessment indicated on the accompanying ballot will appear on your 2010/2011 property tax bill. Because the proposed assessments will provide annual funding for the ongoing operation and maintenance of the proposed Park by the NCSD within Park Maintenance District No. 1, there is no sunset on the assessments (no end date), but the annual budget and assessments shall be established by an Engineer's Report that will be presented at a public hearing each fiscal year, which is open to the public for comment and testimony.

### **Public Hearing**

Notice is hereby given that a public hearing on the proposed assessment will be held in the regular meeting place of the Nipomo Community Services District located at 148 South Wilson Street, Nipomo, California on:

**Wednesday, December 16, 2009, at 9:00 a.m.**

### **Assessment Ballot Proceedings**

In addition to the right to participate in the December 16, 2009 public hearing at the NCSD regular Meeting Room located at 148 South Wilson Street, Nipomo, California, each record owner of property proposed to be assessed for an assessment, has the right under the provisions of the Assessment Law to submit an Assessment Ballot in favor of, or in opposition to the proposed assessment. A property owner or owners of record, or the legally "authorized representative" of such record owner(s), may complete the Assessment Ballot and thereby indicate such owner's support for, or opposition to the proposed assessment. After the conclusion of the public hearing, the NCSD Board of Directors shall cause the valid Assessment Ballots timely received to be opened and tabulated by an impartial person. It is not necessary for the record owner to be a citizen of the United States or a resident within the NCSD boundaries, the State of California, or the United States in order to be eligible to complete an Assessment Ballot.

Upon completing the tabulation of the assessment ballots, the NCSD Board of Directors will present the results of the assessment balloting. If the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceeds the assessment ballots submitted, and not withdrawn, in its favor, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon on the identified parcels for



which each assessment ballot was submitted then a majority protest will be found to exist. If a majority protest is found to exist then the NCSB Board of Directors will not impose the assessment upon the properties within the NCSB Park Maintenance District No. 1 and thereon as provided in the LAFCO conditions of approval, the NCSB's activation of Park powers will fail.

### **Protest Provisions**

Pursuant to California Constitution Article XIII D, Section 4 (e), at the Public Hearing, the NCSB Board of Directors shall consider all protests against the proposed new assessment and tabulate the ballots filed with the NCSB prior to the close of the Public Hearing.

### **To Cast Your Ballot**

Completed ballots may be personally delivered to the NCSB Secretary/Clerk at 148 South Wilson Street, Nipomo, CA 93444; or may be mailed to the NCSB Secretary/Clerk at the address indicated below. (A return stamped envelope has been provided for your convenience). If you return your ballot by mail, please be sure to allow time for mail delivery. The NCSB Secretary/Clerk must receive all ballots no later than the close of the public testimony at the Public Hearing on December 16, 2009. **All ballots returned must be submitted in a sealed envelope that clearly indicates an Assessment Ballot is enclosed. All ballots must be clearly marked to indicate a "Yes" or "No" vote and signed with original signature under penalty of perjury; otherwise the ballot will be rejected and not counted.** Additionally, copies without original signature, faxed or email ballots will be rejected and not counted. **If the ballot is cast by an "authorized representative" then the written authorization must be attached to the Assessment Ballot, otherwise the Assessment Ballot will be rejected and not counted. "Authorized Representative(s)" means designated trustees, legal guardians, probate estate executors or administrators, court-appointed or other legal representatives, or property managers, agents, or representative of a record owner.** Please ensure that your Assessor's Parcel Number (APN) is included on your ballot so that your property can be correctly identified.

NCSB Secretary/Clerk  
148 South Wilson Street  
Nipomo, CA 93444  
(805) 929-1133

### Additional Ballots and Self-Addressed Envelopes

If you damage or misplace your ballot, or wish to change your ballot or where owners disagree about completing a ballot, then replacement ballots and additional ballots and envelopes may be obtained from the Assessment Engineer. The Assessment Engineer can be contacted at the following:

Wallace Group  
Attention: Kari Wagner  
612 Clarion Court  
San Luis Obispo, Ca 93401  
(805) 544-4011

*Completed ballots MUST be received by the NCSD Secretary/Clerk no later than the closing of the public testimony portion of the Public Hearing which is scheduled to begin on **Wednesday, December 16, 2009 at 9:00 a.m.**, at the regular Meeting Room at the NCSD office located at 148 South Wilson Street, Nipomo, California.*



## PART D

### METHOD OF APPORTIONMENT OF ASSESSMENT

#### GENERAL

Sections 4 (a) and (b) of Article XIIIID of the California Constitution establishes the requirements for the apportionment of costs as special benefits and states in relevant part:

“(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit 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. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel...

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.”

Section 22525 of the Streets and Highways Code provides the definition of Improvement as follows: "Improvement" means:

- (a) The installation or planting of landscaping.
- (b) The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- (c) The installation or construction of public lighting facilities, including, but not limited to, traffic signals.
- (d) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- (e) The installation of park or recreational improvements, including, but not limited to, all of the following:
  - (1) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
  - (2) Lights, playground equipment, play courts, and public restrooms.
- (f) The maintenance or servicing, or both, of any of the foregoing.
- (g) The acquisition of land for park, recreational, or open-space purposes.
- (h) The acquisition of any existing improvement otherwise authorized pursuant to this section.
- (i) The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions,

fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.

Section 22526 of the Streets and Highways Code provides the definition of Incidental expenses as follows:

"Incidental expenses" include all of the following:

- (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- (b) The costs of printing, advertising, and the giving of published, posted, and mailed notices.
- (c) Compensation payable to the county for collection of assessments.
- (d) Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.
- (e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- (f) Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- (g) Costs associated with any elections held for the approval of a new or increased assessment.

Section 22531 of the Streets and Highways Code provides the definition of Maintain or maintenance as follows:

"Maintain" or "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- (a) Repair, removal, or replacement of all or any part of any improvement.
- (b) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- (c) The removal of trimmings, rubbish, debris, and other solid waste.
- (d) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

The Park will provide a location to hold community events such as Farmers Markets, family gatherings or functions, and will provide visual enhancement of the community.

The cost of the (Park) public improvements and incidental expenses includes the value of the property donated by the County of San Luis Obispo, the Engineering cost, and the costs to construct the facilities at the Park including a gazebo, a Veteran's Memorial, a Railroad Memorial, a pole barn, restrooms, a pedestrian/bike path, interior paths, parking, fencing, lighting utilities and landscaping in the form of trees, shrubs, and softscape. These costs will have both a general benefit to the entire community as well as a special benefit to those parcels in the vicinity of the Park. As referenced above these costs are funded either through donations or property tax reserves of the NSCD. Therefore, these costs will not be included in the special benefit assessment. In other words the proposed special benefit assessment to be levied is limited to a percentage of the on-going operation and maintenance cost as defined by Streets and Highways Code Section 22531 (above).



## **SPECIAL BENEFIT DETERMINATION**

The special benefit determination is limited to the on-going operation and maintenance of the Park facilities. Within the NCSD Park Maintenance District No. 1, there will be two areas of special benefit referred as the Primary Benefit Area and the Secondary Benefit Area. The areas are described as follows:

### **Primary Benefit Area**

The Park will have a primary benefit to those parcels that immediately surround the park. Residents or employees of the parcels that surround the park are within walking/biking distance and can use the facilities at the park on a daily basis with minimal effort. The Primary Benefit Assessment District boundary coincides with the Olde Towne Design Area, which is established in the Olde Towne Nipomo Design and Circulation Plan.

The Olde Towne Design Area is a defined boundary within Nipomo Community Services District. The Park will be located in the approximate center of the Olde Towne Design Area. All parcels within the Olde Towne Design Area are less than 0.4 miles from the park. Parcels within this Olde Towne Design Area boundary shall have access to the Park via walking, biking or driving. Pedestrian crossing will be constructed on Tefft Street for access from the east side of Tefft Street. A bike/walking path from the end of Branch Street to the north edge of the park will be constructed. This path will provide access to pedestrians coming from the northwest side of Tefft Street. Parcels located on the southwest side of Tefft Street will have access to the Park via sidewalks along Tefft Street. A parking lot at the Park will be available for those driving to the park.

The Primary Benefit Area is estimated to have 40% of the total benefit of the annual operation and maintenance costs of the Park.

### **Secondary Benefit Area**

The Park will have a secondary benefit to additional parcels outside of the Primary Benefit Area. These parcels are still within walking/biking distance to the Park. The Secondary Benefit Area boundary includes parcels outside the Olde Towne Design Area, bordered to the west by Highway 101 and to the east by Thompson Avenue.

All parcels within the Secondary Benefit Area are within 0.75 miles of the Park and will not need to cross either Highway 101 or Thompson Avenue to access the park. Miller Park will have accessibility via walking, biking or driving. A pedestrian crossing will be constructed on Tefft Street for access from the east side of Tefft Street. A bike/walking path from the end of Branch Street to the north edge of the park will be constructed. This path will provide access to pedestrians coming from the northwest side of Tefft Street. Parcels located on the southwest side of Tefft Street will have access to the Park via sidewalks along Tefft Street. A parking lot at the Park shall be available for those driving to the Park.

The Secondary Benefit Area is estimated to have 20% of the total benefit of the annual operation and maintenance costs of the Park.

### **GENERAL BENEFIT DETERMINATION**

The Park's facilities will not be restricted; therefore, in addition to the special benefits received by the parcels within the Primary and Secondary Benefit Area, there are general benefits to the entire community conferred by the proposed improvements and on-going operation and maintenance of Park facilities. The proper maintenance of the Park provides a location to hold community events, hold family gatherings or functions, and provides visual enhancement of the community. The aforementioned constitutes general benefits conferred by the improvements. The General Benefit Area will include all parcels within the Nipomo Community Services District.

The General Benefit Area is allocated to have 100% of the improvement costs and 40% of the total benefit of the annual operation and maintenance costs of the Park. This 40% will be paid from general property tax revenues by the NCSD.

### **SPECIAL BENEFIT ALLOCATION**

To establish the benefit assessment amount for each individual parcel, a Benefit Unit (BU) system has been developed. Each parcel is assigned Benefit Units in proportion to the estimated special benefit the parcel will receive from the operation and maintenance of the Park. Calculation of the BUs to be allocated to each parcel is based upon land use.

**Residential Single Family (RSF).** The single-family parcel represents a large percentage of the total assessable parcels within the District; it is therefore used as the basic unit for calculation of assessments and is defined as **1.00 Benefit Unit (BU)**. Single family parcels are defined as parcels, developed or vacant, that have a land use classification as Residential Single Family (RSF) by the County of San Luis Obispo and are located within the boundaries of the Assessment District. These parcels include existing and proposed primary dwellings and accessory second dwelling units.

**Residential Multi-Family (RMF).** All developed or vacant residential multi-family parcels will be assessed  $\frac{3}{4}$  (**0.75**) **benefit units per unit**, unless only one unit is developed on the parcel. If only one unit is built on a RMF zoned lot, the parcel is assessed 1.0 benefit unit. RMF lots with less than 600 sq. ft., regardless of the number of units will be assessed  $\frac{3}{4}$  benefit units per unit. Residential Multi-Family parcels are defined as parcels, developed or vacant, that have a land use classification as Residential Multi-Family (RMF) by the County of San Luis Obispo and are located within the boundaries of the Assessment District.

**Commercial (CR, CS, OP).** The County Land Use Ordinance permits a wide range of uses within these zones in particular, rendering an assessment based on land use impractical. To avoid conjecture regarding ultimate land use, commercial parcels being used as Commercial were assessed according to parcel size. Improved parcels up to 10,000 square feet are assessed the same as an occupied single family residence, **1.00 Benefit Unit (BU)**. Larger parcels are assessed at increasing increments of benefit units for each 10,000 square foot increment of land.



For example, a 25,000 square foot lot is assessed at a full 2.50 benefit units. In circumstances where the County Land Use Ordinance would permit the addition of a residential unit to the commercial use, the parcel size was still used as the basis for the assignment of benefit.

Improved commercial parcels used for residential purposes are assessed the same as RSF or RMF parcels, based on existing use.

**Public Agency Parcels (PF)** – Public property that is developed will be assessed the same rate as the Commercial parcels. If it is determined that a public parcel is used for open space, right-of-way, future roadway, or other non-benefitting use, then the parcel will not be assessed.

**Special Cases** – There are parcels within the Assessment District that do not follow the standard basis of assessment. They include

- **Miller Park (APN 090-141-006, Assessment Number 268P)** – Miller Park will be assessed 0.00 benefit units.
- **Common Areas** – Parcels that are designated common areas and are not inhabited will be assessed 0.00 benefit units. These parcels include:

Assessment Number	Assessor Parcel Number (APN)
229S	090-136-005 Common area
320S	090-102-037 Parking
322S	090-102-036 Wooded Creek
370S	092-252-023 Common Green Area

- **Undevelopable Parcels** – There are several parcels that are not developable and are not a Public Facility designation. These parcels will be assessed 0.00 benefit units. They include:

Assessment Number	Assessor Parcel Number (APN)	Parcel Size (sq. ft.)	Notes
026S	090-092-008	282	
032S	090-092-019	47	
087P	090-122-008	746	
097P	090-123-006	888	
186P	090-135-021	200	
206P	090-143-013	25	
323S	090-161-030	1,600	Landlocked Parcel
384S	092-263-009	14,528	Drainage Basin

385S	092-262-004	34,330	Open Space along Highway
411S	092-261-020	13,369	Open Space
418S	092-261-043	1,502	Sidewalk & Landscaping

Table 3 provides a summary of the assigned benefit units per the descriptions above.

**Table 3. Summary of Benefit Unit Assignments**

Parcel Type		Benefit Unit
Residential Single Family		1.0
Residential Multi-Family		0.75 per unit
Commercial	< or = 10,000 sq. ft.	1.0
	> 10,000 sq. ft.	Per 10,000 sq. ft. <sup>1</sup>
Public Agency Parcels	Developed	Same as Commercial
	Non-benefiting Use	0.0

<sup>1</sup> Example – If a parcel is 25,000 sq. ft., BU assignment is 25,000/10,000 = 2.5.

## SUMMARY OF ASSESSMENTS

The methods described above are applied to estimate the benefits received by each assessable parcel in the District from operation and maintenance of the Park. The estimates are expressed as Benefit Units (BUs). The Primary Area has a total of 234.28 benefit units. The Secondary Area has 332.50 benefit units. Table 4 summarizes the benefit units for the Primary and Secondary Areas

**Table 4. Summary of Benefit Units**

Assessment Area	Benefit Unit
Primary Area	234.28
Secondary Area	332.50

## ASSESSMENT RATE CALCULATION

The estimated cost of the proposed improvements as shown in Part B of Section II of this report is \$8,306 for the Primary Benefit Area and \$4,153 for the Secondary Benefit Area. Dividing the




estimated project costs by the total number of Benefit Units in the Primary Benefit Area sets the assessment rate at **\$35.45** per Benefit Unit per year ( $\$8,306 / 234.28 \text{ BUs} = \$35.45 \text{ per BU per year}$ ). Dividing the estimated project costs by the total number of Benefit Units in the Secondary Benefit Area sets the assessment rate at **\$12.49** per Benefit Unit per year ( $\$4,153 / 332.50 \text{ BUs} = \$12.49 \text{ per BU per year}$ ). Table 5 provides a summary of the assessment rates for both the Primary and Secondary Areas.

**Table 5. Summary of Assessment Rates**

<b>Assessment Area</b>	<b>Assessment Rate Per Year</b>
Primary Area	\$35.45
Secondary Area	\$12.49

#### **INFLATIONARY ADJUSTMENT OF ASSESSMENT**

Commencing with Fiscal Year 2011/2012, the amount of the maximum assessments for the Park Maintenance will include a yearly increase, based upon the Consumer Price Index, All Urban Consumers, for the Los Angeles-Riverside-Orange County Area ("CPI"), as determined by the United States Department of Labor, Bureau of Labor Statistics, or its successor. The engineer shall compute the percentage difference between the CPI for February of each year and the CPI for the previous February, and shall then adjust the existing assessment by an amount not to exceed such percentage for the following fiscal year. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the engineer shall use the revised index or a comparable system as approved by the Board of Directors for determining fluctuations in the cost of living.

TO: BOARD OF DIRECTORS  
FROM: LISA BOGNUDA   
DATE: NOVEMBER 12, 2009

**AGENDA ITEM  
E-2  
NOVEMBER 18, 2009**

**CONSIDER GRAY TRUST (TRACT 2441) VARIANCE APPLICATION**

**ITEM**

CONSIDER GRAY TRUST (TRACT 2441) VARIANCE APPLICATION REGARDING WAIVER OF WATER AND SEWER STANDARDS [PROVIDE POLICY GUIDANCE].

**BACKGROUND**

The Board considered a request from Westland Engineering Inc. submitted on behalf of the Gray Trust, developer of Tract 2441 located at the intersection of Blume Street and Grande Avenue, to waive certain water and sewer standards at the August 26, 2009 Board meeting and continued the item until October 14, 2009 to allow staff to work out the details with Westland Engineering. Staff met with Westland Engineering staff on September 2, 2009 and Westland Engineering submitted revised plans to the District for review on October 12, 2009.

Based on a review of the revised plans by AECOM, the project as currently designed now meets all of the District's requirements as far as the variance issues are concerned including the water main looping requirement. Only approximately 80 feet of water main will not be looped and the water main can be isolated by closing a valve that is planned to be installed until the adjacent property is developed to reduce the potential for water quality problems. The other mains for the project are effectively looped so the potential for water quality due to stagnant water should be minimal. The attached schematic depicts the water main for the project as currently proposed.

**RECOMMENDATION**

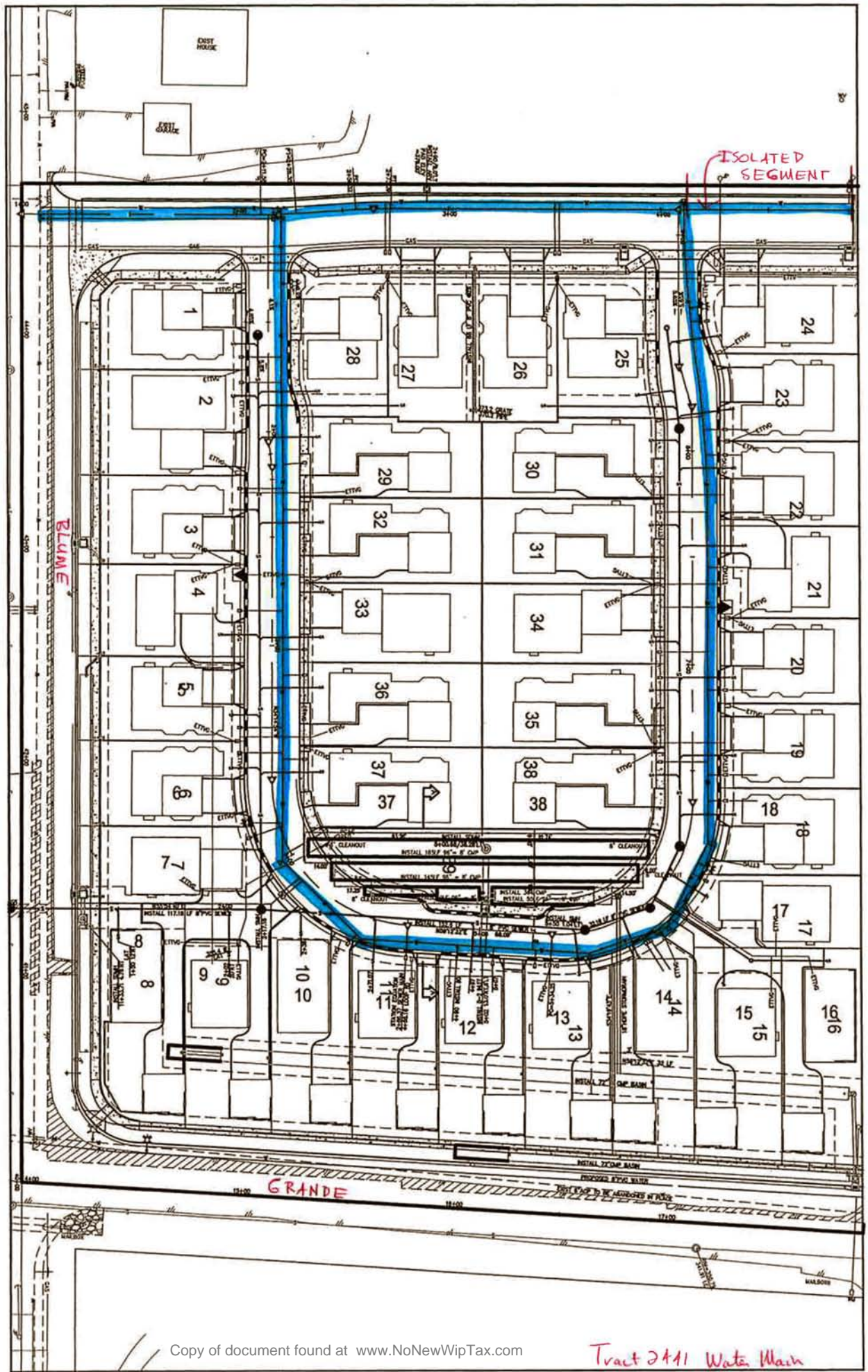
Staff recommends that your Honorable Board accept the staff report and consider the variance application no longer necessary since the applicant has redesigned the project to meet the District's requirements.

**ATTACHMENTS**

- Tract 2441 Water Main Schematic

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ISOLATED SEGMENT

PLUME

GRANDE