



# **CITY OF LOMPOC**

**PARK MAINTENANCE AND CITY POOL ASSESSMENT DISTRICT  
No. 2002-01**

## **FINAL ENGINEER'S REPORT**

MAY 2008

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972  
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

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## INTRODUCTION

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The City of Lompoc (the "City") owns, operates, and maintains twelve parks, three community centers, and an aquatic center. The City also offers a wide range of park and recreation programs from hosting youth soccer, little league, basketball, and other sports events to health, fitness, and first aid classes as well as general community events.

In response to the City's identified need to improve parks and recreation facilities, install new parks and recreation facilities, and enhance the maintenance of all such facilities, the City sought to establish a Park Maintenance and City Pool Assessment District (the "Assessment District").

In 2002, the City Council conducted an assessment ballot proceeding pursuant to the requirements of Article XIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Landscaping and Lighting Act of 1972. During this ballot proceeding, property owners in the District were mailed a notice and ballot for the proposed Assessment District ("Park Maintenance and City Pool Assessment District No. 2002-01"). A 45-day period was provided for balloting and a public hearing was conducted on July 23, 2002. After the close of the public input portion of the public hearing, all ballots returned within the 45-day balloting period were tabulated. The tabulation results were then announced on August 6, 2002.

The tabulation results determined that the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted). In fact, the final balloting result was 55.2% weighted support for the Assessment District.

As a result, the City Council gained the authority to approve the levy of the assessments for fiscal year 2002-03 and in future years. The authority granted by the ballot proceeding includes an annual adjustment in the assessment levies equal to the annual change in the Consumer Price Index for the Los Angeles Area as of January of each succeeding year, with the maximum adjustment not to exceed 3%.

In each subsequent year for which the assessments will be levied, the City Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the City Council may preliminarily approve the Engineer's Report and proposed assessments and establish the

date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the City Council by Resolution No. 5456 (08) adopted on March 4, 2008.

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2008-09 assessments, determine the benefits received from the park maintenance and improvements by property within the Assessment District and the method of assessment apportionment to lots and parcels within the Assessment District. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIID of the California Constitution (the "Article").

If the Council approves this preliminary Engineer's Report and the proposed assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 17, 2008. At this hearing, the City Council will consider approval of a resolution confirming the assessments for fiscal year 2008-09. If so confirmed and approved, the assessments would be submitted to the Santa Barbara County Auditor/Controller for inclusion on the property tax rolls for fiscal year 2008-09.

## PLANS & SPECIFICATIONS

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The City of Lompoc maintains park facilities in locations within its jurisdiction and adjacent to its boundaries. The City of Lompoc Park Maintenance and City Pool Assessment District No. 2002-01 (the "Assessment District") provides funding for the installation, maintenance, and servicing of parks and recreation facilities within the City, including, but not limited to the City's current parks and recreation facilities:

- Anderson Recreation Center (125 W. Walnut Ave)
- Barton Park (West Barton Ave)
- Beattie Park (1200 East Olive Ave)
- Centennial Park (132 E. Cypress Ave)
- College Park (201 W. College Ave)
- JM Park (Chestnut at A St)
- Ken Adam Park (Allan Hancock Dr.)
- Lompoc Aquatic Center (207 W. College Ave)
- Lompoc Civic Auditorium (Lompoc Valley Middle School)
- Lompoc Valley Community Center (1501 E. Ocean Ave)
- Pioneer Park (1209 E. Airport Ave)
- River Park (HWY 246)
- River Bend Park (McLaughlin Rd)
- Ryon Memorial Park (Ocean & O St)
- Thompson Park (520 N. S St.)
- Westvale Park (1300 W. Fir St)

The assessments also provide funding for the installation, maintenance, and servicing of new parks and recreation facilities, including, but not limited to, new neighborhood and community parks, an aquatics facility, and a swimming pool center. In addition, the assessments shall provide funding for improvements to park safety from enhanced lighting and increased park ranger security patrols, replacement of antiquated playground equipment, additional park maintenance services, acquisition of lands for parks and recreation uses, and expansion of existing parks and recreation areas.

In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the "Act") the work and improvements are generally described as follows:

Installation, maintenance, and servicing of public facilities, as well as debt service, issuance costs, and other expenses associated with the issuance and administration of

bonds, lease obligations, or other financing for the public facilities and improvements. Installation will include, but not be limited to, acquisition and construction of recreational facilities, playing fields, playground equipment, community centers, hard court surfaces, tennis courts, play equipment, public restrooms, irrigation and sprinkler systems, landscaping, turf and track facilities, gymnasiums, swimming pools, park grounds, park facilities, landscape corridors, trails, lighting, drainage systems, and land preparation, such as grading, leveling, cutting, and filling, as applicable, for property owned or maintained by the City of Lompoc.

As applied herein, "Installation" means the construction of recreational improvements, including, but not limited to, land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, recreational facilities and public restrooms.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of said improvements, including repair, removal, or replacement of all or part of any improvement; providing for the life, growth, health, and beauty of landscaping; and cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current or energy for the operation or lighting of any improvements, and the furnishing of water for irrigation of any landscaping or the maintenance of any other improvements.

Further reference is made to the plans and specifications for these improvements on file with the Director of Parks and Recreation of the City of Lompoc; such plans and specifications are incorporated herein by reference.

## FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

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### SUMMARY OF THE CITY'S IMPROVEMENT PLANS

The budget to be financed from the Assessment District levies would provide funding to improve and maintain parks and recreation facilities in the Assessment District. The budget included within this Engineer's Report is for fiscal year 2008-09. It is based on a multi-year improvement plan that includes projects that will improve existing parks and recreation facilities; create new parklands and recreation facilities, improve park safety by enhancing lighting; enhance park ranger security patrols; install upgraded playground equipment that meets new safety standards; and enhance park maintenance to help ensure the continued beauty, usability, and accessibility of the Assessment District's parks and recreation facilities.

As of January 2008, the annual increase in the consumer price index for the Los Angeles-Riverside-Orange County Area (CPI-U) was 3.95%. Therefore, the proposed assessment per Single Family Equivalent for FY 2008-09 has increased by 3.00% to \$22.41.

### IMPROVEMENT PLAN HIGHLIGHTS:

The assessment levies may be used in future fiscal years to fund a portion of the debt service, lease obligations, or other financing methods for the acquisition and improvement of park and recreation facilities in the Assessment District. These improvements may include:

- Maintenance of the aquatic center
- Additional walkways and security lighting at neighborhood parks
- Acquisition and improvement of new parks and recreation facilities
- Development, improvements, and repairs at the following parks:



**FIGURE 1 – IMPROVEMENT PLAN HIGHLIGHTS**

<p><b>Barton Park</b></p> <ul style="list-style-type: none"> <li>- Irrigation System, Turf, &amp; Landscaping</li> <li>- Walking Path</li> <li>- Children's Playground Equipment</li> <li>- Benches &amp; Tables</li> <li>- Misc. Park Amenities</li> </ul>	<p><b>Pioneer Park</b></p> <ul style="list-style-type: none"> <li>- Misc. Park Amenities</li> </ul>
<p><b>Beattie Park</b></p> <ul style="list-style-type: none"> <li>- Athletic Field Improvements</li> <li>- New Children's Playground Equipment</li> <li>- New Benches &amp; Tables</li> <li>- Misc. Park Amenities</li> </ul>	<p><b>River Park</b></p> <ul style="list-style-type: none"> <li>- Group Picnic Area Improvements</li> <li>- New Children's Playground Equipment</li> <li>- New Benches &amp; Tables</li> <li>- Misc. Park Amenities</li> </ul>
<p><b>JM Park</b></p> <ul style="list-style-type: none"> <li>- East Athletic Field Light Renovation</li> <li>- New Basketball Court Lights</li> <li>- Misc. Park Amenities</li> </ul>	<p><b>Riverbend Park</b></p> <ul style="list-style-type: none"> <li>- Irrigation System, Turf, &amp; Landscaping</li> <li>- Portable Backstops &amp; Bleachers</li> <li>- Roadway Improvements</li> <li>- Portable Concession Stand</li> <li>- Misc. Park Amenities</li> </ul>
<p><b>Ken Adam Park</b></p> <ul style="list-style-type: none"> <li>- Enhance the Group BBQ Area</li> <li>- New Children's Playground Equipment</li> <li>- Roadway Improvements</li> <li>- Misc. Park Amenities</li> </ul>	<p><b>Ryon Memorial Park</b></p> <ul style="list-style-type: none"> <li>- Group Picnic Area Improvements</li> <li>- Stage Improvements</li> <li>- Misc. Park Amenities</li> </ul>

## ESTIMATE OF COSTS

## FIGURE 2 – ESTIMATE OF COSTS FOR FISCAL YEAR 2008-09

CITY OF LOMPOC  
Park Maintenance and City Pool Assessment District No. 2002-1  
Estimate of Cost  
Fiscal Year 2008-09

		<i>Total Budget</i>
Beginning Fund Balance		\$13,428
Installation, Maintenance & Servicing Costs <sup>1</sup>		
Aquatic Center Debt Service		\$616,828
Aquatic Center Operations		\$549,856
Community Center (Senior Center)		\$2,350,000
PAL Youth Center		\$120,000
Pocket Park (Negus/Balaam) - Old Town		\$600,718
Fire & Security Alarm Systems (Civic Auditorium, Andersen Rec. Ctr., Aquatic Ctr.)		\$172,886
Ball Field Lighting (Ryon & Thompson Parks)		\$231,656
Draperies (Civic Auditorium)		\$7,608
Park Lighting Safety and Enhanced Park Maintenance		\$65,252
Totals for Installation, Maintenance and Servicing		\$4,714,804
Less: City Contribution <sup>2</sup>		(\$4,463,619)
Net Cost of Installation, Maintenance and Servicing		\$251,185
Incidental Costs		
County Collection Fees and Levy Administration <sup>3</sup>		\$21,271
Allowance for Uncollectible and Delinquent Assessments		\$5,000
Subtotals - Incidentals		\$26,271
Less: Beginning Fund Balance		(\$13,428)
Total Park Maintenance and Recreation Improvement District Budget <sup>4</sup>		\$264,028
(Net Amount to be Assessed)		
Budget Allocation to Property		
<b>Total Budget *</b>	<b>SFE Units</b>	<b>Rate per SFE Unit**</b>
\$264,028	11,781.00	\$22.41

Notes to Estimate of Cost:

1. The projects listed include projects continued from FY06-07.
2. Of the total \$4,741,075 cost for installation, maintenance, servicing, and incidental expenses the amount of \$948,215, or 20%, is for general benefits that cannot be assessed to property owners. The FY08-09 City contribution significantly exceeds the general benefit obligation.
3. The Santa Barbara County Auditor levy collection fee is \$1.00 for the FY 08-09 levy collection.
4. The Act stipulates that proceeds from the assessments be deposited to a special fund for the revenues and expenditures of the Assessment District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of fiscal year, June 30, must be carried over to the next fiscal year. The City may also establish a reserve fund for contingencies and special projects as well as a capital improvement fund for accumulating funds for larger capital improvement projects or capital renovation needs.

## METHOD OF ASSESSMENT APPORTIONMENT

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### METHOD OF APPORTIONMENT

This section of the Engineer's Report includes an explanation of the benefits derived from the installation, maintenance, and servicing of park and recreation facilities and improvements, and the methodology used to apportion the total assessment to properties within the Assessment District.

The Assessment District consists of all Assessor Parcels within the boundaries of the City of Lompoc, and other properties currently applying for annexation to the City as defined by the County of Santa Barbara tax code areas and/or the City boundaries. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the installation, maintenance and servicing of improvements to be funded by the assessments, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

### DISCUSSION OF BENEFIT

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

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

*"The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) [of the Streets and Highways Code, State of California]."*

Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

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

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

Seven benefit categories have been established that represent the types of special benefit to residential, commercial, industrial, institutional and other lots and parcels resulting from the installation, maintenance, and servicing of parks and recreation improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies, which describe the types of special benefit received by property from maintenance and improvements such as those proposed by the Assessment District. These types of special benefit are summarized as follows:

- Enhanced recreational opportunities and expanded access to recreational facilities for all residents throughout the Assessment District.

Residential properties benefit from the enhanced recreational opportunities offered by the improvements and maintenance services that would be made throughout the Assessment District. These maintenance and improvement services include, among others, new playground equipment, new parks and recreational facilities, improved playcourt, playfield and turf areas, new trees and landscaping, improved parks and recreation facilities, and higher levels of maintenance and watering than would be provided in absence of the assessment. These improved park facilities will be available to residents and guests of property owners within the Assessment District, thereby making the community more desirable and making properties in the Assessment District more valuable.

Non-residential properties also will benefit from the improved park facilities in many ways. Employees will enjoy expanded, improved and well-maintained facilities for exercise, recreational activities, sporting events, picnics, company gatherings, or other uses. These improvements, therefore, enhance an employer's ability to attract and keep quality employees. The benefits to employers ultimately flow to the property because better employees improve the business prospects for companies and ultimately benefit the property by making it more valuable.

In "Trends: Parks, Practice and Program" by Love, L. and Crompton, J. (1993) the authors found that:

*"The provision of parks and recreation services play an influential role in a community's economic development efforts. When companies choose to set up business or relocate, the availability of recreation, parks and open space is high on the priority list for site selection. Recreation and parks have a significant influence on people's preferred living locations."*

Properties in the Assessment District will specially benefit from the assessments that will be used to ensure that public recreational facilities, parks, open space areas, playfields, trails and other public resources are expanded, safe and well maintained.

- Protection of views, scenery, and other resources values and environmental benefits enjoyed by residents, employees, customers and guests and preservation of public assets maintained by the Assessment District.

The Assessment District provides funding to protect and improve the public resources and facilities of the City. For example, the assessments provide funding to remove graffiti from City facilities, to keep the City's park grounds clean with consistent trash removal and to adequately maintain the grounds and facilities so that turf areas remain green and healthy and the grounds and facilities of the City do not fall into disrepair. The Assessment District also provides funding for the maintenance and preservation of new public resources.

With regard to the environmental benefits of parks and the public vegetation they support, the Florida District of Natural Resources found that:

*"In a District environment, every tree is worth \$275 in benefits each year due to reductions in air-conditioning costs, erosion control, wildlife protection, and air pollution control."*

This specially benefits properties in the City by protecting, maintaining and improving the public parks and recreation resources in the community, as well as ensuring that such resources remain safe and well maintained.

- Increased economic activity.

Well-maintained, expanded, and improved park facilities will allow for expansion of recreation programs and increased use of the facilities. Expanded use and activities facilitated by new and refurbished facilities bring greater numbers of people to the area who can utilize the services of businesses within the Assessment District. The users of the City's recreational facilities will be more likely to shop and eat locally. Increased use

leads to increased economic activity in the area, which ultimately benefits residential, commercial, industrial and institutional property.

*"California's public parks generate more than \$35 million annually from businesses for local events. Visitors to public parks and outdoor recreation areas support approximately 235,000 jobs in California's economy." (California Park and Recreation Society)*

- Expanded employment opportunity.

Improved recreational facilities and public resources foster business growth which, in turn, creates additional employment opportunities for Assessment District residents. In addition, the assessments expand local employment opportunities by funding new projects that will create the need for additional construction or maintenance jobs.

Improved and well-maintained recreational facilities also provide business properties with an opportunity to attract and keep employees due to the benefits provided by these recreational facilities.

The California Park and Recreation Society, in 1997 found that:

*"Recreation and park amenities are central components in establishing the quality of life in a community, [businesses'] main resource is their employees for whom quality of life is an important issue. The availability and attractiveness of local parks and programs influences some companies relocation decisions and the presence of a park encourages real estate development around it."*

- Reduced cost of local government for law enforcement, public health care, fire prevention, and natural disaster response.

High quality recreational facilities allow residents and employees in the Assessment District to enjoy activities close to home, thereby not spending time driving to other areas.

Improved and well-maintained recreational facilities can also serve to improve public safety and reduce the cost to local government by providing a healthy alternative for youth and adult activities. Studies have shown that adequate park and recreation facilities and recreation programs help to reduce crime and vandalism.

*"The Phoenix (AZ) Parks, Recreation and Library District (1994), when expanding its late night/weekend activities over the summer months, found that such programs result in a 52% reduction in juvenile crime. Such programs were provided at a cost of 74 cents per person whereas the cost to incarcerate one teen for one year is \$38,000."*

*"It is estimated that every additional mile walked by a sedentary person adds 20 minutes to the person's life and saves society 34 cents in medical and related costs. (RAND Corporation, 1993)"*

*"Exercise derived from recreational activities lessens health related problems and subsequent health care costs. Every year, premature deaths cost American companies an estimated 132 million lost work days at a price tag of \$25 billion. Finding and training replacements costs industry more than \$700 million each year. In addition, American businesses lose an estimated \$3 billion every year because of employee health problems (National Park Service, 1993)."*

All of these factors ultimately specially benefit property by making the community more desirable and property, in turn, more valuable.

- Enhanced quality of life and desirability of the area.

The assessments will provide funding to improve the City's public recreational facilities and to ensure that parks and recreation facilities remain operable, safe, clean and well maintained. Such improved and well-maintained grounds and facilities enhance the overall quality of life and desirability of the area. This is a benefit to residential, commercial, industrial, and other properties.

- Specific enhancement of property values.

The above benefit factors are conferred on property by specifically enhancing property values. For example, the assessments will provide funding to improve the City's public recreational facilities, grounds, and play areas and to ensure that these public resources remain operational, safe, clean, and well maintained. In turn, property values are specifically enhanced by the availability of improved, safe, and well-maintained recreation facilities and public resources within a community. Values of commercial and industrial property increase based on these same elements and the enhanced economic activity derived from the enhanced quality of public resources in the area. The improvements and enhanced maintenance of public resources that would be funded by the Assessment



District confer the special benefit factors listed above. These special benefits ultimately flow to property by specifically or specially enhancing property values.

The correlation between enhanced property values and improved and well-maintained recreational facilities has been documented. The United States Department of the Interior, National Park Service determined that:

*“An investment in parks and recreation helps reduce pollution and noise, makes communities more livable, and increases property value. Parks and recreation stimulate business and generate tax revenues. Parks and recreation help conserve land, energy and resources. Public recreation benefits all employers by providing continuing opportunities to maintain a level of fitness throughout one’s working life, and through helping individuals cope with the stress of a fast-paced and demanding life.”*

Additionally, the National Recreation and Park Association, in June 1985, stated:

*“The recreation value is realized as a rise in the value of land and other property in or near the recreation area, and is of both private interest to the landowner and others, holding an economic stake in the area, and of public interest to the taxpayers, who have a stake in a maximum of total assessed values.”*

Moreover, the Supreme Court of California and the United States Supreme Court have found that improved and well-maintained park facilities confer special benefits to property by enhancing property values. In *Knox v. District of Orland*, 4 Cal.4th 132, 143 (1993) the Supreme Court of California found that:

*“Plaintiff’s basic argument that a special assessment is never appropriate to fund park improvements is unconvincing. Significantly, plaintiff’s attempt to differentiate between street lights, sewers, sidewalks and flood control as constituting proper subjects for special assessment, and public parks as matters of such a general nature as to not justify a special assessment, is virtually identical to an argument rejected nearly a century ago by the United States Supreme Court in *Wilson v. Lambert*.”*

In *Wilson v. Lambert* (1898) 168 U.S. 611, 616 [42 L.Ed. 599, 601, 18S.Ct.217] the United States Supreme Court stated:

*"The residents and property holders in the District of Columbia must be regarded as coming within the class of beneficiaries; and, so far from being injured by the declaration that the park shall also have national character, it is apparent that thereby the welfare of the inhabitants of the District will be promoted. Whatever tends to increase the attractiveness of the city of Washington, as a place of permanent or temporary residence, will operate to enhance the value of private property situated therein or adjacent thereto."*

In addition, professional property appraisers and instructional books on the subject find that well-maintained parks and recreation facilities enhance property values in a community.

*"In Boise, Idaho, over \$10 million has been invested into a greenbelt: the appraised value of undeveloped land near that greenbelt average an estimated 2-to-2.5 times higher than it would without the greenbelt."*

*A 1993 study in Greeley, Colorado suggests that homes located close to quality recreation facilities sold for 8 to 10 percent higher than other homes."*

The cost of improving and maintaining the parks and recreation facilities for use and enjoyment by property owners, residents, employees, and customers in the Assessment District is a special benefit to property in the Assessment District because the improvements and maintenance services confer the special benefits described above. The assessments provide special benefits to properties in the Assessment District by supporting a higher level of park maintenance, recreation facilities and public improvements than would otherwise be provided. These special benefits ultimately flow through property owners to property by specifically enhancing property values in the Assessment District.

## GENERAL VERSUS SPECIAL BENEFIT

The maintenance and improvement of the City's parks and recreational facilities from the assessments also provide a degree of general benefits to the public at large. A measure of this general benefit is the proportionate amount of time that the parks and recreational facilities in the Assessment District are used and enjoyed by individuals who are not residents, employees, customers, or property owners in the Assessment District.<sup>1</sup> A survey of park and recreation facility usage conducted by SCI Consulting Group (formerly Shilts Consultants, Inc.) found that 3% of the City's park and recreation facility usage is by those who do not live or work within proposed Assessment District boundaries.<sup>2</sup> In order to establish a more conservative measure, 10% of the benefits conferred by the proposed maintenance and improvements are determined to be general in nature. (It should be noted, however, that benefit factors such as protection of resource values, reduced cost of local government and specifically enhanced property values are conferred to property in the Assessment District regardless of the use of the parks and facilities. Therefore, this measure of general benefits is also a conservative measure because many special benefit factors are not related to usage by the greater public.)

The family aquatics center is the type of public resource that draws residents from throughout the community. Therefore, the center is deemed to be of benefit to all properties within the City. Due to its "draw" this public improvement may also serve to bring in somewhat higher numbers of people who do not live, work, or shop in the City. Resident/non-resident use statistics vary depending on the specifics of the community such as proximity to other communities and location of other similar aquatics centers. The City of Lompoc is largely separated by distance from other urbanized areas, which will serve to reduce the percentage of non-resident use. Data from other communities deemed to be similar in amenities and location find that the percentage of non-resident use can vary from 15% to approximately 50%. Moreover, data from the closed pool indicates that approximately 20% of the usage was by non-residents. These non-resident facility

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<sup>1</sup> When City facilities are used by those individuals, the facilities are not providing benefit to property within the Assessment District. Such use under these circumstances is a measure of general benefit. For example, a non-resident who is drawn to utilize the Assessment District facilities and shops at local businesses while in the area would provide special benefit to business properties as a result of his or her use of the improvements. Conversely, someone who uses City facilities but does not reside, work, shop or own property within the Assessment District boundaries does not provide special benefits to any property and is considered to be a measure of the general benefits.

<sup>2</sup> A total of 592 park users were surveyed on different days and times during the month of April 2002. 592 respondents 15 (2.5 %) indicated that they did not reside or work within the City.

users were generally from the unincorporated areas of Mission Hills, Vandenberg Village, Mesa Oaks, Vandenberg Air Force Base, and the Santa Ynez Valley. Although the historical factor of 20% is expected, a more conservative non-resident use percentage estimate of 30% will be used in this Report.

Although many of the non-resident users of the City's aquatics facility will shop or work in the community, these unadjusted data will be used as a conservative measure of general benefits. This measure of the general benefits from family aquatics facilities is combined with the findings of the park and recreation facility usage survey to conservatively estimate the overall level of general benefits. Using an equal weighting of both measures of general benefits results in a determination that 20% of the benefits conferred by the proposed maintenance and improvements are general in nature and must be funded by sources other than the assessment.

The proposed Assessment District's total budget for installation, maintenance and servicing of parks and recreational facilities, and incidental expenses is \$4,741,075. Of this total budget amount, the City of Lompoc will contribute \$4,463,619 from sources other than the assessments. This contribution by the City equates to approximately 94% of the total budget for maintenance and improvements and constitutes significantly more than the amount attributable to the general benefits received from the improvements to be made by the Assessment District.

#### **METHOD OF ASSESSMENT**

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

#### **ZONES OF BENEFIT**

The parks and recreation facilities in the Assessment District are geographically dispersed throughout the Assessment District and all properties have good proximity to these public resources. Any benefits of greater proximity to the parks and recreation facilities are

generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that come with increased proximity. Consequently, since all parcels have good access and proximity and the benefits to relatively closer proximity are offset by other factors, proximity is not considered to be a factor in determining benefit to property.

#### **ASSESSMENT APPORTIONMENT**

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

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests who would benefit from well maintained and improved parks and recreational facilities. This benefit ultimately flows to the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

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

The Engineer determined that the appropriate method of assessment should be based on the type of property, the relative size of the property and the potential use of property by residents and employees. This method is further described below.

## RESIDENTIAL PROPERTIES

All improved residential properties that represent a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses, and townhomes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. The population density factors for the City of Lompoc, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain property type in the area of the City from the 1990 Census and dividing it by the total number of such households, finds that approximately 3.01 persons occupy each single family residence, whereas an average of 2.66 persons occupy each multi-family residence. Using the ratio of one Population Factor for each single-family residence equates to one Population Factor for every 3.01 persons. Likewise, each condominium unit receives a 0.95 Population Factor and each mobile home receives a 0.64 Population Factor.

Once established, Population Factors are adjusted to reflect the average structure size of different residential properties. This adjustment is needed because the special benefits are deemed to be relative to the potential population density and average building area per dwelling unit. The average structure size of a single family residence in the Assessment District is 1,341 square feet, whereas the average multi-family residence is 630 square feet per unit, or 47% of the size of a single family residence. Likewise, the average condominium unit is 47% of the size of a single family residence and the average mobile home is 50% of the size of a single family residence. These Square Footage Factors are applied to the Population Factors to determine the SFE benefit factors for residential properties. Accordingly, multi-family properties with a 0.88 Population Factor and a 47% Square Footage Factor will receive a 0.41 SFE.<sup>3</sup> Likewise, condominium units receive a 0.45 SFE and mobile homes on separate parcels receive a 0.32 SFE.

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<sup>3</sup> ( 0.88 \* 47% = 0.41)

FIGURE 3 – RESIDENTIAL SFE ASSESSMENT FACTORS

	<i>Total Population</i>	<i>Occupied Households</i>	<i>Persons per Household</i>	<i>Pop. Density Equivalent</i>	<i>SqFt Factor</i>	<i>SFE Determinate</i>
Single Family Residential	20,250	6,733	3.01	1.00		1.00
Condominium	2,404	840	2.86	0.95	0.47	0.45
Multi-Family Residential	10,585	3,981	2.66	0.88	0.47	0.41
Mobile Home	1,652	857	1.93	0.64	0.50	0.32

Source: 1990 Census, City of Lompoc

The SFE factor of 0.41 per dwelling unit for multifamily residential properties applies to such properties with 20 or fewer units. Properties in excess of 20 units typically offer on-site recreational amenities and other facilities that tend to offset some of the benefits provided by the improvements. Therefore the benefit for properties in excess of 20 units is determined to be 0.41 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

#### COMMERCIAL/INDUSTRIAL PROPERTIES

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single family residential property and the average commercial/industrial property. The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously are also related to the average number of people who work at commercial/industrial properties.

In order to determine employee density factors, the findings from the San Diego Association of Governments Traffic Generators Study (the "SANDAG Study") are used because these findings were approved by the State Legislature as being a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24.

In comparison, the average number of people residing in a single family home in the area is 3.01. Since the average lot size for a single family home in the Assessment District is approximately 0.20 acres, the average number of residents per acre of residential property is 15.04.



The employee density per acre is generally over 1.60 times the population density of single family residential property per acre (24 employees per acre / 15.04 residents per acre). The average employee density can be used as the basis for allocating benefit to commercial or industrial property since a commercial/industrial property with 1.60 employees receives generally similar special benefit to a residential property with 1 resident. This factor of equivalence of benefit between 1 resident to 1.60 employees is the basis for allocating commercial/industrial benefit. Figure 3 shows the average employees per acre of land area or portion thereof for commercial and industrial properties and lists the relative SFE factors per fifth acre for properties in each land use category.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per fifth acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres.

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

**FIGURE 4 – COMMERCIAL/INDUSTRIAL DENSITY AND ASSESSMENT FACTORS**

<b>Type of Commercial/Industrial Land Use</b>	<b>Average Employees Per Acre <sup>1</sup></b>	<b>SFE Units per 1/5 Acre <sup>2</sup></b>
Commercial	24	1.00
Office	68	2.84
Shopping Center	24	1.00
Industrial	24	1.00
Self Storage or Parking Lot	1	0.05

1. Source: San Diego Association of Governments Traffic Generators Study.

2. The SFE factors for commercial and industrial parcels are applied by the quarter acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

#### VACANT PROPERTIES

The benefits to be received from the construction and maintenance of recreational facilities throughout the Assessment District include active benefits, which are related to the use



and enjoyment of property in the Assessment District, and passive benefits, which are related to the underlying land. An example of a passive benefit is enhancement of property value that will accrue to a vacant parcel from the park maintenance and improvements based on its future potential use. Another example of a passive benefit factor is increased economic activity because all properties in areas with increased economic activity are generally more valuable. Undeveloped property also benefits from the installation and maintenance of recreational facilities because when the property is developed, the recreational facilities will be available to the developed property.

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of active benefits. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the assessed valuation data from the County of Santa Barbara, found that 35% of the assessed value of improved properties is classified as the land value. It is reasonable to assume, therefore, that approximately 35% of the benefits are related to the underlying land and 65% are related to the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.35 per parcel.

A vacant property's value increases when it becomes approved for development by local building departments and planning agencies. Likewise, the special benefit received by vacant property increases as the property is approved for development, or becomes closer to being fully improved. When property is approved for development with a final map, the property has passed the final significant hurdle to development and can shortly undergo construction. Since the property is nearing the point of development, its special benefits increase. In addition, these properties are generally sold soon after completion of improvements, so the properties receive the additional benefit of desirability from prospective buyers due to the special benefits provided by improved parks and recreational facilities of the City. It is therefore determined that property with tentative or final map approval receives 25% of the relative benefit per mapped dwelling unit or mapped parcel acreage compared to improved property of similar use-type.

#### OTHER PROPERTIES

Article XIIID stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.

All properties that are specially benefited are assessed. However, public right-of-way parcels; well, reservoir or other water rights parcels that cannot be developed into other

improved uses; limited access open space parcels; watershed parcels; and common area parcels typically do not generate employees, residents, customers, or guests. Moreover, many of these parcels have limited economic value and, therefore, do not benefit from specific enhancement of property value. Such parcels are, therefore, not specially benefited and are not assessed.

Other publicly owned property that is used for purposes similar to private residential, commercial, industrial, or institutional uses is benefited and assessed at the same rate as such privately owned property.

Church parcels and property used for educational purposes typically generate employees on a less consistent basis than other non-residential parcels. Many of these parcels also provide some degree of on-site amenities that serve to offset some of the benefits from the Assessment District. In addition, the City maintains reciprocal use arrangements with many educational properties that allow for the public, recreational use of these properties. Such public use tends to reduce the use and wear of Assessment District facilities. Therefore, these parcels receive minimal benefit and are assessed an SFE factor of 1.

#### APPEALS OF ASSESSMENTS LEVIED TO PROPERTY

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Director of Parks and Recreation or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Director of Parks and Recreation or his or her designee will promptly review the appeal and any information provided by the property owner. If the Director of Parks and Recreation or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Director of Parks and Recreation or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Director of Parks and Recreation or her or his designee shall be referred to the City Council and the decision of the City Council shall be final.

## ASSESSMENT

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**WHEREAS**, on March 4, 2008 the City Council of the City of Lompoc adopted its Resolution initiating proceedings for the formation of a benefit assessment district, pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIII D of the California Constitution, to proceed with the proposed levy of assessments; and

**WHEREAS**, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the improvements upon all assessable parcels within the Assessment District, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars.

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under said Act and the order of the City Council of the City of Lompoc, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for said improvements and the expense incidental thereto, to be paid by the Assessment District for the fiscal year 2008-09 is generally as follows:

**FIGURE 5 – SUMMARY COST ESTIMATE FOR FISCAL YEAR 2008-09**

Park Maintenance and Security	\$65,252
Aquatic Center Debt Service	\$616,828
Parks and Recreation Improvements	\$4,032,724
Incidental Expenses	\$26,271
Total Budget	\$4,741,075
Less:	
Beginning Fund Balance	(\$13,428)
City Contribution	(\$4,463,619)
Net Amount to be assessed	\$264,028

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Assessment District. The distinctive number of each parcel or lot of land in the said Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels

and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the Los Angeles-Riverside-Orange County Area as of January of each succeeding year, with the annual adjustment not to exceed 3%. In the event that the annual change in the CPI exceeds 3%, any percentage change in excess of 3% may be cumulatively reserved and added to the annual change in the CPI for years in which the CPI change is less than 3%. The annual change in the Los Angeles Area CPI from January 2007 to January 2008 was 3.95%. Therefore the total SFE rate is authorized to increase by the full 3% from the maximum rate of \$21.76 per SFE in Fiscal Year 2007-08 to \$22.41 per SFE in Fiscal Year 2008-09 and 0.95% will be cumulatively reserved and added to the CPI in the future when the annual change in the CPI is less than the 3%, subject to City Council approval. The proposed SFE rate of \$22.41 for Fiscal Year 2008-09 is the maximum authorized rate for Fiscal Year 2008-09.

The assessment is made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land from said improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Barbara for the fiscal year 2008-09. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of Santa Barbara County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll the amount of the assessment for the fiscal year 2008-09 for each parcel or lot of land within the said Assessment District.

Dated: May 8, 2008

Engineer of Work

By \_\_\_\_\_  
John Bliss, License No. C052091

## CERTIFICATES

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1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the City Council of the City of Lompoc on March 4, 2008.

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Engineer of Work, License No. C052091

2. I, the City Clerk, City of Lompoc, County of Santa Barbara, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with the Director of Parks and Recreation on May\_\_\_\_2008.

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City Clerk, City of Lompoc

3. I, the City Clerk, City of Lompoc, County of Santa Barbara, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the City Council on \_\_\_\_\_ 2008, by Resolution No. \_\_\_\_\_.

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City Clerk, City of Lompoc

4. I, the City Clerk, City of Lompoc, County of Santa Barbara, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the Auditor/Controller of the County of Santa Barbara, California, on \_\_\_\_\_, 2008.

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City Clerk, City of Lompoc

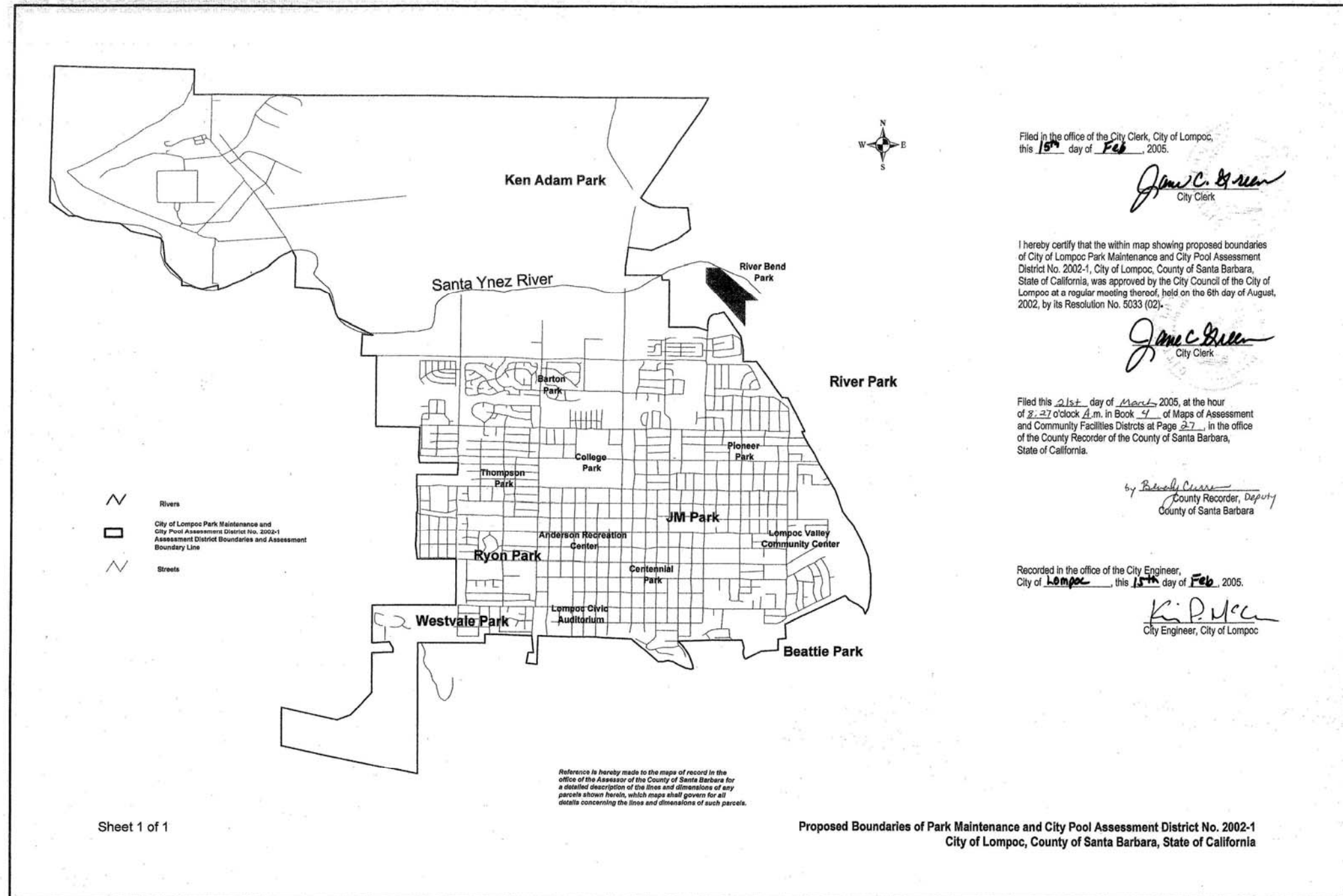
5. I, the Auditor/Controller of the County of Santa Barbara, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2008-09 was filed with me by the City Clerk of the City of Lompoc on \_\_\_\_\_, 2008.

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County Auditor, County of Santa Barbara

# ASSESSMENT DIAGRAM

The Assessment District includes all properties within the boundaries of the Assessment Diagram. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Santa Barbara, for fiscal year 2008-09, and are incorporated herein by reference, and made a part of this Diagram and this Report.



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## **ASSESSMENT ROLL, FISCAL YEAR 2008-09**

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An Assessment Roll (a listing of all parcels within the Assessment District and the amount of the proposed assessment) is filed with the Management Services Director for the City of Lompoc and is, by reference, made part of this report and available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by this reference, made part of this report. These records shall govern for all details concerning the description of the lots or parcels.